

1 Human Services Department

2

3 Adopted Rules Governing Child Support Incentive Awards

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5 Rules as Adopted

6 CHILD SUPPORT INCENTIVE AWARD

7 9500.1800 DEFINITIONS.

8 Subpart 1. Scope. As used in parts 9500.1810 to
9 9500.1821, the following terms have the meanings given them.

10 Subp. 2. AFDC collections. "AFDC collections" means money
11 paid by an individual to a county IV-D agency to satisfy an
12 assignment of support obligation under Code of Federal
13 Regulations, title 45, section 232.11, or United States Code,
14 title 42, section 671(a)(17).

15 Subp. 3. Collections. "Collections" means AFDC
16 collections and non-AFDC collections.

17 Subp. 4. County IV-D agency. "County IV-D agency" means
18 the county agency responsible for child support enforcement to
19 whom collections are paid.

20 Subp. 5. County IV-D costs. "County IV-D costs" means the
21 expenditures reported quarterly by a county IV-D agency to the
22 department for the operation of the county child support
23 enforcement program minus amounts reported for fees, interest
24 collected, and recovered costs.

25 Subd. 6. County IV-D agency quarterly incentive
26 award. "County IV-D agency quarterly incentive award" means the
27 amount of money determined quarterly by the department to
28 reimburse the county for a portion of its contribution toward
29 AFDC assistance payments.

30 Subp. 7. Department. "Department" means the Minnesota
31 Department of Human Services.

32 Subp. 8. Dollar amount. "Dollar amount" means the amount
33 of money calculated according to part 9500.1811 which is used to
34 determine a county IV-D agency's quarterly incentive award under
35 parts 9500.1815 and 9500.1820.

36 Subp. 9. Federal fiscal year or FFY. "Federal fiscal

1 year" or "FFY" means the period from October 1 of each year
2 through September 30 of the next year.

3 Subp. 10. Fees. "Fees" means money paid by individuals to
4 a county IV-D agency for child support enforcement services.

5 Subp. 11. Interest collected. "Interest collected" means
6 the money collected by a county IV-D agency from the obligor
7 which represents a charge for a late payment and which is
8 calculated as a percent of the money owed by the obligor for a
9 certain time period.

10 Subp. 12. Non-AFDC collections. "Non-AFDC collections"
11 means the money paid by individuals to a county IV-D agency to
12 satisfy support obligations which have not been assigned under
13 Code of Federal Regulations, title 45, section 232.11, and
14 United States Code, title 42, section 671(a)(17).

15 Subp. 13. Quarter. "Quarter" means one-fourth of the
16 federal fiscal year with the following starting and ending dates:

17 A. October 1 through December 31;

18 B. January 1 through March 31;

19 C. April 1 through June 30; and

20 D. July 1 through September 30.

21 Subp. 14. Ratio. "Ratio" means the quotient of the total
22 of a county IV-D agency's collections for a quarter divided by
23 the total of that county IV-D agency's county IV-D costs less
24 optional subtractions from county IV-D costs for that quarter.
25 This total is then truncated at one decimal place.

26 Subp. 15. Recovered costs. "Recovered costs" means a
27 refund paid by an individual or a governmental agency to a
28 county IV-D agency for county IV-D costs.

29 Subp. 16. State's quarterly incentive award. "State's
30 quarterly incentive award" means the grant award issued
31 quarterly by the federal government to the department to
32 reimburse the county for a portion of its share of AFDC
33 assistance payments.

34 9500.1805 PURPOSE AND EFFECT.

35 Subpart 1. Purpose. The purpose of parts 9500.1800 to
36 9500.1821 is to encourage county IV-D agencies to make maximum

1 child support collections in a cost effective manner through a
2 financial incentive to counties according to Code of Federal
3 Regulations, title 45, sections 302.55 and 303.52.

4 Under parts 9500.1800 to 9500.1821, county IV-D agencies
5 are rewarded proportionately more as their collections increase
6 and their costs decrease.

7 The reward the county IV-D agencies receive is in the form
8 of money a county would otherwise have to pay as its portion of
9 aid to families with dependent children assistance payments.

10 Subp. 2. Effect. Parts 9500.1800 to 9500.1821 apply to
11 all Minnesota county human services or welfare departments.
12 Effective October 1, 1985, the state will receive incentive
13 payments from the federal government which will be passed
14 through to the counties.

15 The extent to which a county IV-D agency is making maximum
16 child support collections in a cost effective manner is measured
17 by determining ratios of collections to costs for each county.

18 Ratios are translated into a percent and then into a dollar
19 amount subject to certain limitations. Each county's
20 proportionate share of the state's quarterly incentive award is
21 then determined with adjustments to quarterly estimates made at
22 the end of each federal fiscal year.

23 Parts 9500.1820 and 9500.1821 provide for an alternative
24 award determination and redetermination formula for the first
25 two years of the new award system to allow time for the less
26 effective and efficient counties to improve ratios to the point
27 that they may earn higher incentive awards under the new system.

28 9500.1810 RATIO DETERMINATION.

29 Subpart 1. Time frame. The department shall use the
30 county IV-D costs and collections reported by a county IV-D
31 agency to the department in a quarter to determine the ratio for
32 that quarter.

33 Subp. 2. Collections credited to the county IV-D agency
34 that makes collections on behalf of another Minnesota county
35 IV-D agency. Each county IV-D agency shall identify collections
36 made on behalf of another Minnesota county IV-D agency and shall

1 credit those collections only to the county IV-D agency that
2 makes the collection.

3 Subp. 3. Optional subtractions from county IV-D costs. At
4 the option of the county IV-D agency, certain costs incurred and
5 reported to the department in determining paternity may be
6 subtracted from county IV-D costs. These costs are costs
7 incurred for:

- 8 A. drawing and shipping blood;
- 9 B. testing and retesting blood; and
- 10 C. human leucocyte antigen (HLA) testing.

11 Subp. 4. Separate ratios. The department shall determine
12 separate ratios for AFDC and non-AFDC collections.

13 Subp. 5. Ratio to percent. Based on ratios determined
14 under subparts 1 to 4, the department shall use the following
15 schedule to determine the corresponding percent of a county IV-D
16 agency's collections to be used in determining each county IV-D
17 agency's dollar amounts under part 9500.1811.

18	Ratio	Percent
19		
20	.1 or less	3.0
21	at least .2	3.5
22	.4	4.0
23	.6	4.5
24	.8	5.0
25	1.0	5.5
26	1.2	6.0
27	1.4	6.5
28	1.6	7.0
29	1.8	7.5
30	2.0	8.0
31	2.2	8.5
32	2.4	9.0
33	2.6	9.5
34	2.8 or more	10.0
35		

36 9500.1811 QUARTERLY DETERMINATION OF DOLLAR AMOUNTS.

37 The department shall determine a county IV-D agency's
38 quarterly AFDC dollar amount by multiplying the county's AFDC
39 collections by the percent determined under part 9500.1810,
40 subpart 5. The department shall determine a county IV-D
41 agency's quarterly non-AFDC dollar amount by multiplying the
42 county's non-AFDC collections by the percent determined under
43 part 9500.1810, subpart 5.

44 9500.1812 LIMIT ON QUARTERLY DETERMINATION OF DOLLAR AMOUNT OF

1 NON-AFDC COLLECTIONS.

2 The department shall limit each quarterly determination of
3 the dollar amount of non-AFDC collections for each county IV-D
4 agency as determined under part 9500.1811, to a percentage of
5 its quarterly AFDC dollar amount as follows:

- 6 A. up to 100 percent in FFY 1986 and FFY 1987;
- 7 B. up to 105 percent in FFY 1988;
- 8 C. up to 110 percent in FFY 1989; and
- 9 D. up to 115 percent in FFY 1990 and thereafter.

10 9500.1815 DISTRIBUTION FORMULA.

11 The department shall determine each county IV-D agency's
12 share of the state's quarterly incentive award for AFDC
13 collections and each county IV-D agency's share of the state's
14 quarterly incentive award for non-AFDC collections according to
15 the formula in items A to F. Within 45 working days after the
16 end of the quarter, the department shall inform each county IV-D
17 agency of the determinations. The department shall add the AFDC
18 and non-AFDC determinations for each county and pay the total
19 amount to that county.

20 A. Add all county IV-D agency quarterly AFDC dollar
21 amounts as determined in part 9500.1811.

22 B. Divide the state's quarterly AFDC incentive award
23 by the total obtained in item A.

24 C. Multiply the quotient obtained in item B by each
25 county IV-D agency's quarterly AFDC dollar amount as determined
26 under part 9500.1811.

27 D. The product obtained in item C is the county IV-D
28 agency's quarterly AFDC incentive award.

29 E. To determine a county IV-D agency's quarterly
30 non-AFDC incentive award, the department shall follow the steps
31 in items A to C except that it shall use the county IV-D
32 agency's quarterly non-AFDC dollar amounts in item A instead of
33 AFDC dollar amounts, subject to the limitations of part
34 9500.1812.

35 F. The county IV-D agency's quarterly incentive
36 awards determined in items D and E are subject to the

1 determinations in parts 9500.1817 to 9500.1821.

2 9500.1817 ADJUSTMENTS.

3 Within 30 working days after the department receives the
4 state's quarterly incentive award for the last quarter of the
5 federal fiscal year that adjusts the estimated federal quarterly
6 incentive awards received by the state to the actual incentive
7 award earned by the state under Code of Federal Regulations,
8 title 45, section 303.52(c)(3), the department shall notify each
9 county IV-D agency of any increase or decrease in the county
10 IV-D agency's next quarterly incentive award. This increase or
11 decrease must be added to or subtracted from the state's
12 quarterly incentive award for the next quarter as determined in
13 part 9500.1815.

14 9500.1820 FEDERAL FISCAL YEAR 1986 AND 1987 ALTERNATIVE
15 INCENTIVE AWARD DETERMINATION.

16 For federal fiscal years 1986 and 1987, the department
17 shall determine the yearly incentive awards for county IV-D
18 agencies according to items A to H.

19 A. Determine each county IV-D agency's yearly
20 incentive award according to United States Code, title 42,
21 section 658 as effective for federal fiscal year 1985.

22 B. Multiply each of the amounts determined in item A
23 by 0.80.

24 C. Multiply each of the amounts in item A by 0.81.

25 D. Determine an incentive award for each county
26 according to part 9500.1817.

27 E. Designate as a county IV-D agency's incentive
28 award the higher of the results obtained under items B and D.

29 F. Identify those county IV-D agency incentive awards
30 from item E whose corresponding incentive award under item B is
31 higher than the result obtained under item D.

32 G. Identify those county IV-D agency incentive awards
33 from item E whose corresponding incentive award in item D is
34 higher than in item C.

35 H. If a county IV-D agency's incentive award is not

1 in item F or G, then the incentive award is the determination
2 made in item B.

3 I. No further determinations are necessary if all
4 incentive awards are included in item F.

5 J. All incentive awards must be redetermined
6 according to part 9500.1821 if one or more incentive awards are
7 included in item G.

8 9500.1821 REDETERMINATION OF INCENTIVE AWARDS FOR FEDERAL FISCAL
9 YEARS 1986 AND 1987.

10 When directed by part 9500.1820, item J, the department
11 shall make the following redeterminations.

12 A. Add the incentive awards identified under part
13 9500.1820, items F and H. This amount equals 80 percent of what
14 the incentive award would be if determined under the incentive
15 award system in effect for federal fiscal year 1985.

16 B. Add the incentive awards identified under part
17 9500.1820, item G.

18 C. Add the totals obtained in items A and B.

19 D. Subtract the total obtained in item C from the
20 state's yearly incentive award.

21 E. Divide the result, without regard to sign,
22 obtained in item D by the total obtained in item B.

23 F. Multiply the quotient obtained in item E by each
24 county IV-D agency's incentive award included from item B.

25 G. Add the products in item F.

26 H. Item G is the redetermination adjustment to be
27 subtracted from those counties identified in item B.

28 I. To apply the redetermination adjustment for those
29 counties of item A, subtract their award from part 9500.1817
30 from the total identified in item A. This is the amount that is
31 to be paid to the counties.

32

33 EFFECTIVE DATE. Parts 9500.1800 to 9500.1821 are effective
34 October 1, 1985.