



## Ohio Administrative Code Rule 5101:12-1-54 Incentive payment.

Effective: December 1, 2016

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(A) This rule and its supplemental rules describe the calculation and distribution of the Ohio incentive payment from the federal office of child support enforcement (OCSE) to the state of Ohio, and the incentive payment from the Ohio department of job and family services (ODJFS) to the child support enforcement agency (CSEA).

(B) The following definitions apply to this rule and its supplemental rules:

(1) "Federal fiscal year" means the twelve-month time period beginning October first and ending September thirtieth.

(2) "Performance category" means the following child support program areas:

(a) Establishment of paternity;

(b) Establishment of support orders;

(c) Collection of current support;

(d) Collection of past-due support; and

(e) Cost effectiveness.

(3) "Performance year" means the twelve-month time period ending September thirtieth of each year during which each CSEA's performance is measured. The performance year corresponds to the federal fiscal year, to the period of measurement of Ohio's performance by OCSE, and to the period of review for the annual self-assessment.

(C) Calculation of the Ohio incentive payment.



(1) In accordance with 42 U.S.C. 658a, as in effect January 1, 2009, OCSE determines the amount of the incentive payment for a state. The incentive payment for a federal fiscal year is equal to the incentive payment pool for the federal fiscal year, multiplied by the state incentive payment share for the federal fiscal year.

(a) The incentive payment share is the incentive base amount for a state for the federal fiscal year divided by the sum of the incentive base amounts for all of the states for the federal fiscal year.

(b) The incentive base amount is the sum of the applicable percentages, as determined in 42 U.S.C. 658a, multiplied by the corresponding maximum incentive base amounts for a state for the fiscal year, with respect to the state's measure of performance in each performance category during the federal fiscal year.

(2) The state collections base for a federal fiscal year is determined by using the following formula:

$(2 \times (\text{current assistance collections} + \text{former assistance collections} + \text{medicaid collections})) + \text{never assistance collections} + \text{fees retained by other states}.$

(3) The per cent contributed in each performance category to the total Ohio incentive base amount is determined by using the following formula:

$\frac{\text{Maximum incentive base amount in each performance category}}{\text{total Ohio maximum incentive base amount}}.$

(4) The amount of the Ohio incentive payment for each performance category is determined by using the following formula:

$\text{Per cent contributed in each performance category} \times \text{total Ohio incentive payment}.$

(5) The amount of the federal incentive payment distributed to a state is an estimated amount. The actual amount of the federal incentive payment earned by a state is unknown until the end of the federal fiscal year and completion of calculations for the state data reliability audit. In accordance



with the processes described at 45 C.F.R. part 305, as in effect on October 1, 2009, the final, reconciled amount would then include any necessary adjustments as a result of any previous federal incentive payment overpayments or underpayments.

(6) Payment eligibility requirements.

(a) Payment of the incentive payment is contingent on a state's data being determined complete and reliable by federal auditors in the annual data reliability audit.

(b) State data necessary to calculate a state's performance level for the incentive payment and penalties for each federal fiscal year must be submitted to OCSE by December thirty-first, which is the end of the first quarter of the next federal fiscal year.

(D) Distribution of the Ohio incentive payment.

(1) Ten per cent of the total amount of the Ohio incentive payment shall be retained by ODJFS for the provision of statewide IV-D services.

(2) Ninety per cent of the total amount of the Ohio incentive payment shall be distributed to the CSEAs to administer the local IV-D program.

(E) Payment to the CSEA.

ODJFS shall pay the CSEA through the child support administrative draw, as described in rule 5101:9-7-02 of the Administrative Code. Payments made in accordance with rule 5101:9-7-02 of the Administrative Code shall be calculated in accordance with the terms of this rule beginning January 1, 2011. In accordance with paragraph (C)(5) of this rule, the CSEA incentive payment distributed to each CSEA throughout the calendar year is an estimated amount. The actual amount of the CSEA incentive payment earned by a CSEA is unknown until the annual incentives reconciliation for the federal fiscal year occurs. In accordance with paragraph (C)(5) of this rule, the final amount would include any necessary adjustments as a result of any previous federal incentive payment overpayments or underpayments. At the close of the federal fiscal year, a comparison is made between the estimated federal incentive payment and the actual federal incentive payment earned by



the state. When the comparison indicates that the estimated amount exceeds the actual amount earned by the state and a deficiency exists, ODJFS will adjust the county allocation in the succeeding months. When the comparison indicates that the actual amount earned exceeds the estimated amount and a surplus exists, ODJFS will make a one-time payment to the CSEA through the administrative advance process.

(F) Requirements for use of federal incentives.

(1) In accordance with section 5101.23 of the Revised Code and 45 C.F.R. 305.35, as in effect on October 1, 2009, incentive funds shall only be spent for allowable Title IV-D expenditures unless approval is received from the federal department of health and human services.

(2) In accordance with 45 C.F.R. 305.35, as in effect on October 1, 2009, state IV-D expenditures may not be reduced as a result of the receipt and reinvestment of incentive payments. A base amount will be determined by subtracting the amount of incentive funds received and reinvested in the state IV-D program for federal fiscal year 1998 from the total amount expended by the state in the IV-D program during the same period. States have an option of using the average amount of the previous three federal fiscal years as a base amount. This base amount of state spending must be maintained in future years. Incentive payments under this paragraph must be used in addition to, and not in lieu of, the base amount.

(3) In accordance with 45 C.F.R. 305.35(c) and 45 C.F.R. 305.35(d), as in effect on October 1, 2009, a CSEA may not reduce its IV-D expenditures as a result of receipt and reinvestment of incentive payments. An evaluation of IV-D expenditures reported on the JFS 02750, "Child Support Administrative Fund Monthly Financial Statement" (effective or revised effective date as identified in rule 5101:12-1-99 of the Administrative Code), will be developed to establish a base period using an average of the three previous federal fiscal years. This average will be the IV-D expenditures level that must be maintained in future years. Incentive payments must be used in addition to, and not in lieu of, the base amount.