



# WASHINGTON STATE

## Child Support Federal Performance Incentives

### Frequently Asked Questions

#### What are performance incentive payments?

Incentives are amounts of money that the federal government pays to states for running an effective child support program, based on the provisions of 42 U.S.C. 658a.

#### How do states receive performance incentive payments?

- 1.) A state must pass an annual data reliability audit and review.
- 2.) Performance is measured in 5 key areas
  - a. paternity establishment
  - b. order establishment
  - c. collection on current support cases
  - d. cases paying towards arrears
  - e. cost effectiveness
- 3.) States are paid from a capped pool of incentive funds
- 4.) Any incentives a state receives must be reinvested in the state's child support program

#### Where does the money come from?

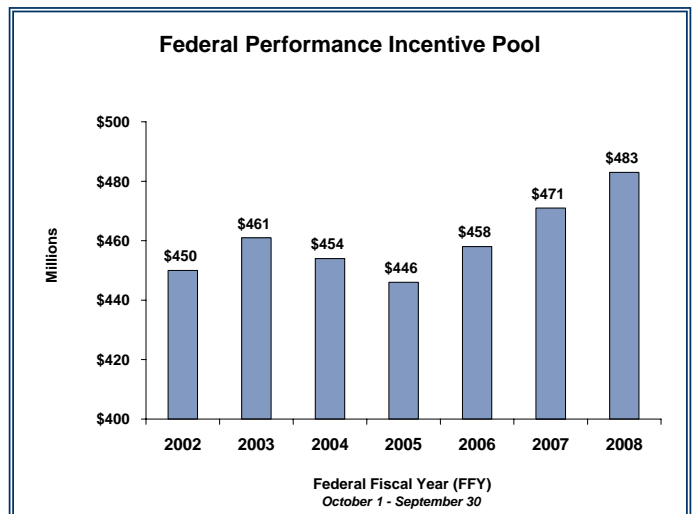
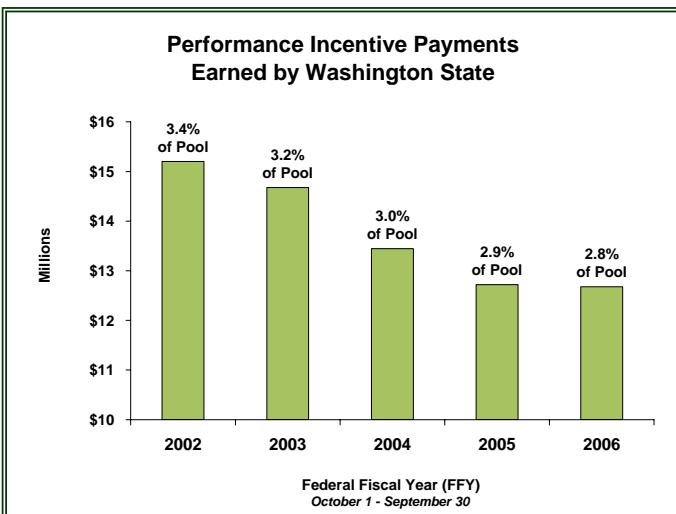
Funding for the incentive payments comes from the Federal Budget general fund. Although the law providing for incentive payments is found in the Social Security Act, social security tax payments do not fund the incentives. Social Security tax payments go to the Social Security trust fund which is a separate account.

#### How is the incentive amount determined?

The funds available for incentive payments are authorized and distributed according to Federal law. Federal law caps the total amount available for distribution nationally and then sets the formula, including performance rates on each of the incentive measures, that determines the allocation to each state.

#### Is the incentive pool likely to grow?

Congress authorized fixed dollar amounts for the incentive payment pool through 2008. After that, the incentive pool is multiplied by the percentage increase in the consumer price index (CPI) between the two preceding years. For example, for fiscal year 2009, if the CPI increases by one percent between fiscal years 2007 and 2008, the incentive pool for 2009 would increase one percent over the 2008 incentive payment pool amount.



#### Why do county clerks share in incentive payments?

Federal rules require that states share incentive payments with political subdivisions that help them carry out the activities required under the state child support enforcement plan. Each state develops its own formula to determine the amount of money that is shared. In Washington the formula involves determining what percentage of court pleadings in a county relate to child support and what costs are involved in processing those pleadings. Counties submit monthly invoices to the state to claim payments.