

Did You Know...



Federal Performance Measures in a Nutshell

DCSS implemented the incentive funding system based on program performance as required by The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). The Child Support Performance and Incentive Act of 1998 enacted significant changes in the way federal incentives are paid to states. The methodology changed from being based on cost-effectiveness only, to five federal performance measures implemented over a three year period, beginning October 1, 1999. The federal Office of Child Support Enforcement's (OCSE) Action Transmittal 01-01, dated January 3, 2001 contains the federal regulations that govern the system. Since Federal Fiscal Year 2000, states are evaluated for federal incentive funds based on five performance measures:

1. Paternity Establishment Percentage

- The "IV-D Paternity Establishment Percentage" (PEP) measures the total number of children in the IV-D caseload in the fiscal year (or, at the option of the State, as of the end of the fiscal year) who have been born out-of-wedlock and for whom paternity has been established, compared to the total number of children in the IV-D caseload as of the end of the preceding fiscal year who were born out of wedlock, expressed as a percent;

OR

- The "Statewide Paternity Establishment Percentage" measures the total number of children born out-of-wedlock for whom paternity was acknowledged or established in the fiscal year compared to the total number of children in the state born out-of-wedlock during the preceding fiscal year, expressed as a percentage.

IV-D PEP

Minimum threshold: 50% + 2-6% increase annually if under 90%

California's Performance:

FFY 2007	91.3%	FFY 2004	87.6%
FFY 2006	90.3%	FFY 2003	87.0%
FFY 2005	86.0%	FFY 2002	77.5%

Statewide PEP

Minimum threshold: 50% + 2-6% increase annually if under 90%

California's Performance:

FFY 2007	106.7%	FFY 2004	117.8%
FFY 2006	109.9%	FFY 2003	105.9%
FFY 2005	106.5%	FFY 2002	108.7%

2. Percent of Cases with a Child Support Order

This data element measures cases with support orders as compared with the total caseload. Support orders are broadly defined as all legally enforceable orders, including orders for medical support only, and zero support orders, expressed as a percentage.

Minimum threshold: 50% or 5% increase annually

California's Performance:

FFY 2007	82.1%	FFY 2004	78.1%
FFY 2006	80.6%	FFY 2003	76.4%
FFY 2005	80.3%	FFY 2002	75.3%

3. Current Collections Performance

This performance standard measures the amount of current support collected as compared to the total amount of current support owed, expressed as a percentage.

Minimum threshold: 40%

California's Performance:

FFY 2007	51.5%	FFY 2004	48.0%
FFY 2006	50.4%	FFY 2003	45.2%
FFY 2005	49.3%	FFY 2002	42.4%

4. Arrearage Collections Performance

This performance standard measures the number of cases with child support arrearage collections as compared with the number of cases owing arrearages during the federal fiscal year, expressed as a percentage.

Minimum threshold: 40%

California's Performance:

FFY 2007	57.1%	FFY 2004	54.9%
FFY 2006	56.5%	FFY 2003	55.4%
FFY 2005	56.0%	FFY 2002	54.9%

5. Cost Effectiveness Performance Level

This measure compares the total amount of distributed collections to the total amount of expenditures for the fiscal year, expressed as distributed collections per dollar of expenditure.

Minimum threshold: \$2.00

California's Performance:

FFY 2007	\$2.01	FFY 2004	\$2.12
FFY 2006	\$2.03	FFY 2003	\$2.31
FFY 2005	\$2.15	FFY 2002	\$2.23

Data Reliability

In addition to meeting these performance goals, for purposes of incentives and penalties, data must meet a 95 percent standard of reliability beginning in the fiscal year 2001. Reliable data means the most recent data available found by the Secretary to be reliable for the purposes of computing each of the Federal performance measures. Data must be found to be sufficiently complete and error free to be convincing for their purpose and context. Federal auditors are required to conduct audits to assess completeness, reliability, and security of the data, and the accuracy of the reporting systems used in calculating performance indicators.

Failure to meet the five federal performance standards or the 95 percent data reliability standard puts California at risk of losing eligibility for incentive funds and incurring significant penalties if no improvement is made during the year.

Penalties

The penalty system is used to penalize states that fail to perform at acceptable levels or fail to submit complete and reliable data. If the state falls below one or more of the performance measures, or does not meet the data reliability criteria, an automatic corrective action period of one year will ensue. If not corrected during that period, a penalty will be imposed at the end of the year. For example, the corrective action period for the data reliability audit done for FFY 2005 ended September 30, 2006. If the state fails the audit in FFY 2007, the penalty would be imposed in FFY 2008. The penalty level by which payments will be reduced is one to two percent of the TANF grant for the first finding; two to three percent for the second consecutive finding; and three to five percent for the third and subsequent consecutive findings. Total penalties may not exceed 25 percent of the TANF grant.