

for the performance year and the job entry rate for the comparison year; and

(4) The Increase in Success in the Work Force Rate means the positive percentage point difference on at least one sub-measure between the success in the work force rate for the performance year and the success in the work force rate for the comparison year. It is composed of two equally weighted sub-measures defined as follows:

(i) The *Increase in the Job Retention Rate* means the percentage point difference between the job retention rate for the performance year and the job retention rate for the comparison year; and

(ii) The *Increase in the Earning Gain Rate* means the percentage point difference between the earnings gain rate for the performance year and the earnings gain rate for the comparison year.

(b) *Ranking of States.* (1) We will measure State performance in the work measures over the course of an entire fiscal year both for the performance year and the comparison year, if applicable.

(2) We will rank the competing States on the work measures for which they:

(i) Indicate they wish to compete; and

(ii) Submit the data specified in § 270.6 within the time frames specified in § 270.11.

(3) We will rank the States on absolute performance in each of the work measures in paragraphs (a)(1) and (a)(2) of this section. For each of the work measures in paragraphs (a)(3) and (a)(4) of this section, we will rank States based on the percentage point change in their improvement rate in the performance year compared to the comparison year. The rank of the performance in paragraphs (a)(2) and (a)(4) of this section will be a composite score of the rank of the job retention and the earnings gain measures.

(4) We will calculate the percentage rate for each work measure to two decimal points. If two or more States have the same absolute or improvement rate for a specific work measure, we will calculate the rates for these States to as many decimal points as necessary to eliminate the tie.

§ 270.6 What data and other information must a State report to us?

(a) *Data for work measures.* (1) If a State wishes to compete on any of the work measures specified in § 270.5(a), it must collect quarterly and report semi-annually for the performance year and, if the State chooses to compete on an improvement measure, the comparison year, the identifying information on all adult TANF recipients as specified in program guidance.

(2) Each State must submit the information in this paragraph for both adult TANF recipients and adult SSP-MOE recipients for whom the State would report the data described in paragraph (b) of this section.

(b) *Data on SSP-MOE programs.* In order to compete on any high performance bonus measure, each State must submit the information in Sections One and Three of the SSP-MOE Data Report as specified in § 265.3(d) of this chapter.

(c) *Data for the Medicaid/SCHIP measures.* If a State wishes to compete on the Medicaid/SCHIP measures in § 270.4(d), it must submit the information that we and CMS will specify.

(d) *Data for the child care measure.* If a State wishes to compete on the child care measure in § 270.4(e), it must report the data as required by the CCDF program and additional data on child care market rates that we will specify.

(e) *Intent to compete.* Each State must notify us on which of the measures it will compete in each bonus year.

§ 270.7 What data will we use to measure performance on the work support and other measures?

(a) We will use Census Bureau data to rank States on their performance on the Food Stamp measures in § 270.4(c) and on the measure of family formation and stability in § 270.4(f). We will also use Census Bureau data, along with other information, to rank States on the child care measure in § 270.4(e). We will rank only those States that choose to compete on these measures.

(b) We will rank State performance on the Medicaid/SCHIP measures in § 270.4(d) based on data submitted by those States that choose to compete on these measures, as determined by matching TANF individuals who were

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enrolled in Medicaid/SCHIP and are no longer receiving TANF assistance with Medicaid/SCHIP enrollment data.

(c) We will rank State performance on the child care measure based on data submitted by those States that choose to compete on this measure. We will use data reported on Forms ACF 800, ACF 801, ACF 696 and other necessary data we will specify.

§ 270.8 How will we allocate the bonus award funds?

(a) In FY 2002 and beyond, we will allocate and award \$140 million to the ten States with the highest scores for each work measure as follows, subject to reallocation as specified in § 270.9:

- (1) Job Entry Rate—\$56 million
- (2) Success in the Work Force—\$35 million
- (3) Increase in Job Entry Rate—\$28 million
- (4) Increase in Success in the Work Force—\$21 million;

(b) In FY 2002 and beyond, we will allocate and award \$20 million to the ten States with the highest scores on the Food Stamp measures and \$20 million to the ten States with the highest scores on the Medicaid/SCHIP measures, subject to reallocation as specified in § 270.9. For these measures, we will:

- (1) Award \$6 million to the three States with the highest scores on the Food Stamp absolute measure;
- (2) Award \$6 million to the three States with the highest scores on the Medicaid/SCHIP absolute measure;
- (3) Award \$14 million to the seven States with the highest scores on the Food Stamp improvement measure; and
- (4) Award \$14 million to the seven States with the highest scores on the Medicaid/SCHIP improvement measure.

(c) In FY 2002 and beyond, we will allocate and award \$10 million to the ten States with the highest scores on the child care subsidy measure and \$10 million to the ten States with the highest scores on the family formation and stability improvement measure.

(d) We will distribute the bonus dollars for each measure based on each State's percentage of the total amount

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of the State family assistance grants of the States that will receive a bonus.

§ 270.9 How will we redistribute funds if that becomes necessary?

(a) If we cannot distribute the funds as specified in § 270.8, we will reallocate any undistributed funds among the measures listed in § 270.4.

(b) If we still cannot distribute funds within the bonus year, they will remain available for distribution in the next bonus year, to the extent authorized by law.

§ 270.10 How will we annually review the award process?

(a) *Annual determination.* Annually, as needed, we will review the measures, data sources, and funding allocations specified in this part to determine if modifications, adjustments, or technical changes are necessary. We will add new measures or make changes in the funding allocations for the various measures only through regulations.

(b) *Criteria.* We will determine if any modifications, adjustments, or technical changes need to be made based on:

- (1) Our experience in awarding high performance bonuses in previous years; and
- (2) The availability of national, State-reliable, and objective data.

(c) *Consultation.* We will consult with the National Governors' Association, the American Public Human Services Association, and other interested parties before we make our final decisions on any modification, adjustment, or technical changes for the bonus awards. We will notify States and other interested parties of our decisions through annual program guidance. We will also post this information on the Internet.

§ 270.11 When must the States report the data and other information in order to compete for bonus awards?

(a) *All measures.* Each State must submit a list of the measures on which it is competing by February 28 of each bonus year.

(b) *Work measures.* Each State must collect quarterly and submit semi-annually during the bonus year the data specified in § 270.6(a) as follows: