

## Supporting Statement for the State Plan for Child Support Collection and Establishment of Paternity under Title IV-D of the Social Security Act

### A. Justification

#### 1. Information Collection

The requirement for submission of a state plan and plan amendments for the Child Support Enforcement program is found in legislation at sections 452, 454 and 466 of the Social Security Act. These sections are implemented by regulations at 45 CFR 301, 302, 303, 305, 307 and 308. States are provided with instructions for completing the state plan and plan amendments in OCSE-AT-00-10 (Attachment I).

OCSE has approved a IV-D state plan for each state. Attachment II includes the current state plan table of contents and a transmittal form, which states send in with each state plan amendment. Federal regulations require the states to amend their state plans only when necessary to reflect new or revised Federal statutes or regulations or material change in any state law, organization, policy or IV-D agency operations. OMB approved the IV-D state plan Form OCSE-100. As a result of the Child Support Enforcement Amendments of 1984 (P.L. 98-378), the Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203), the Family Support Act of 1988 (P.L. 100-485), the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66), the Social Security Act Amendments of 1994, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193, PRWORA), the Technical Amendments to PRWORA (P.L. 105-33), Child Support Performance and Incentive act of 1998 (CSPIA) (P.L. 105-200), and related regulations, OCSE also received OMB approval for new and revised state plan pages.

According to 45 CFR 301.13, "After approval of the original plan by the Office, all relevant changes, required by new statutes, rules, regulations, interpretations, and court decisions, are required to be submitted currently so that the Office may determine whether the plan continues to meet Federal requirements and policies." States submit, on average, six revised state plan preprint pages and six transmittals annually to notify OCSE of relevant changes required by new statutes, rules, interpretations and court decisions.

We are requesting approval of one new state plan preprint page: 2.5-4, Services to Individuals. This page has been created in response to the Deficit Reduction Act (DRA) of 2005, Public Law 109 -171.

Section 7310 of the DRA, entitled *Mandatory Fee for Successful Child Support collection for a Family that has Never Received TANF*, amends §454(6) of the Social Security Act such that "a State child support plan must provide for the imposition of an annual fee of \$25 in each case in which an individual has never received assistance under a State program funded under title IV-A of the Act and for whom the State has collected at least \$500 of

support.” States will need to submit the new state plan preprint pages 2.5-4 and a transmittal for the preprint page in order to have an approved state plan.

Existing functional systems requirements for all Statewide Automated Child Support Enforcement systems.

**F-2 Objective:** the system must automatically process all payments received.

(g) The system must automatically record the receipt of payments of fees including interest or late payment penalties and fees and the recovery of costs in the automated case record and in the State accounting subsystem, whether or not paid by the State, a notation must be made in the automated case record reflecting the payment of the fee by the State.

**F-3 Objective** The system must support the acceptance and disbursement of payments using Electronic Funds Transfer/Electronic Data Interchange (EFT/EDI).

D(6) The system must accept and transmit, in CCD+ transactions, cost recovery and FIDM interstate collections application indicators of RI-Interstate Cost recover Income Withholding , RT-Interstate Cost Recovery State Tax Offset, RO-Interstate Cost Recovery all others, IF- FIDM funds from a non-cost recover state to another State and RF- FIDM funds fro a cost recover state to another State, and

**F-4 OBJECTIVE :** The systems accounting process must be uniform Statewide, accept and maintain all financial information, and perform all calculations relevant to the IV-D program.

F-4 (h) The system must calculate and/or record in the case record fees for:

10. other fees.

**G-1 OBJECTIVE:** The system must maintain information required to prepare Federal reports.

G-1 (c) The system or the State’s accounts management system must maintain and generate all information necessary to complete the OCSE-396A expenditures report.

**G-3 OBJECTIVE :** the system must generate reports required to ensure and maintain the accuracy of data and the summarize accounting activities.

G-3 (c) The system must, at a minimum, automatically generate reports pertaining to the following financial activities:

G-3 (c) 4. Fees collected

**G-4 OBJECTIVE:** The system must provide management reports for monitoring and evaluating both employee, office unit and program performance

G-4 (c) The system must have a reporting capability to provide management the flexibility to obtain information on an as-needed basis and to satisfy new information needs.

There is no requirement in DRA that this process be automated. However, since the States are already automated, the additional burden related to this new requirement is mitigated. All State systems are required to have ad-hoc reporting ability. The statewide CSE system is already required to track fees imposed against the CP, NCP or paid by the State. States may opt to re-program their systems to eliminate the caseworker involvement and have the system automatically generate any notice related to imposition of the fee and track the fee collections automatically.

## 2. Use of Information

The information collected on the state plan pages is necessary to enable OCSE to determine whether each state has a IV-D state plan that meets the requirements in title IV-D of the Social Security Act and implementing regulations. The state plan preprint gives each state a convenient method for developing a statement to be submitted to OCSE for approval describing the nature and scope of its program and giving assurances that the program will be administered in conformity with the requirements in title IV-D of the Act and the implementing regulations at 45 CFR Chapter III. The state plan is analogous to a state having a contract with OCSE in that it outlines the activities the state will perform as required by law in consideration for receiving Federal funds to meet the costs of these activities. In this sense, the state plan is the basis for making Federal funding available to the states in the costs of operating the Child Support Enforcement program.

## 3. Burden Reduction

States already have the capability of automating the new and revised information collection requirements imposed by legislation at sections 452, 454 and 466 of the Social Security Act. Therefore, the paperwork impact on states is minimal.

States already have the capability of automating new and revised information collection requirements. States currently track fees that are reported on the OCSE-396A using automated methods. As noted earlier, the States and Territories already have a requirement to track fees, to track program income in situations where the state pays the fee and track collection of any fees collected. The system is also required to be capable of ad-hoc reporting. It is anticipated that all child support agencies will utilize their statewide CSE systems to comply with this \$25 fee requirement.

## 4. Duplication Identification

The collection of information requirements contained in this form does not duplicate any other reporting or recordkeeping requirements. In complying with those regulations that require information collection, agencies are specifically directed to use and build upon existing information, whenever it exists. It is the intent of these regulations that duplicity of efforts be avoided, and that information collection occurs only when information is not available from another source.

## 5. Small Business Burden

The collection of information requirements does not involve small businesses or entities.

6. Frequency of Information Collection

The states will, for the most part, submit new and revised state plan pages to OCSE on a one-time only basis to reflect new Federal requirements. In addition, the states will periodically amend their state plans to reflect any material change in state laws, organization, policy, or IV-D agency operation.

States are required to submit a preprint page indicating the method or methods a State will use to impose and collect the \$25 annual fee. If requirements in the DRA \$25 fee collection are not met, the funding to maintain the State child support agencies will be reduced.

7. Special Circumstances

The collection of information does not involve any special circumstances.

8. Federal Register Notice

The first notice in the Federal Register was published in conjunction with the NPRM on the Deficit Reduction Act of 2005. It was published on January 24, 2007 (72 FR 3093).

9. Payment or Gift to Respondents

No payment or gift is provided to respondents, other than remuneration of contractors or grantees.

10. Confidentiality

We do not assure confidentiality of the information collected.

11. Sensitive Nature

The required information collection does not involve asking questions of a sensitive nature.

12. Estimates of Respondents' Hour Burden and Costs

We estimate that preparing and submitting the state plan preprint pages to OCSE will impose an increased total annual burden of 27 hours. The average cumulative cost burden will be \$390.69 (\$14.47 per Respondent).

12.1 Respondents' Hour Burden

The estimate of burden to respondents is based on the following assumptions:

- The 54 respondents include all State and territories participating in the Child Support Enforcement program: the 50 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands.
- New state plan preprint page 2.5-4 will require one additional response from each respondent.
- A state plan transmittal (OCSE-21-U4) will be submitted with the new preprint page 2.5-4 (one).
- Regional offices were polled to gain information about the amount of time required to complete and transmit the required information.

<b>Instrument</b>	<b>Number of Respondents</b>	<b>Number of Responses Per Respondent</b>	<b>Average Burden Hours Per Response</b>	<b>Total Burden Hours</b>
State Plan (OCSE-100)	54	1	.25 hours	13.5 hours
State Plan Transmittal (OCSE-21-U4)	54	1	.25 hours	13.5 hours
Total				27 hours

- The preprint page and the transmittal forms are always submitted together. The transmittal form is required to submit the preprint page.

In developing the burden hour estimates regarding tracking the \$25 fee, systems functionality already required under the Family Support Act or the Personal Responsibility and Work Opportunity Reconciliation Act were excluded. Only the additional requirements of limiting the cases to never assistance cases and tracking collections annually were included in this calculation.

The annual burden hours estimate for Child Support is 4 hours per grantee.

Number of grantees affected: 54

Hours per respondent: .5

Cost per respondent: \$50.00 per hour.

Total annual burden cost: \$1,350

### 13. Annual Costs to Respondents for tracking the \$25 annual fee

The estimate of costs to respondents is based on the following assumptions:

- Regional offices were polled to gain information about the average salary of an employee who would be working on this state plan (\$18 per hour).
- The cost to respondents cumulatively is 34% of the total cost. This is due to the Federal financial participation aspect of the Child Support Enforcement system, whereas the Federal government reimburses states for 66% of total child support administrative costs.

<b>Instrument</b>	<b>Total Annualized Cost</b>	<b>Respondents Cumulative Share of Cost (34%)</b>	<b>Average Annualized Share of Cost Per Respondent</b>
State Plan (OCSE-100)	\$1,701.00	\$578.34	\$10.71
State Plan Transmittal (OCSE-21-U4)	\$597.00	\$202.98	\$3.76
<b>Total</b>	<b>\$1,706.97</b>	<b>\$781.32</b>	<b>\$14.47</b>

\$1,706.97. Monetary costs associated with information collection requirements for Child Support Enforcement are matched at 66% FFP.

#### 14. Annualized Cost to the Federal Government

The annualized costs to the Federal Government for the hour burdens are based on an average wage rate of \$23 per hour for Federal level employees who review submitted state plan pages from respondents. Estimates regarding the hours spent processing each state plan submission (.25 hours for State Plan and 0.25 hours for State Plan Transmittal) were determined by past employees' experiences in reviewing state plan pages in OCSE.

<b>Instrument</b>	<b>OCSE's Administrative Costs</b>	<b>Respondent Reimbursement Cost (66% of Total Annualized Cost)</b>	<b>Administrative Cost Plus Respondent Reimbursement Cost</b>
State Plan (OCSE-100)	\$2,484.00	\$1,639.44	\$4,123.44
State Plan Transmittal (OCSE-21-U4)	\$1,243.50	\$820.71	\$2,064.21
<b>Total</b>	<b>\$3,727.50</b>	<b>\$2,460.15</b>	<b>\$6,187.65</b>

#### 15. Change in Burden

The change in burden hours is due to a change in statute. This page was created in response to the Deficit Reduction Act (DRA) of 2005, Public Law 109 -171. Section 7310 of the DRA, entitled *Mandatory Fee for Successful Child Support collection for a Family that has Never Received TANF*, amends §454(6) of the Social Security Act such that "a State child support plan must provide for the imposition of an annual fee of \$25 in each case in which an individual has never received assistance under a State program funded under title IV-A of the

*Act and for whom the State has collected at least \$500 of support.”* States will need to submit the new state plan preprint page 2.5-4 and a transmittal in order to have an approved state plan.

Based on consultations with regional staff, we revised previous estimates regarding the number of state plan preprint pages submitted annually. The total number of annual burden hours was 243; this new collection decreases annual burden hours to 27.

16. Publication  
Not applicable

17. Display of Expiration Date for OMB Not applicable

18. Exception to the “Certification for Paperwork Reduction Act Submission”  
There are no exceptions to the certification statement.

#### SUPPORTING STATEMENT:

#### **PART B- COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS**

The information collection requirements outlined in this report do not employ the use of statistical methods.

**September 6, 2007**