THE SUPPORTING STATEMENT
45 CFR PART 95

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A. Justification. Requests for approval shall:

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection.
Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The purpose of this request is to obtain an extension to OMB's approval of the reporting and recordkeeping requirements contained in rules at 45 CFR Part 95, Subpart F. These rules pertain to state requests for HHS approval of federal financial participation (FFP) in the costs of ADP systems, equipment and services which support states' administration of HHS' public assistance programs. OMB has approved the reporting requirement contained in 45 CFR Part 95, Subpart F under OMB No. 0992-0005.

There is a pending Notice of Proposed Rulemaking for 45 CFR Part 95, Subpart F. that will revise the submission thresholds and therefore reduce the information collection burden. However, since the status of that NPRM is uncertain, we are requesting a three year extension based on the current regulations and submission requirements.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

HHS reviews state requests and supporting information for FFP in ADP systems equipment and services acquisitions. This review determines if the state's proposal to acquire ADP systems equipment and services is necessary for efficient and effective administration of HHS public assistance programs, supported by sound project planning and management and, therefore, eligible for FFP. The prior approval of IT planning and procurement documents ensures full and open competition, the protection of software ownership rights to application software developed with FFP and reduces the risk of failed IT projects.

3. Describe whether, and to what extent the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden.

HHS allows transmission of documents by e-mail and large files are sometimes submitted as diskettes, as long as the cover letter transmitting the APD or IT contract has a scanned or faxed signature from an State authorized requestor. One of the program offices, the Office of Child

Support Enforcement, has begun an analysis of a web-based APD submission process. Since many of the regulatory requirements will change with the proposed NPRM on APD reform, OCSE is starting our effort to develop a web-based submission process with the Acquisition Checklist for RFP/IFB. This acquisition checklist is permitted under both current regulations and the proposed NPRM.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The information collection is unique to HHS grant-in-aid programs. We do not require a specific submittal format as long as all the required information is submitted. Our guidance recommends that the States submit the same documentation that they submit for State IT approval.

5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I), describe any methods used to minimize burden.

Not applicable. Respondents are state and territorial governments.

6. Describe the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reduce burden.

If the collection of information is not made, the Federal Government would have to seek other ways to determine if state systems expenditures warrant federal funding. Without prior approval of the IT plans and procurements, the risk of inappropriate expenditures and failed IT projects would be higher. The frequency of the Advance Planning Document Update is annual, to ensure that States have budget authority for the State share of IT expenditures. However, for those States that have multi-year IT authority, the Federal program offices have discretionary authority to approve Federal match for a longer period of time. The pending NPRM on APD reform does revised some of the submission thresholds based on risk.

7. Explain any special circumstances that require the collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been**

reviewed and approved by OMB;

- o **that includes a pledge of confidentiality that is not supported by authority established in statue or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

No special circumstances are involved.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records, should occur at least once every 3 years - even if the collection of information activity is the same as in prior periods. There may be circumstances that mitigate against consultation in a specific situation. These circumstances should be explained.

HHS published a notice in the Federal Register dated July 24, 2007, page 40307-40308. There were no "official" comments received by the agency. However, organizations such as APHSA and NACIO have contacted individual Federal program offices and at National and Regional conferences. The States have commented on the need for revisions in the APD regulations and a reduction in the paperwork burden associated with those regulations. The States are particularly interested in Enterprise Architecture and the vendors in software ownership rights.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

Not applicable

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

The information collected and records maintained are not of a confidential nature.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The information collected and records maintained are not of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. The statements should:

ANNUAL BURDEN ESTIMATES

INSTRUMENT	NUMBER OF RESPONDENTS	NUMBER OF RESPONSES PER RESPONDENT	AVERAGE BURDEN HOURS PER RESPONSE	TOTAL BURDEN HOURS
Advance Planning Documents	50	1.84	60	5,520
RFP and Contract	50	1.54	1.5	115.5
Emergency Funding Requests	27	1	1	27
Service Agreements	14	1	1	14
Biennial Reports	25	1	1.5	37.5
Est. Total annual burden hours				5,714

13. Provide an estimate of the annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items #12 and 14)

o The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rates(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collection information such as purchasing computers and software;
monitoring, sampling, drilling and testing equipment; and record storage facilities.

o If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may

o consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

o Generally, estimates should not include purchases of equipment, or services made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, or (3) for reasons other than to provide information or keep records for the government.

13. There are no additional direct costs to respondents

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from 12, 13, and 14 in a single table.

We estimate on an annual basis that 21.13 GS-14 full time equivalent federal employees (14.0 which are CMS) are required to oversee the program which includes: technical assistance to the States in complying with these regulations provided by both regional and central office staff in APD preparation, and reviewing RFPs and contracts submitted for review and approval. The annual cost is $2,116,212 [$100,152 (GS14-step5) x 21.13= $2,116,212] across the entire department.

Annual cost of operating the tracking system to monitor APD controls and FFP approvals, known as the State Systems Approval Information System (SSAIS), on the ACF servers is approximately $50,000.

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.

In the previous submission, we did not provide a break-out of the costs to the States in our previous submission because it was under $1 million. We have provided a cost breakout in this submission. The number of respondents for biennial security reviews dropped from 50 to 25 from the previous submission. This is a correction to reflect that States need to update their security plans only one every two years, so we only expect 25 a year.

16. For collections of information whose results are planned to be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates and other actions.

Not applicable

17.   If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The information collection is not derived from forms or questionnaires. However, we could display the expiration date for OMB approval of the information collection on the various program's Federal website where States receive guidance and technical assistance on submitting the required documentation..

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," on Form OMB 83-I.

APD- No form or questionnaire, Guidance – State Systems APD Guide Sept 1996
RFP and Contracts-
Emergency Funding Requests – No guidance
Service Agreements- No guidance
Biennial Security Requirements-

B.   Collections of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results.

The Agency is not employing statistical methods in collection of this information. Each State must provide the various planning and procurement documents for prior approval. However, there are two areas where we have developed guidance documents that recommend utilization of statistical methods that could reduce the information collection burden on States. DHHS have provided guidance to States related to allocating costs among various programs, (the Cost Allocation Methodology Toolkit) and Child Support has developed guidance related to calculating annual cost benefits, (CBA-Revenue Stream Module).