

## THE SUPPORTING STATEMENT

### Specific Instructions

#### A. Justification

##### 1. Circumstances Making the Collection of Information Necessary

Pursuant to section 658K of the Child Care and Development Block Grant Act of 1990 as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 [PRWORA] (P.L.104-193), the Department of Health and Human Services (HHS) established uniform disaggregate reporting requirements, for which States and Territories must submit case-level reports on a monthly or quarterly basis (at grantee option). These reports are derived from administrative data collected by States and Territories in the course of providing services to families and children under the Child Care and Development Fund (CCDF). This data includes demographic information about families and children served as well as the type, cost, and hours of child care being used. The ACF-801 and its instructions specify the minimal set of data necessary for compliance with the Act. Consistent with the statute and regulations, ACF requests extension of the ACF-801.

##### 2. Purpose and Use of the Information Collection

The case-level administrative information received through this collection provides the means to analyze and evaluate the CCDF program and the extent to which States and Territories are assisting families in addressing child care needs. This collection will provide ACF with the information necessary to make reports to Congress, address national child care needs, offer technical assistance to grantees, meet performance measures, and conduct research.

##### 3. Use of Improved Information Technology and Burden Reduction

ACF has made arrangements with the Social Security Administration and the National Institutes of Health for electronic file transfer using the CONNECT:DIRECT data exchange system. This method of transmission ensures that case identifiers remain secure in the transmission. States that can not transmit the ACF-801 data via CONNECT:DIRECT may submit using secure FTP (file transfer protocol) or a diskette/CD via registered mail. ACF provides technical assistance to Grantees in the use of the electronic system toward improved data accuracy and reliability.

##### 4. Efforts to Identify Duplication and Use of Similar Information

This data collection is required by section 658K of the statute and does not duplicate any other reporting or record-keeping requirements.

##### 5. Impact on Small Businesses or Other Small Entities

This data collection effort does not involve small business or other small entities.

##### 6. Consequences of Collecting the Information Less Frequently

Section 658K of the statute requires States and Territories to transmit information collected on a quarterly basis (or monthly at State/Territory option). The data are submitted no later than 60 days after the end of each quarter and includes a minimum of 200 records for each of the three months of the quarter (October through December, January through March, April through May, and July through September, as appropriate). States and Territories have the option of submitting full population or sample data.

#### 7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

The collection of this information is conducted in accordance with 5 CFR 1320.6.

#### 8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency

A notice in the Federal Register (Volume 73, Number 140, pages 42355-42356) was posted on July 21, 2008. In this notice, ACF solicited public comment on the extension of this data collection while proposing several changes and clarifications to the reporting requirements and instructions. The proposed changes and clarifications are summarized below:

1) ACF proposed to remove from the ACF-801 Header Record the data element requesting the number of children (or estimated number if actual count is unavailable) receiving subsidized pre-K child care services for the report month. We anticipate reintroducing a version of the pre-K data element on the ACF-800 Report as part of the renewal process for the ACF-800 that will occur in the coming months. Lead Agencies may find it easier to provide an annual aggregate estimate on the ACF-800 rather than a monthly estimate on the ACF-801.

2) ACF proposed to remove two of the ten answer categories from Item 6 - Reason for Receiving Care, i.e., the "Other" categories, to ensure that only CCDF eligible families and children are reported and reflected in the administrative data. Federal regulations at 45 CFR 98.20 list three reasons for care: (1) the parent is working; (2) the parent is attending a job training or educational program; and (3) the child is receiving, or needs to receive, protective services. No other reasons for care are described or allowed under Federal rules. Further, we have concerns that the existing "Other" response categories are being used inconsistently across Lead Agencies. Under our proposal, the "Other" categories would be eliminated and States/Territories would report responses under Item 6 that correspond to the Lead Agency's definitions of "working", "job training and educational program", and "protective services" that are included in its approved CCDF Plan. For example, if job search is included in the State/Territorial definition of "working", that's how it should be reported on the ACF-801 Report and footnoted as such.

3) ACF proposed to expand Item 26 - Type of Child Care, to include relative and non-relative distinctions for both Licensed/Regulated settings as well as Legally Operating without Regulation settings. Rather than restrict the distinction between relative and non-relative to settings that are Legally Operating without Regulation, we proposed to expand this distinction to include settings that are Licensed/Regulated--including in-home child care, family child care, and group home child care. This

revision was intended to provide more comprehensive information about the role of relative caregivers in the CCDF program.

4) ACF proposed to revise Item 27 - Total Monthly Amount Paid to Provider to require Lead Agencies to report only the subsidy amount without including the family co-payment amount (currently the co-payment is included). We are attempting to simultaneously improve data quality and strengthen the analytical uses of the data being collected. By excluding the family co-payment from Item 27, we will be able to more accurately calculate the subsidy amount per child. This figure is used in Federal budget materials for the CCDF program and for other purposes. In addition, since Lead Agencies would no longer be required to report co-payments on a per-child basis as part of Item 27, this proposed approach is more consistent with the policies of a number of States/Territories that charge co-payments on a per-family rather than a per-child basis. All Lead Agencies would still be required to report the per-family co-payment on Item 7 of the ACF-801.

In addition to the proposed revisions outlined above, we also proposed to clarify the instructions for a number of other items (for example, Item 9—Total Monthly Income, and Item 16—Family Size Used to Determine Eligibility). For most Lead Agencies, we do not believe these clarifications will require action. Rather, we believe the revised instructions better reflect the data that most Lead Agencies are already collecting and reporting.

We realize that these proposed changes may require States and Territories to modify their data reporting systems and processes. Therefore, we proposed a delayed effective date for three of the four revisions (described above) in order to give Lead Agencies additional time to implement the changes. These changes would become effective October 1, 2010. For the fourth revision, deletion of the pre-K data element, rather than make format changes to their data reporting systems, Lead Agencies should report a filler in what was formerly the Pre-K count data element. The filler should be seven zeros: "0000000".

Comment was to be received within 60 days of the publication date of the notice. Only one state commented on only one of the proposed changes, i.e., expanding Item 26 - Type of Child Care, to include relative and non-relative distinctions for both Licensed/Regulated settings as well as Legally Operating without Regulation settings. New York indicated that "the relationship of a child to the regulated child care provider is not a requirement for the family to receive a child care subsidy, the provider to receive payment of a child care subsidy, or the provider to obtain and retain a license or registration to operate a child care program. Therefore, we consider this data collection as unnecessary and intrusive to the parent and regulated provider." New York also indicated that "The collection of the proposed new information puts an administrative burden on states to revise application forms and collect the information in the field. Further, the proposal will increase costs and expend scarce resources to modify state systems, as well as in-house systems and commercial products that may be used by local social services districts. We are deeply concerned that the additional costs of collecting the proposed data will compromise the amount of funding available for program

services and subsidies."

The Child Care Bureau agrees that the relationship of a child to the regulated child care provider is not a requirement for the family to receive a child care subsidy, the provider to receive payment of a child care subsidy, or the provider to obtain and retain a license or registration to operate a child care program, and acknowledges the additional administrative burden that collecting this information would entail. Consequently, The Child Care Bureau no longer proposes to expand Item 26 - Type of Child Care, to include relative and non-relative distinctions for both Licensed/Regulated settings as well as Legally Operating without Regulation settings. However, the CCB proposes to move forward with all of the other changes outlined above.

In light of the limited number of comments received and the nature of the comments, the Child Care Bureau expects that the costs of implementing the proposed changes will be manageable for most States. Additionally, the Child Care Bureau anticipates that the proposed changes and clarifications will benefit both the States and the Federal government by improving data collection quality and utility.

In addition, ACF continues to obtain input on this collection on an ongoing basis from States and Territories through regular regional and national meetings with Grantees. During the original development of this collection, ACF consulted with the American Public Human Services Association (APHSA) which shared comments from its member States. Notice regarding the ACF-801 was also posted on the "CC admin listserv" electronic mailing list for child care administrators. Additionally, ACF convened a Child Care Information System Technical Assistance Group (TAG) to assist States and Territories in developing their reporting systems. The TAG, which included representatives from 10 States and national child care organizations, reviewed the data elements on the ACF-801 form and instructions, and recommended changes to streamline, simplify, and clarify the data elements. Many of the TAG recommendations were included in a technical amendment to the statute and are now incorporated in the current version of the ACF-801.

#### 9. Explanation of Any Payment or Gift to Respondents

Not applicable.

#### 10. Assurance of Confidentiality Provided to Respondents

The information submitted by States and Territories involves case-level administrative data regarding the families and children being served through CCDF funds. Typically, States and Territories use an "optional" Social Security number or a Unique State Identifier (required in the absence of a Social Security number) to ensure compliance with the statutory requirement that they provide "the total number (without duplication) of children and families served". To ensure confidentiality, States and Territories submit their data electronically via the Social Security Administration's CONNECT:DIRECT or SFTP or diskette/CD via certified mail. This method of transmission ensures that case identifiers remain secure in transmission to ACF.

11. Justification for Sensitive Questions

This data collection does not involve asking questions of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

All States and Territories are required to participate and report on the CCDF program on a quarterly basis, a mandatory requirement effective April 1998. The burden of collecting the information is estimated as follows:

ANNUAL BURDEN ESTIMATES

INSTRUMENT	NUMBER OF RESPONDENTS	NUMBER OF RESPONSES PER RESPONDENT	AVERAGE BURDEN HOURS PER RESPONSE	TOTAL BURDEN HOURS
ACF-801	56	4	20	4,480

We estimate that the time required to assemble and transmit the data file will take approximately 20 hours per transmission at an estimated \$20 per hour and \$1,600 per State and Territory, i.e., \$89,600 per year.

13. Estimates of Other Total Annual Cost Burden to Respondents and Record Keepers

Operational cost for systems software computer time will average about \$4,000 a year per State and Territory, i.e., \$224,000 per year. The total annual cost including burden hours, i.e., \$89,600 per year, plus systems-related expenses, i.e., \$224,000, will total \$313,600.

14. Annualized Cost to the Federal Government

When the information is transmitted to ACF headquarters, the electronic system performs audit checks and provides feedback to the States and Territories. Program analysts review the information to ensure consistency and contact grantees as necessary when information is incomplete or questionable. Yearly costs for the system, including data base maintenance, averages about \$423,000. Approximately \$1.8 million is spent each year in providing technical assistance regarding data collection for CCDF grantees.

15. Explanation for Program Changes or Adjustments

There are some very modest proposed program changes. However, they have no affect on the burden estimate. The program changes include: (1) removing from the ACF-801 Header Record the data element requesting the number of children receiving subsidized pre-K child care services for the report month; (2) removing two of the ten answer categories from Item 6 - Reason for Receiving Care, i.e., the "Other" categories; (3) revising Item 27 - Total Monthly Amount Paid to Provider to require Lead Agencies to report only the subsidy amount without including the family co-payment amount (currently the co-payment is included); and (4) clarify the instructions for a number of other items.

16. Plans for Tabulation and Publication and Project Time Schedule  
Fiscal Year 1998 through 2007 data from the ACF-801 has been processed and reported in a variety of places. Specifically, data has been incorporated into the Child Care Bureau (CCB) Report to Congress, used by ACF to respond to requests from Congress, track ACF's performance under the Government Performance and Results Act, and respond to inquiries regarding the progress and effectiveness of the CCDF program as well as posted on the CCB website.

Data is typically published six to nine months after data submission deadline first on the Child Care Bureau website and subsequently in the biennial Child Care Bureau Report to Congress.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

Not applicable.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

#### B. Statistical Methods (used for collection of information employing statistical methods)

##### 1. Respondent Universe and Sampling Methods

The information reported by States and Territories via the ACF-801 is derived primarily from administrative data that is collected in the course of providing CCDF services to families and children. These administrative data systems include information about the full population of families and children being served. Since full population information is being collected by States and Territories in the course of doing business, the issue of sampling is not relevant. However, as described in ACYF-PI-CC-98-01, issued on January 22, 1998, States and Territories have the option of submitting a sample of their records for the ACF-801 report. This issuance indicates that States choosing to submit sample data must develop a methodology that conforms to the principles of probability sampling, i.e., each family in the population of interest must have a known, non-zero probability of selection. A sample frame must be constructed for each month in the annual sample period and include approximately one-twelfth of the required minimum annual sample. States that sample are required to have their sampling plan approved by the Child Care Bureau. The first sampling plan was due February 28, 1998. State and Territories that submit their entire caseload were not required to submit a sampling plan. Instead they were required to submit a statement indicating their intention to submit data for the entire population.

##### 2. Procedures for the Collection of Information

Not Applicable.

##### 3. Methods to Maximize Response Rates and Deal with Nonresponse

Not Applicable.

##### 4. Test of Procedures or Methods to be Undertaken

Not Applicable.

5. Individuals Consulted on Statistical Aspects and Individuals Collecting and/or Analyzing Data

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