

SUPPORTING STATEMENT

May 2010

Form CB-496 Title IV-E Programs Quarterly Financial Report (Foster Care, Adoption Assistance and Guardianship Assistance)

A. Justification

1. Circumstances Making the Collection of Information Necessary

The authorities to collect and report the information requested on these forms are found in the following sections of the Social Security Act (Act): 471(a)(6), 471(a)(7), 471(a)(13) and 474(a) and (b) and Public Law 110-351-101 Fostering Connections to Success and Increasing Adoptions Act of 2008

State and Tribal agencies administering Plans approved under title IV-E of the Act are required to maintain complete records and a system to report: the amounts expended to administer and operate the program, and the disbursement of maintenance assistance payments.

2. Purpose and Use of the Information Collection

The information collected through the use of these forms is used to:

- Monitor program operations and prepare technical assistance and guidance as needed;
- Compute the quarterly grant awards pursuant to section 474(b)(2) of the Act;

3. Use of Improved Information Technology and Burden Reduction

ACF maintains and operates an "On-Line Data Collection" (OLDC) system which is available to every State and Tribe through an Internet connection. Although OMB guidelines do not allow us to make this collection technique a requirement, ACF requests every State and Tribe to enter its financial reports in this manner. This information is compatible with the "Grants Administration Tracking and Evaluation System" (GATES) used within ACF to compute quarterly grant awards to each State and Tribe.

4. Efforts to Identify Duplication and Use of Similar Information

Information collected in these reports is not available through any other Federal source.

5. Impact on Small Businesses and Other Small Entities

This form applies only to State and Tribal governments. Small businesses are not involved.

6. Consequences of Collecting the Information Less Frequently

This data is used quarterly to compute grant awards. Failure to collect expenditure, estimate and collection data on a quarterly basis would preclude the Department from accurately calculating these quarterly awards.

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

Collection of State financial data is consistent with guidelines. The information requested is necessary to satisfy statutory requirements.

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

Comments were solicited through the publication of a Federal Register notice, published May 14, 2009 (74 FR 22749), copy attached. Copies of this notice and of the proposed forms were distributed to each ACF Regional Office and, through them and through an Internet listserv, to all State IV-E agencies and interested Tribes.

See Attachment A for a compilation of comments.

9. Explanation of Any Payment or Gift to Respondents

No respondent to our requests for comments received any remuneration for their participation.

10. Assurance of Confidentiality Provided to Respondents

There are no data collected that require confidentiality.

11. Justification for Sensitive Questions

Data collected are not of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

Number of Respondents	62
Responses per Respondent	4
Burden Hours per Response	17
Total Burden Hours	4,216

This burden hour estimate represents an increase of approximately 27 percent 3,328 hours. This increase is the result of the addition of a third program under title IV-E and the inclusion of additional Tribal grantees to formerly all State programs.

Assuming the average value of respondents' time at \$30.00 per hour, the estimated

annual cost to the States is \$126,480 (4,216 hours @ \$30).

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

We estimate that this request will impose no additional financial cost burden on the respondents.

14. Annualized Cost to the Federal Government

We estimate that this request will impose no additional financial cost on the Federal government.

15. Explanation for Program Changes or Adjustments

We are proposing a burden increase of 888 hours and 40 responses due to a program change required by a new statute. There is an adjustment that removes the dollar burden to respondents which was assigned in error.

Under recent legislation, title IV-E of the Social Security Act was amended, effective with FY 2009, to add the "Guardianship Assistance Program" to the existing "Foster Care" and "Adoption Assistance" programs. An additional amendment, effective FY 2010, also opened these programs to participation by Tribes, Tribal Organizations and consortia.

Each State is required to have its existing title IV-E State Plan amended and approved to participate and be eligible for Federal funding in the new Guardianship Assistance Program. Likewise, to participate in these programs and be eligible for Federal funding, a Tribe must have a title IV-E Tribal Plan developed and approved.

16. Plans for Tabulation and Publication and Project Time Schedule

In past years, information on these forms was published in aggregate and State-by-State formats and in combination with other data collected by this agency. The data has been published following each fiscal year as received from the States in an annual report available to the general public. No complex analytical techniques are required. We anticipate similar data collection and publication in the future to include data from the additional title IV-E program and the Tribal grantees.

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

The expiration date will be shown as needed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

None.

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

Statistical methods are not used in collecting this financial information. The information supplied by the States and Tribes must be auditable and in conformance with generally accepted accounting principles and cannot be reported using sampling, estimating or other statistical methodologies

ATTACHMENT A

Comments On Proposed Form CB 496

- Several States commented that it will require additional time and expense to implement the revised form.

We will work with States to assist in implementing any changes needed to comply with revised reporting requirements.

- One State commented that the form lacked a box to report the current qtr. FMAP rate.

The FMAP rates are programmed into OLDC and are not needed on the individual forms.

- One State indicated that more time and effort would be necessary to break out amounts associated with Tribal agreements and to apply different FMAP rates.

This information is necessary to comply with statutory changes required by PL 110-351. A breakout is only required where the Tribal FMAP rate exceeds the State's FMAP rate and will result in additional Federal funding. We believe that ongoing costs would be minimal once accounting codes are established in the State's automated and other applicable accounting systems.

- Several States commented that the proposed further break-out of the current line 5e – Other Administration would require changes to its RMS activity codes.

We have clarified this requirement with the line titled as “Foster Care Provider Management Costs”. This will involve separate identification of costs for activities.

It thus appears that the benefit for both State and Federal management purposes of the additional information outweighs the relative small effort needed to effectuate this reporting change.

- Several States cited confusion with respect to the request for Program Income.

We have determined that since program income is not a common feature of the IV-E entitlement programs, a separate line is not needed for its reporting. The reporting instructions will instead identify the need to net any program income prior to reporting expenditures.

- Several States were concerned that the reporting instructions do not adequately identify which costs are to be reported as SACWIS Project 1 or 2.

It is our understanding that any State initiating a new SACWIS project must appropriately amend its cost allocation plan to specify how costs associated with this project will be identified, measured and allocated. Thus, no additional effort is needed for reporting purposes.

- One State indicated some additional time would be needed to report SACWIS Non-APD Developmental Costs. -.

There may be a misunderstanding with respect to what is to be reported. The cost items cited are non-SACWIS developmental projects. Such costs are to be reported as other administration.

- One State raised a concern with the reporting of “Trainee” costs.

We agree that this element is not necessary and have removed it.

- One State commented that it does not currently have a mechanism to identify Professional Partner costs.

This reporting is required in accordance with provisions in PL 110-351. States are encouraged to develop appropriate mechanisms to capture the appropriate costs,

- One State commented that the title (Legal Guardianship) was incorrect.

This was an inadvertent mistake.

- One State commented that changes will be needed to the cost allocation plan and systems to break-out non-recurring costs.

This appears unusual in that these payments are most commonly issued to a provider rather than allocated from pooled agency costs. This information was previously collected on form IV-E-12 through 1999. The non-recurring costs are currently captured on a separate State report and that the only change needed to complete this line would be a modification to its mapping procedures,

- One State commented that it currently does not track data for pre-placement, in-placement administration only and adoption non-recurring cases.

This information is important as a program and fiscal management tool and the data should be available within the State's accounting and child tracking systems. Any State with an operational SACWIS should be able to produce payment and child status reports. We will offer technical assistance to any State not able to retrieve the required data and recognize that not all data will be available in every State initially.

- One State commented that states may have difficulty reporting the average monthly number of candidate cases particularly if this information is sourced from an RMS.

We concur that candidate case reporting represents a new area in which each State will need to assess its tracking systems and make some changes to accommodate the request for data. The benefits will include a better picture of the scope of the number of children assisted with IV-E funds and the ability to more appropriately identify the average cost of administration for children in placement as well as for those receiving pre-placement administrative services. In FY 2009, pre-placement administration is reported as constituting almost 20% of total IV-E FC administration (almost \$400 million FFP nationwide). This substantial investment of Federal funds to prevent or facilitate placement of children should be accompanied with information on the size of the associated caseload. We will work with states to facilitate implementation of the new reporting requirement in the least burdensome manner.

- One State commented that the definitions of which children to report on which line were not entirely clear.

We believe that any confusion can best be addressed through State training.

- One State commented that it would need to consult and work with program staff in order to meet these reporting requirements.

We highly encourage such coordination and note that the date identified may be of particular interest to certain fiscal and program offices within the IV-E agency.

- One State commented that its automated system has the requested data for Pre Placement Administrative Costs but some additional time would be needed to construct an appropriate supporting report.

We are aware that some additional time may be needed by some State and will work closely with those State to meet these reporting requirements.

- One State commented that it understood Pre Placement – – Title IV-E Funded Administrative Costs to be reported as pre-adoptive cases.

This is not correct. Pre-placement cases are those children not currently in foster care who the State has determined as candidates for foster care due to an imminent risk of removal or who are in the process of being placed in foster care.

- One State commented that requiring a signature would duplicate the electronic submission process.

There is no intent to change the electronic submission process through OLDC. Only those states submitting a paper form will continue to be required to include an original signed page,

- One State commented that Variance Reporting is a new requirement.

This is not accurate. The requirement to report the basis for variances dates back to the beginnings of the IV-E program and is part of the existing IV-E-1 form. No changes are being made in this area.

- One State commented that Administration related to training funded at 50% rather than 75% should be separately identified.

These costs will now be reported as part of Foster Care Administration – Other.

- One State commented that no separate code has been established for assistance payments derived from a State/Tribal agreement.

This information is on the form, but not clearly listed. We have now more clearly incorporated all of the applicable prior period reporting codes onto the form.

- One State offered a number of suggestions on how to improve the reporting of information used in the calculation of cost neutrality.

We have determined that since approval of new demonstration projects is not currently authorized and a number of states are considering terminating existing guardianship related demonstration projects, no substantive changes will be made to Part 3. States are encouraged to work with CB and OGM representatives to address any particular reporting concerns impacting on those demonstration projects that continue to operate.

- One State commented substantially more than the ACF estimate of 17 hours to complete this form. No specific details were provided.

We believe that a State with a fully operational computerized system should be able to populate the report through regular management and accounting reports thus significantly shortening the preparation time.

- One State commented on its support for the revised layout of the form.

We concur.

- One ACF Regional Office questioned the definition for what constitutes a “revised report.”

This appears self evident, but language has been added to the instructions to reference the actual submission of a previous report for the same quarter.

- One ACF Regional Office questioned whether the FMAP rates will be published annually in the Federal Register for Tribes.

The status of the procedures for issuance of Tribal FMAP rates has not yet been determined. The more recent version of the instructions has been modified to reflect a less specific form of issuance for the Tribal FMAP rates and to provide more information on the Tribal FMAP rate concept.

- One ACF Regional Office suggested that we include a citation of a regulation or provide a definition of the term “candidate” since it is used in several places in the instructions.

A definition is currently provided as part of the instructions. This information has also been added to the definition section under the term “Foster Care Candidate” to assure a common understanding of the term.

- It was suggested that the term “relative guardians” be added to the list of possible trainees for costs reported in Section A, Line 16 - Professional Partner Training Costs (At Transitional FFP Rates).

This group was not included in the Foster Care instruction since a relative guardian serving as a foster parent may receive training as a foster parent and (to the extent IV-E allowable) the costs may be claimed on as IV-E training at the 75% FFP rate.

- It was suggested that a definition be provided of how the monthly average number of children is to be calculated (i.e. three months of data divided by three).

We have previously left this as a matter to be addressed in the approved PACAP since every State obtains its data somewhat differently.

- It was suggested that the instructions also reference the additional provision permitting States to claim administrative costs for one month while a child is transitioning from a non-IV-E to a IV-E type facility.

We concur. Appropriate language has now been added to the instruction.

- It was suggested that language be added to the instructions to require identification of those prior quarter adjustments associated with disallowances.

We concur. This language has now been added.

- It was suggested that the instruction language for Demonstration Projects be changed from a negative to a positive as to which IV-E agencies need to complete Part 3 of the report. The complicating factor is that no Tribe is required to report.

The instruction language has been modified for States.

- One commenter from ACF: The description in the instructions of costs to be reported as SACWIS Project 1 vs. SACWIS Project 2 was felt to be inadequate.

The wording of the instruction has now been enhanced

- One commenter from ACF asked whether there is any overlap between Children Assisted - In-Placement – Title IV-E Funded Administrative Costs Title IV-E Maintenance Assistance Payments.

This point is specified in the existing line 42 instructions as follows: “This number includes all of the children reported on Line 41 (determined to meet all title IV-E eligibility criteria), but may also include certain other children where any assistance payments provided are not claimed as title IV-E maintenance assistance payments (e.g. SSI).”

- It was unclear to one commenter as to whether Children Assisted - In-Placement - Any Payments or Administrative Costs covered payments funded through TANF, SSI, State-only, IV-E or other sources.

The existing instructions specify to include “...children in foster care for whom any payments were made and/or administrative costs incurred (regardless of funding source). This includes all children in foster care (including those title IV-E eligible children reported on Line 42) whether or not title IV-E eligible.” To assure clarity the word “all” has been inserted prior to “children” and the following language has been added to the instructions: “Common examples of funding sources used by some IV-E agencies for foster care include title IV-E, TANF, SSI and State/Tribe-only categories.”

- One commenter asked whether there is any overlap between Children Assisted – Adoption Assistance - Non-Recurring Administrative Cost Payments and Title IV-E Assistance Payments.

Additional language has been added to clarify the potential overlap as follows: “It should be noted that the portion of these children on whose behalf title IV-E adoption assistance payments are being made will also be reported on line 45.” Additionally, the word “expenses” has been substituted for “payments” in the line title to avoid any possible confusion with assistance payments.

- A concern was raised about the provision limiting submission of initial and revised IV-E-1 forms to the 90 day period following the close of the claiming quarter in that more accurate information (particularly on caseload) may be received if we permit subsequent revisions.

This is not a new provision and is intended to freeze the quarterly submission at a point where necessary grant award reconciliation can occur. Exceptions to this requirement can be made on a case-by-case basis.

- Electronic Submission – It was suggested that the word “requested” be used instead of “suggested” for use of an electronic submission.

This change has been incorporated in the instructions.

- Definitions – In defining “Expenditures” it was suggested that in addition to a reference to a cost allocation plan a reference be added for indirect rate agreements.

This is not considered as necessary in that the regulatory definition (2 CFR Part 225)

of a cost allocation plan includes an indirect cost rate agreement.