

**Supporting Statement For
OMB Clearance**

Financial Institution Data Match

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SUPPORTING STATEMENT:

PART A – JUSTIFICATION

Part A of the Supporting Statement for this information collection; Financial Institution Data Match; addresses the 18 points outlined in Part A of 5 CFR 1320.

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

Section 466(a)(17) of the Social Security Act (the Act), requires that states establish procedures under which the state child support enforcement (CSE) agency shall enter into agreements with financial institutions doing business in the state for the purpose of securing information leading to the enforcement of child support orders. The state operates, in coordination with financial institutions, and the Federal Parent Locator Service (FPLS) in the case of financial institutions doing business in multiple states, a data match system. Each financial institution provides quarterly the name, record address, Social Security number or taxpayer identification number and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support. The state must supply the names and Social Security numbers or other taxpayer identification numbers, which are submitted through the Federal Offset file, the burden for which is approved under OMB number 0970-0161. Sections 452(l) and 466(a)(17)(A)(i) of the Act permit the Secretary, through the FPLS, to aid state CSE agencies in coordinating data matches with multistate financial institutions (MSFI) and transferring to the agencies information that may be provided pursuant to a data match. These procedures must provide for automated data exchanges to the maximum extent feasible. In order to implement the automated data exchanges, MSFIs must advise the Office of Child Support Enforcement (OCSE) of their desire to participate in the centralized match effort and their preferred means of data transmission, dates of transmission, and the names of data services providers, if appropriate. The Multistate Election Form provides the method for gathering this information.

2. Purpose and Use of the Information Collection

2.1 How the information is to be used

States submit information on delinquent child support obligors to the OCSE on the same file as Federal Tax Offset (approved under OMB number 0970-0161). All states' files are combined into an inquiry file, which is then sent to financial institutions for matching with financial accounts. The financial institutions' matched records are returned to OCSE for dissemination to the states. OCSE sends the response files to the states within 48 hours of receipt and states use the information to identify an obligor's assets that may be used to satisfy a past-due child support debt.

2.2 By whom the information is to be used

The states use the information to identify delinquent noncustodial parent's financial accounts for which liens and levies may be established as appropriate.

2.3 For what purpose the information is to be used

The information is used for purposes of establishing, modifying or enforcing a child support obligation against a delinquent noncustodial parent.

3. Use of Improved Technology and Burden Reduction

The financial institution information is submitted via the identified medium, as selected on the Election Form. These methods include Encrypted CD-ROM, Secure File Transfer Protocol (SFTP) and Proginet CyberFusion Integration.

4. Efforts to Identify Duplication and Use of Similar Information

No similar information is currently being produced in another data match.

5. Impact on Small Businesses or Other Small Entities

Not applicable.

6. Consequences of Collecting the Information Less Frequently

Financial Institution Data Matches are required under federal law (section 466(a)(17)(A) (i)). Without this information collection, OCSE has no information on which to base the required match and thereby assist states in identifying assets held by MSFIs that may be used to satisfy past-due child support owed by an obligor.

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

Information is required to be provided on at least a quarterly basis. The Election Form is required one time, at the onset of the match.

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

A notice was published in the Federal Register on August 3, 2010 at Vol. 75, Page number 45632, which allowed for a 60 day comment period to give the public an opportunity to submit to us in writing any comments they had on this information collection. No comments were received.

9. Explanation of Any Payment or Gift to Respondents

Not applicable.

10. Assurance of Confidentiality Provided to Respondents

The Secretary of Health and Human Services is required by law to establish and implement safeguards to restrict access to and use of confidential information to authorized persons. 42 U.S.C. 653(m). For purposes of section 1113(d) of the Right to Financial Privacy Act of 1978, a disclosure pursuant to section 452(l) of the Act shall be considered a disclosure pursuant to federal statute. In addition, each state must have in effect safeguards designed to protect privacy rights. 42 U.S.C. 654(26). All state data is transmitted over secure and dedicated lines to the Federal Offset database.

11. Justification for Sensitive Questions

Social Security numbers are collected as a data element of the information collection. This collection is required in order to guarantee that the correct person is matched to the identified financial account.

12. Estimates of Annualized Burden Hours and Costs

The total number of respondents changes from week to week depending on mergers and acquisitions and new financial institutions that may elect to join the matching program. As of March 31, 2010, there are a total of 310 transmitters who submit data to OCSE on behalf of 4,651 financial institutions. (While some financial institutions and transmitters report for themselves (e.g., Bank of America), other transmitters will report for a large number of financial institutions (e.g., Fiserv (Financial Services Technical Solutions).)

The transmitter performs the match and returns the data match result file to OCSE. The 310 transmitters can return match results to OCSE in two ways; 1) via Encrypted CD-ROM or 2) electronically. Currently 259 transmitters return data via Encrypted CD-ROM; and 51 return data electronically.

Financial institutions or transmitters that wish to start participating in the match need to send in an Election Form, which is a binding agreement between OCSE and the financial institution or transmitter. It is the first step in setting up a financial institution to participate in the data match. An average of 122 Election Forms are sent to OCSE annually.

12.1 Respondents' Hour Burden

ANNUAL BURDEN ESTIMATES

INSTRUMENT	Number of Respondents	Number of Responses per Respondent	Average Burden Hours Per Response	Total Burden Hours
Financial Data Match Result File	259	4	.33*	341.88
Election Form	122	1	.5	61
Financial Data Match Result File (Electronic Transmitters)	51	4	0	0

Estimated Total Annual Burden Hours:

402.88

*Three financial institutions were polled regarding the average burden hours per response for manual processing of the Data Match Result File: LM FCU; Bank of America Overseas Military; and Wings FCU. The average time to manually process the file is 20 minutes, or .33 hours.

12.2 Respondents' Cost for Hour Burden

Instrument	Number of Respondents	Average Annualized Cost Per Respondent ¹	Total Annualized Cost ²
Financial Data Match Result File	259	\$48.95	\$12,678.05
Election Form	122	\$21	\$2,562

The estimated hourly cost for financial institutions to process the quarterly file is \$37.08, based on information received from a transmitter.

OCSE polled two financial institutions regarding the salary for the person responsible for completing the Election Form. The annual salary estimate for one bank is \$102,500. The annual median salary for the Vice President/Operations at a second bank is \$65K.

¹ Average Annualized Cost Per Respondent was calculated by multiplying the burden hours by the hourly cost and then dividing by the number of respondents.

² Total Annualized Cost was calculated by multiplying the number of respondents by the Average Annualized Cost Per Respondent.

The average salary between the two is \$83,750, with an average hourly rate of approximately \$42.

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

The data match system is already in place, therefore there is no capital or start-up cost burden to respondents. The annual operating and maintenance costs are minimal. Costs to participate exclusive of hour burden are CPU time and mailing costs.

Three financial institutions were polled regarding the average time it takes for their system to process the Data Match Result File: LM FCU; Bank of America Overseas Military; and Wings FCU. The average time for CPU time is 26.6 minutes, or \$319.20, based on \$12 per CPU minute.³ At \$13 per overnight courier mailing, four times per year, multiplied by 259 transmitters, the total cost comes to \$13,468 for mailing the match tape. The total cost per response for the match tape is \$332.20.

The estimated total annual cost burden on the 259 respondents sending a CD Rom is \$356,840, including \$12,678 for manual processing, \$13,468 for mailing, and \$330,694 in CPU costs.

The estimated total annual cost burden on the 51 transmitters sending match data through an automated electronic match is \$65,117, based on CPU costs only.

New participants have an additional one-time cost burden based on filling out and submitting the election form. The estimate total annual cost burden for new participants is \$2,562.

The Election Form costs are minimal because the majority of participating financial institutions send their completed Election Form soft copy via email.

The total annual cost to all respondents is \$424,519.

14. Annualized Cost to the Federal Government

Annualized cost to the federal Government is \$207,000. This includes federal salaries of \$66,000 (including both FPLS and SSA data center employees), contractor costs of \$132,000, and CPU costs of \$9,000. The MSFIDM application and program are primarily in an operations and maintenance lifecycle phase. The decrease in annualized costs reflects

³ This estimated cost is based on \$12 per CPU minute. John Brandon, "Mainframe Tuning. Get Optimal Performance With The Right Tools," PROCESSOR, January 26, 2007. <http://www.processor.com/editorial/article.asp?article=articles%2Fp2904%2F31p04%2F31p04.asp> (accessed March 15, 2010).

efficiencies and automation that has been developed over time, as well as minimal modernization and enhancement activities.

15. Explanation for Program Changes or Adjustments

OCSE is requesting an adjustment to the previous clearance; there are no program changes. Overall, the total number of burden hours has decreased from the last submission from 8425.5 to 402.88. In the previous submission, OCSE accounted for the 4,465 Financial Institutions as submitting individually. However, upon further review OCSE determined that the 310 transmitters are receiving and submitting files for all the financial institutions, with 259 transmitters using Encrypted CD-ROMs, and 51 receiving and sending data electronically. Each of these transmitters submits information on behalf of multiple financial institutions, so that they can combine the multiple submissions into a single file. This results in the same amount of data being transmitted, but with fewer respondents and hours due to economies of scale.

Since the data match is system to system there is little to no burden on respondents. For the 51 transmitters that receive and return the file electronically, there are no labor hours associated with the match. The systems have already been programming to automatically run the matching, without human intervention. The burden hours for the remaining 259 transmitters that use CD-ROMs, alternatively, are minimal. This is due to the fact that the only labor involved for financial institutions is physically opening the CD-ROM and upload the file to their system. From there, the system conducts the match automatically, based on scheduling timeframes and does not require "person" hours. OCSE has adjusted the numbers to accurately reflect how many entities are submitting files.

The increase in cost burden from the previous PRA submission is due to the inclusion of the CPU time required to process the files. For the 2007 submission, the burden estimates only included mailing costs for the respondents. However, further research has helped OCSE quantify the labor and CPU costs associated with actually processing the response file, and we have included those numbers in this submission.

16. Plans for Tabulation and Publication and Project Time Schedule

Aggregate information from the Financial Institution Data Match is analyzed and published annually in the Child Support Enforcement Annual Report to Congress. The information is not planned for statistical use.

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

Not applicable.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

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.

APPENDIX A: Input and Output Record Specifications

APPENDIX B: Election Form

APPENDIX C: Statutory Authority