

## THE SUPPORTING STATEMENT

### A. Justification

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

One of the concerns of Congress in passing the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) was potential harm to children that might result from the loss of Federal entitlement to benefits or the unsuccessful efforts of their caretakers to achieve self-sufficiency within the five-year time limit for receipt of federally-funded Temporary Assistance for Needy Families (TANF) assistance.

To address this concern, Congress amended the Social Security Act (Act) to add section 413(i)). This section requires each State to submit an annual statement of the child poverty rate in the State and a corrective action plan if the rate exceeds a certain threshold as a result of the State's TANF program.

Section 413(i)(5) directs the Secretary to issue regulations establishing a methodology for States to determine the child poverty rate and sets out a non-exclusive list of factors the methodology must take into account. The final rule published on June 23, 2000, contains three information collection requirements. They are: (1) As an optional provision, a State or Territory may provide an alternative estimate of the child poverty rate if it disagrees with the Census Bureau estimate provided by the Department of Health and Human Services (HHS) (§284.20(c)); (2) a State or Territory may be required to conduct and submit an assessment of the impact of the TANF program(s) in the State or Territory on the increase in the child poverty rate (§ 284.30 and § 284.50); and (3) a State or Territory may be required to submit a corrective action plan (§ 284.40, §284.45 and §284.50).

42 USC 613(i)

45 CFR 284

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

HHS will use these data to help determine State child poverty rates and whether we will require States and Territories to submit corrective action plans in accordance with section 413(i) of the Act.

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

The information collection is not conducive to electronic submission because it is in narrative form and/or because it is pre-existing information that can be easily copied and submitted manually. Therefore, we did not require electronic submission.

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

The Census Bureau collects similar information and we have included Census Bureau data in our proposed methodology. However, the Census Bureau poverty rates are not sufficient by themselves to fulfill the requirements of the regulations, which stipulate that we provide States and Territories the option of providing alternative evidence and, if indicated, the statute and regulations mandate that the State or Territory submit a corrective action plan.

5. Impact on Small Businesses or Other Small Entities

This collection of information does not impact small businesses or other small entities. It will affect only States, the District of Columbia, Puerto Rico, and when Census Bureau data are available, Guam, and the Virgin Islands.

6. Consequences of Collecting the Information Less Frequently

If these data are not collected annually, HHS would not be able to assess child poverty rates annually as required by the statute and regulations.

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

This collection of information does not involve any special circumstances and will not result in a system of records.

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

Following enactment of PRWORA of 1996, the Administration for Children and Families (ACF) developed a strategy for broad consultation with the States and other interested parties to inform its development of proposed rules on major policy issues. General consultation on the TANF regulations began in the fall of 1996.

We held two types of external consultations. First, we raised issues related to this provision in the general TANF consultation meetings with representatives of State and local government; non-profit, advocacy, and community organizations; foundations; and others. Second, we held consultations focused specifically on this provision with State groups and technical, statistical, and policy experts. We also spoke with representatives from the Federal statistical community, including the U.S. Bureau of the Census; the Office of Management and Budget; the U.S. Department of Agriculture for the Food Stamp program; and numerous representatives from advocacy, public interest, and research organizations that focus on child economic well-being.

The purpose of these discussions was to gain a variety of informational perspectives about the potential benefits and pitfalls of alternative regulatory and information collection approaches. We solicited comments, and we worked to ensure that concerns raised during this process were shared with both the staff working on individual regulatory and information collection issues and key policy makers.

These consultations were very useful in helping us identify key issues and evaluate information collection options. Thus, all interested parties have had an opportunity to voice their concerns and to react to specific information collection proposals. We also solicited comments on the Notice of Proposed Rulemaking (NPRM) and addressed those comments in the final rule published on June 23, 2000.

On August 24, 2011, we published a Federal Register notice (Volume 76, Number 164) on page 52956-52957 soliciting comments on the extension of this information collection. We received no comments in response to the notice.

9. Explanation of Any Payment or Gift to Respondents

These data collections do not involve any payments or gifts to respondents.

10. Assurance of Confidentiality Provided to Respondents

These data collections do not constitute a Privacy Act System of Records.

11. Justification for Sensitive Questions

These data collections do not contain any questions of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

INSTRUMENT OR REQUIREMENT	NUMBER OF RESPONDENTS	NUMBER OF RESPONSES PER RESPONDENT	AVERAGE BURDEN HOURS PER RESPONSE	TOTAL BURDEN HOURS
Optional Submission of Data on Child Poverty from an Independent Source (§284.20(c))	52	1	8	416
Assessment of the Impact of TANF on the Increase in Child Poverty (§284.30 and §284.50)	52	1	120	6,240
Corrective Action Plan (§284.40, §284.45, §284.50)	52	1	160	8,320

Estimated Total Annual Burden Hours: 14,976

We have estimated the burden hours for each information collection activity as though they applied to all jurisdictions for ease of discussion and public review. This is clearly an overestimate. We do not expect that all States (or Territories) will opt to provide an alternate estimate of child poverty derived from an independent source. We expected at the time of the publication of the final rule that no more than a few States (or Territories) would experience an increase of five percent or more in their child poverty rates and would need to submit an assessment in relation to the TANF program; and only a few States (or Territories) would be required to submit a corrective action plan. In fact, our experience since the implementation of the child poverty rate provision has shown that no State has had an increase in the child poverty rate of five percent or more, and consequently the actual annual burden was zero hours. However, we have not reduced the burden estimate because the potential for a five-percent or more increase in the child poverty rate is still within the realm of possibility. It is this potential increase that would trigger events resulting in a burden to respondents.

We estimate the annualized cost of the hour burden to be \$1,347,840. Again, this is an overestimate. It is based on an estimated average hourly cost of \$90 (including fringe benefits, overhead, and general and administrative costs) for the State staff performing the work multiplied by the estimated 14,976 burden hours.

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

We expect that no capital/start-up costs and operation/maintenance costs will be required as a result of a State or Territory's implementation of this information collection. No systems modification should be required, and much of the information that States may submit as part of their assessment is pre-existing information. Therefore, we do not anticipate any significant costs beyond the annualized cost of the hour burden noted in Item 12 above.

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

We estimate a total burden of 1,880 hours. This includes the burden of information collection, statistical tests, compilation and maintenance, mailing, editing, analysis, publication of results, technical assistance, and monitoring. Based on an estimated average hourly Federal cost of \$100 (including fringe benefits, overhead, and general and administrative costs), the total estimated average annual Federal cost is \$188,000.

#### 15. Explanation for Program Changes or Adjustments

There is no Program change or Adjustment.

#### 16. Plans for Tabulation and Publication and Project Time Schedule

On January 31, 2001, we notified the Chief Executive Officer (CEO) of each State of the State's child poverty rate and have so notified them based on the latest Census data ever since then. We plan to send future notification letters every year for which the child

poverty provision is effective. We have also published the State by State poverty tables each year in the TANF Annual Report to Congress. When and if it is ever necessary to require the States to submit any information, we plan to publish a brief overview of the more pertinent information in the TANF Annual Report to Congress.

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

Not applicable.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There is no form per se for this data collection as it involves copying pre-existing material or the submission of a narrative response. Specifically, HHS would send a letter to each State that has an increase in its child poverty rate of five percent or more. The letter would delineate the particular circumstance in the State that would require the submission of information. It will also inform respondents of the information called for under 5 CFR 1320.8 (b)(3):

- (i) Why the information is being collected;
- (ii) Use of information;
- (iii) Burden estimate;
- (iv) Nature of response (voluntary, required for a benefit, or mandatory);
- (v) Nature and extent of confidentiality; and
- (vi) Need to display currently valid OMB control number.

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

Not applicable.