

**Supporting Statement For
OMB Clearance**

**Federal Tax Refund Offset, Administrative Offset, and Passport
Denial
OMB No. 0970-0161**

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TABLE OF CONTENTS

Section	Page
A. JUSTIFICATION.....	3
1. Circumstances Making the Collection of Information Necessary.....	3
2. Purpose and Use of the Information Collection.....	3
3. Use of Improved Technology and Burden Reduction.....	4
4. Efforts to Identify Duplication and Use of Similar Information.....	5
5. Impact on Small Businesses or Other Small Entities.....	5
6. Consequences of Collecting the Information Less Frequently.....	5
7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5.....	5
8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency.....	5
9. Explanation of Any Payment or Gift to Respondents.....	5
10. Assurance of Confidentiality Provided to Respondents.....	5
11. Justification for Sensitive Questions.....	6
12. Estimates of Annualized Burden Hours and Costs.....	6
13. Estimate of Other Total Annual Cost Burden to Respondents and Record Keepers....	7
14. Annualized Cost to the Federal Government.....	7
15. Explanation for Program Changes or Adjustments.....	7
16. Plans for Tabulation and Publication and Project Time Schedule.....	8
17. Reason(s) Display of OMB Expiration Date is Inappropriate.....	8
18. Exceptions to Certification for Paperwork Reduction Act Submissions.....	8
B. STATISTICAL METHODS.....	9

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The proposed information collection is necessary to ensure continued compliance with federal law requiring and governing the Federal Tax Refund Offset Program and the Administrative Offset Program, conducted by the federal Office of Child Support Enforcement (OCSE) and the U.S Department of Treasury's Financial Management Services (FMS), and the Passport Denial Program, conducted by OCSE and the U.S. Department of State (DOS) to facilitate collection of past-due child and spousal support.

The Federal Tax Refund Offset Program requires state child support agencies to submit information pertaining to a past-due support case meeting specific criteria for the offset of the federal tax refund of the noncustodial parent owing past-due child support.

42 U.S.C. 652(b); 42 U.S.C. § 664; 26 U.S.C. 6402(c); 45 CFR 303.72.

The Administrative Offset Program requires state child support agencies to submit information pertaining to a past-due support case meeting specific criteria for the administrative offset of federal payments other than federal tax refunds. State participation in the Administrative Offset Program is optional, but states opting to participate must comply with federal requirements, including submitting the information required for the proposed collection. 31 U.S.C 3716(h); The Debt Collection Improvement Act of 1996 (Pub. L. 104-134, April 26, 1996); 31 CFR 285.1 and 31 CFR 285.3.

The Passport Denial Program requires state child support agencies to submit information pertaining to a past-due child support case meeting specific criteria to DOS for the denial, revocation, restriction, or limitation of the passport of the noncustodial parent owing past-due child support. 42 U.S.C. § 654(31); 42 U.S.C. § 652(k); 22 CFR 51.60.

State child support agencies are required to submit the annual Certification Letter to certify that each case submitted to OCSE for the Federal Tax Refund Offset, Administrative Offset and Passport Denial Programs meets federal requirements. 42 U.S.C. § 664; 31 CFR 285.1; 31 CFR 285.3; 42 U.S.C. § 654(31).

2. Purpose and Use of the Information Collection

2.1 How the Information is to be Used

Information collected from the support case submitted by state child support agencies is maintained in the OCSE Debtor Master File data system and is matched with records maintained by FMS and DOS.

Information in the annual Certification Letter provided by each state child support agency is used by OCSE to verify that the state has met federal requirements.

2.2 By Whom the Information is to be Used

OCSE, FMS, DOS, and state child support agencies use the information collected from the support case submitted by state child support agencies. OCSE uses the information collected in the annual Certification Letter.

2.3 For What Purpose the Information Is to be Used

The child support case information collected by OCSE is used for the purpose of offsetting federal income tax refunds and other federal payments and for the denial, revocation, restriction and limiting of passports to facilitate the collection of past-due child support.

The information collected in the annual Certification Letter is used by OCSE to verify the states meet federal offset requirements and to determine state child support agency preference for the provision of notice to a noncustodial parent.

3. Use of Improved Technology and Burden Reduction

The Federal Tax Refund Offset, Administrative Offset and Passport Denial Programs are components of the Federal Collections and Enforcement application maintained in the Federal Parent Locator Services (FPLS) State Services Portal (SSP). The SSP employs software that allows large amounts of data to be securely and efficiently transmitted by authorized users.

The mainframe screen is replaced with the submittal of information through the SSP. Portal access allows individual cases to be added, updated, and deleted by state and/or federal users on a daily basis, simplifies retrieval of case data, and allows for up-to-date arrearage balances.

Information required for data matching may also be submitted daily by state IV-D agencies via CyberFusion Integration Suite (CFI), a data transfer software product that allows data centers within and across networks to send and receive large amounts of data using a secure mainframe to mainframe data exchange.

SSP and CFI technology reduces case processing time and allows for effective data sharing with minimal or no programming effectively reducing user burden.

State IV-D agencies may now send the Certification Letter by e-mail or fax instead of by mail one time per year.

4. Efforts to Identify Duplication and Use of Similar Information

The information collected is unique. No similar program currently exists, and OCSE maintains the only national database that includes past-due child support cases and arrearage balances.

5. Impact on Small Businesses or Other Small Entities

There is no impact on small businesses or other small entities.

6. Consequences of Collecting the Information Less Frequently

Collecting information less frequently will negatively impact the child support collection process and delay recovery of child support debt.

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

Information is required to be provided on at least a bi-weekly basis as stated by Health and Human Services regulations, but may also be submitted daily. Because daily processing occurs with FMS and DOS, the arrearage balance must be as up-to-date as possible in order to avoid inappropriate interceptions of funds or the denial, revocation, and restriction of a passport.

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

A notice was published in the Federal Register, at FR Vol. 78, No. 18, Pg. 5812 on January 28, 2013, which allowed for a 60-day comment period for the public to submit in writing any comments about 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

Federal tax refund offset, administrative offset, and passport denial data is housed at the secure Social Security Administration facility with access limited to authorized personnel. In addition, each state must have in effect safeguards designed to protect privacy rights. All state data and the data contained in exchanges OCSE conducts with FMS and DOS are encrypted transmissions.

11. Justification for Sensitive Questions

Social Security numbers are a required data element that ensures a person's information is correctly matched before the interception of a payment or the denial, revocation, or restriction of a passport occurs.

12. Estimates of Annualized Burden Hours and Costs

12.1 Respondents' Hour Burden

The estimates of burden and costs to respondents are based on the following assumptions:

- The information is currently contained in state case files and requires no additional information gathering.
- Five states of varying sizes were contacted to gain information about the amount of time required to transmit and receive the required information.
- Some states are able to complete many functions with no manual intervention at all.
- Four SSP users were contacted to gain information about the amount of time required to enter add, delete and update data.
- The state workers use the SSP Federal Collection and Enforcement (FCE) application to add, update, and delete federal tax and administrative offset and passport denial case information. Web hits received on the SSP were used to approximate the number of online entries completed per year.

Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Input Record	54	52	.3	842.4
Output Record	54	52	.46	1291.7
Payment File	54	52	.135	379.1
Certification Letter	54	1	.4	21.6
SSP FCE Processing screens – State Workers	146	337	.008	393.6
Total				2,928.4

12.2 Respondents' Cost for Hour Burden

The annualized costs to respondents for the hour burdens are based on an average wage rate ¹of \$21.29 per hour for state employees submitting data. The total annualized cost is found by multiplying the total burden hours by the latest hourly wage information. The average annualized cost per respondent is found by dividing the total annualized cost by the number of respondents.

Instrument	Average Annualized Cost Per Respondent (rounded)	Total Annualized Cost (rounded)
Input Record	\$332	\$17,935
Output Record	\$509	\$27,500
Payment File	\$149	\$8,071
Certification Letter	\$9	\$460
Screen Updates	\$57	\$8,380
Total		\$62,346

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

State agencies already have systems in place that can be used, so there is no capital or start-up cost burden to respondents. There are also no incremental costs associated with collecting this information.

14. Annualized Cost to the Federal Government

The estimated annualized cost to the federal government for the entire Debtor Offset system is \$ 2.9 Million. This includes federal salaries and benefits, contractor fees, and hardware/software costs.

15. Explanation for Program Changes or Adjustments

The burden hour was adjusted to reflect a change in time and cost as a result of a technological enhancement made to the SSP. This use of improved technology, allows states quicker access to case records and a more efficient means of adding, updating, or making changes to case data and support balances. While there was an increase in the total burden hours because of the enhancement, state access to the SSP reduces their burden hour per response previously required to update records and the implementation of the CFI for data transfer reduces case processing.

¹ Based on Bureau of Labor Statistics July 2011 National Compensation Survey Hourly wages

16. Plans for Tabulation and Publication and Project Time Schedule

Information regarding collections derived from the Federal Tax Refund Offset, Administrative Offset and Passport Denial programs are 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.

B. STATISTICAL METHODS

The information collection requirements outlined in this report do not employ the use of statistical methods.