

# **SUPPORTING STATEMENT**

February 2014

## **Financial Reporting Forms Child Support Enforcement Program**

**Form OCSE-34: Quarterly Report of Collections**  
**Form OCSE-396: Quarterly Report of Expenditures and Estimates**

### **A. Justification**

#### **1. Legal or Administrative Requirements to Collect Information.**

The authorities to collect and report the information requested on these forms are found in the following sections of the Social Security Act (Act): 452(a)(6), 452(a)(10)(A), and 454(10).

State agencies administering State Plans approved under Title IV-D of the Act are required by statute in section 454(10) to maintain complete records and a system to report: (a) the amounts expended to administer and operate the program, (b) and amounts collected as child support payments from non-custodial parents, and (c) the child support payments distributed either to the custodial parents or to the appropriate Federal or State agency in accordance with section 457.

#### **2. Purpose for Which Information Will Be Used**

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

- a. Monitor program operations and prepare technical assistance and guidance as needed and in accordance with section 452(a)(7) of the Act;
- b. Compute the quarterly grant awards pursuant to section 455(b) of the Act;
- c. Determine that proper disposition of collections is being made according to the process set forth in section 457 of the Act;
- d. Enable OCSE to obtain data prior to the start of the fiscal year to estimate the incentive payments to be retained by each State. Also, to permit OCSE to calculate the actual amount of incentive payment due each State following the end of the fiscal year;
- f. Produce an annual financial and statistical report, when combined with information collected on Form OCSE-157, the "Annual Data Report." This report is available to the general public and includes a complete record of financial, statistical and programmatic information for the fiscal year.

### **3. Use of Technological Collection Techniques**

Collection of this data is accomplished substantially through electronic means. All States have the opportunity to submit this information electronically, through the Internet-based “On-Line Data Collection” (OLDC) system maintained by ACF. As of October 1, 2013 grantees are required to submit these forms electronically unless they request a waiver.

Information from OLDC is transferred to the in-house “Grants Administration Tracking and Evaluation System” (GATES) for final approval by Federal staff, production of management reports and issuance of grant awards.

### **4. Efforts to Identify Duplication**

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

### **5. Impact on Small Businesses**

Small businesses are not involved. Program grantees are State and Tribal governments. These forms will be completed by the staff of the State or Tribal government agency designated to administer this program and will be signed by the agency head, finance officer or similar authorized official.

### **6. Impact of Less Frequent Collection**

This data is used quarterly by OCSE 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. Explanation of Special Circumstances of Information Collection**

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

### **8. Outside Consultation Regarding Data Collection**

A standing Federal-State work group, with members representing each Federal region, was asked to review these reporting forms and provide suggestions and recommendations for changes and improvements. Interested members of the general public were also offered opportunities to comment on these forms with the publication of a Federal Register notice (77 FR 72352 December, 2012).

The proposed reporting forms and the Federal Register notice was also distributed and discussed separately by OCSE with all Tribes and was posted on the Tribal Child Support listserv.

In response to these consultations and solicitations, this agency received insufficient comments or recommendations to support any substantial changes to these forms at this time. However, as we continued to discuss improvements to these reporting forms with State and Tribal grantees we list a few minor revisions that have been incorporated to facilitate grant award operations and grantee financial reporting.

Additionally, further clarification was provided to reduce confusion over the inclusion of the Federal share of funding in computations of claims and to standardize treatment of claims. Finally there were minor revisions in the title of the forms by reverting to the original designation as Form OCSE-396 and Form OCSE-34 and minor changes to the existing wording to improve clarity and accuracy.

The revisions to the quarterly collection report (Form OCSE-34) were limited to changes that would allow Tribal grantees to use the same report submitted by State grantees. One respondent was concerned with the Tribal and State governments using the same OCSE-34 Form which was perceived to lead to added burden and confusion about the submission of specific data elements.

In accordance with statute and regulations, the financial treatment of child support collections for State and Tribal grantees differs slightly. In recognition of these differences, until now Tribes have used a similar, but abridged, version of the Form OCSE-34A used by States to report quarterly collections. With the new requirement that all reporting now be completed online, it is no longer reasonable to maintain separate reporting documents for, essentially, identical information.

Our sense is that the form is developed in a sufficiently clear manner to inform respondents on which data elements are required by each type of grantee, with annotations to indicate which line items are completed only by State grantees and instructions to provide additional information to indicate which line items Tribes must avoid and which they may elect to complete. Furthermore, we consistently provide outreach and technical assistance to all grantees to ensure that reporting burdens are clear and minimized.

A few respondents provided technical and clerical edits to the OCSE-396 Form to increase accuracy and clarity. We have incorporated many of the requested edits and appreciate the detailed and thoughtful comments.

One respondent was concerned that the instructions to the OCSE-396 may be creating an additional burden by maintaining a 5% variance threshold (an

increase or decrease in any data element of part 1 compared to that same data element for the previous quarter). While we are understanding of this concern our position is that the form will be used nationally and therefore raising the variance threshold above 5% is not justified at this time.

Respondents: State and Tribal agencies (including New York, Texas, Washington, Puyallup Tribe, and Port Gamble S'klallam Tribe) administering the Child Support Enforcement Program.

**9. Payment or Gifts to Respondents**

No member of the Federal-State Task Force or any respondent to our requests for comments received any remuneration for their participation.

**10. Assurance of Confidentiality**

There are no data collected that require confidentiality.

**11. Questions of a Sensitive Nature**

Data collected are not of a sensitive nature.

**12. Burden Hour/Cost Estimate**

		Form OCSE-396	Form OCSE-
	34		
No. of Respondents	54	114	
Responses Per Respondent	4	4	
Burden Hours Per Response	6	14	
Total Burden Hours	1,296	3,024	
Aggregate Total Burden Hours		7,680	

The monetary value of these hours is 7,680 times \$30 or \$230,400.

**13. Estimated Annual Cost Burden to Respondents**

There is no cost burden to respondents.

**14. Estimate of Federal Government Cost**

The annual cost of distributing, collecting, tabulating error-checking and analyzing the data from 432 quarterly reports submitted during the fiscal year on both financial reports from 54 States (incl. DC, PR, VI and GU) and an additional 240 quarterly collection reports from 60 Tribes is estimated to be \$10,000 per year. The information collected on these forms is combined with other data, statistical and programmatic information in an annual report available to the public. (Quarterly expenditures are reported separately by Tribes on OMB Form SF-425.) In addition, the financial information on these forms is included in the computation of the annual incentive payments made to each State. This cost estimate is based the hourly rate during approximately 200 hours of Federal staff time necessary for these tasks during the fiscal year.

We also estimate additional costs of \$40,000 only for the initial, one-time implementation, reprogramming and OLDC testing requirements. This is based on estimates from existing in-house IT contractors on the necessary time, programming and testing work needed for online reporting. This includes the effort needed to add and relocate lines on Form OCSE-396. It also includes identifying and incorporating the 60 Tribes currently operating Child Support programs with the States and reporting collections on a common Form OCSE-34 and to properly program those items where each category of grantee is treated differently.

## **15. Program Changes or Adjustments**

### *Form OCSE-396: Quarterly Financial Report*

#### Data Entry Changes

- Line 1a: Open entries in columns B and D to allow computation of the Federal Shares – currently zero for expenditures reported on this line. (NOTE: This change has already been adopted and approved on an emergency basis for OLDC submittals to accommodate ARRA for FYs 2009 and 2010. This revision will accommodate any future changes in the FFP rate applicable to this line.)
- Column F: Add to allow computation of Federal Share for next quarter estimates to standardize treatment with that of current claims and prior quarter adjustments. (NOTE: This change has already been adopted and approved on an emergency basis for OLDC submittals.)
- Line 1d: New line. Add to allow reporting of expenditures of incentive funds that require a waiver. These expenditures are not eligible for FFP and are subject to a specified ceiling and must be monitored separately from expenditures reported on Line 1a.
- Section C/ Line 16: Relocated line. Relocated from Line 8 to eliminate continuing confusion in the inclusion of this amount in the computation of the Federal Share (Line 14).
- Part 2: Changes in available Funding Categories to accommodate proposed revisions above.

Instruction Changes

- Revert to original designation as Form OCSE-396 (eliminating “A” suffix)
- Several minor changes to existing wording to improve clarity and accuracy.
- Additional Instructions associated with revisions proposed above.

*Form OCSE-34: Quarterly Collection Report*

Data Entry Changes

- None

Instruction Changes

- Revert to original designation as Form OCSE-34 (eliminating “A” suffix)
- Instruction wording will be revised to include “Tribes” wherever needed and to indicate, line-by-line, which data elements are not to be completed by Tribes and which data elements may be completed by Tribes, at their option. Form will be annotated to indicate similar lines.
- Several minor changes to existing wording to improve clarity and accuracy.

**16. Analytical Techniques Needed For Publication of Information**

Information on these forms is published in aggregate and State-by-State formats and in combination with other data collected by this Agency. The data are 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.

**17. Approval to Not Display Expiration Date**

Such approval is not being sought; the expiration date will be shown as needed.

**18. Exception to Certification Statement**

None.

**B. Collection of Information Employing Statistical Methods**

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

estimating or other statistical methodologies.