

**Supporting Statement For
OMB Clearance**

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

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Prepared by:

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
330 C Street, SW, 5th Floor
Washington, DC 20201

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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), the Treasury's Bureau of the Fiscal Service (BFS), 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.

State child support programs are authorized under title IV, part D of the Social Security Act, and are partially funded by federal dollars. 42 U.S.C. §651. These state child support programs are referred to as IV-D agencies. The Federal Tax Refund Offset Program requires state IV-D 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 support. 42 U.S.C. §§652(b) and 664; 26 U.S.C. §6402(c); 45 CFR §§302.60 and 303.72.

The Administrative Offset Program requires state IV-D 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 285.3.

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

State IV-D 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 and 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 IV-D agencies is maintained in the OCSE Debtor Master File and is matched with records maintained by BFS and DOS.

Information in the Annual Certification Letter provided by each state IV-D 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, BFS, DOS, and state IV-D agencies use the information collected from the support case submitted by state IV-D 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 denying, revoking, restricting, and limiting passports to facilitate the collection of past-due 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 IV-D agency preference for the provision of notice to a noncustodial parent.

3. Use of Improved Information 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 Child Support Portal (CSP). CSP employs applications that allow large amounts of data to be securely and efficiently transmitted by authorized users.

CSP 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.

The enhancement to the Federal Collection and Enforcement (FCE) Passport Denial CSP application allows users to submit certain passport denial release documents electronically versus by faxing.

Information required for data matching may also be submitted daily by state IV-D agencies via Managed File Transfer (MFT), 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.

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

State IV-D agencies e-mail the Annual Certification Letter.

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 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. Because daily processing occurs with BFS and DOS, the arrearage balance must be as up to date as possible in order to avoid inappropriate intercepts of funds or the denial, revocation, and restriction of a passport.

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

Information is required to be provided on at least a biweekly basis as stated in OCSE Action Transmittal 10-04 regulations, but may also be submitted as frequently as daily. The arrearage balance must be as up-to-date as possible in order to avoid inappropriate collection and enforcement actions.

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

A notice of the information collection was published in the *Federal Register* at 80 FR 64003 on October 22, 2015, which allowed 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 limited authorized users having access to the CSP. In addition, each state must have in effect safeguards, which are currently in place designed to protect privacy rights. All state data transmission using MFT are encrypted and the data contained in exchanges OCSE conducts with BFS and DOS are encrypted. No agency shall disclose any record in the system of records , except by written request or with prior written authority, pursuant to the Privacy Act , 5 U.S.C. §§552a(b) and (e), or as authorized by statute and stated as an authorized disclosure in the system of records notice.

11. Justification for Sensitive Questions

Social Security numbers are a required data element that ensures a noncustodial parent’s information is correctly matched before the interception of a federal offset 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. States of varying size, caseload, and system age were used to obtain an average that we apply to all states.
- States are able to complete many functions with no manual intervention at all.
- Four CSP users were contacted to gain data about the amount of time required to enter, add, delete, and update data. The users asked varied in level of experience from very experienced to new users and the time needed to perform specific portal functions such as basic queries, submitting add, deletions, or updates, and submitting release and emergency passport releases. We used this to obtain an average applied to all state CSP users.

- States use the FCE CSP application to add, update, and delete federal tax and administrative offset and passport denial case information. Web hits received on the CSP were used to estimate the number of entries completed per year.

Table 12.1

Reporting Requirements	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Input Record	54	52	.3	842.40
Output Record	54	52	.46	1,291.68
Payment File	54	52	.135	379.08
Certification Letter	54	1	.4	21.60
CSP FCE Processing screens	173	280.65	0.01	485.52
Total				3,020.28

12.2 Respondents' Cost for Hour Burden

The annualized costs per respondents for the hour burdens are based on an average wage rate¹ of \$21.78 per hour for state employees submitting data. This is the national median hourly rate for Child, Family, and School Social Workers per the Bureau of Labor Statistics. This is the same rate we use in all of our state estimates. The total annualized cost is found by multiplying the total burden hours by the latest hourly wage rate information. The average annualized cost per respondent is found by dividing the total annualized cost² by the number of respondents.

¹ Based on Bureau of Labor Statistics July 2013 National Compensation Survey Hourly wages

² Average annualized cost per respondent and total annualized costs are displayed with decimal points to provide exact calculations.

Instrument	Average Annualized Cost Per Respondent	Total Annualized Cost
Input Record	\$339.77	\$18,347.47
Output Record	\$520.98	\$28,132.79
Payment File	\$152.90	\$8,256.36
Certification Letter	\$8.71	\$470.45
CSP FCE Processing screens	\$61.13	\$10,574.63
Total		\$65,781.70

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

State agencies already have systems in place that they can use, 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 Debtor file is \$1,956,269. This includes federal salaries and benefits, contractor fees, and hardware/software costs.

15. Explanation for Program Changes or Adjustments

OCSE instituted program changes since the previous approval which include minor enhancements to the Federal Offset record layouts, edits to simplify the annual certification letter, and adding a processing screen (Passport Emergency Release). The passport denial emergency release letter is now completed and sent electronically via CSP versus being inputted manually on paper and faxed for processing.

These program changes to the record layouts and certification letter do not impact the burden hour or cost to the respondents; however, the total burden hour for the CSP FCE Processing Screens increased due to the additional time to populate screens and transmit additional information. The burden hours to the respondents were revised accordingly.

The decrease in cost to the federal government from the previous OMB approval is due to shifting funding priorities. The shifting priorities were based on transitioning the Debtor File to a new relational database, which led to increased costs in previous years (including our 2013 supporting statement).

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. There are no plans for statistical use.

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

The OMB expiration date will be displayed.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

Not applicable.

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.