

AFCARS Final Rule Supporting Statement

A. Justification

1. Circumstances Making the Collection of Information Necessary

Section 479 of the Social Security Act (the Act) requires that ACF regulate a national data collection system that provides comprehensive demographic and case-specific information on children who are in foster care and adopted with state or county child welfare agency involvement (42 U.S.C. § 679). The data collection system is the Adoption and Foster Care Analysis Reporting System (AFCARS).

The Indian Child Welfare Act (ICWA) was enacted by Congress in 1978 in response to alarming numbers of AI/AN children being removed from their families by public and private child welfare agencies, most often being placed in non-Indian homes far from their tribal communities. ICWA was enacted to protect AI/AN families and to give tribes a role in making child welfare decisions for AI/AN children.

This final rule replaces existing AFCARS regulations at 45 CFR 1355.40 and the appendices to part 1355 to require title IV-E agencies to collect and report data to ACF on children in out-of-home care and who exit out-of-home care to adoption or legal guardianship, children in out-of-home care who are covered by the Indian Child Welfare Act of 1978 (ICWA), children who are adopted with a title IV-E adoption assistance agreement, and children who exited foster care due to guardianship and who have a title IV-E guardianship assistance agreement..

2. Purpose and Use of Information Collection

AFCARS is the only nationally mandated collection of data on children in foster care and those who have been adopted with involvement by state and tribal child welfare agencies. State title IV-E agencies have been reporting information to AFCARS since 1995. The Department of Health and Human Services (the Department) uses the information submitted by child welfare agencies to:

- Draw national statistics and trends about the foster care and adoption populations for assessing the current state of foster care and adoption.
- Complete the annual Child Welfare Outcomes Report to Congress (section 479A of the Act).
- Develop our budgets.
- Calculate payments for the Adoption and Guardianship Incentive Payments program.
- Monitor title IV-E agency compliance with title IV-B and IV-E requirements, including drawing the population sample for title IV-E reviews.
- Develop appropriate national policies with respect to adoption and foster care; and
- Address the unique needs of Indian children as defined by ICWA in foster care or who exit to adoption, and their families.

3. Use of Improved Information Technology and Burden Reduction

AFCARS data are required to be submitted electronically to the Department on a semi-annual basis (twice a year). FISMA approved software is used that allows for secure direct transmission of data files

between the title IV-E agencies and the Federal Government.

4. Efforts to Identify Duplication and Use of Similar Information

ACF determined that a regulation is the best and most cost effective way to implement the statutory mandate for a data collection system regarding children in foster care and those that are adopted and support other statutory obligations to provide oversight of child welfare programs. AFCARS is the only national comprehensive case-level data set on the incidence and experiences of children who are in foster care and/or adoption or guardianship with the involvement of the state or tribal title IV-E agency.

5. Impact on Small Businesses or Other Small Entities

This information collection is required of state and tribal title IV-E agencies only and does not impact small businesses or other small entities. The Department requires reporting only on those children for whom the title IV-E agency has responsibility for placement and care or children who were adopted with a title IV-E adoption assistance agreement who were not in foster care.

6. Consequences of Collecting the Information Less Frequently

Information must be collected on an on-going basis in order to provide for future evaluation and other information for children in foster care. As the only nationally mandated child welfare information collection system, AFCARS is the primary source of information. In order to reduce the burden on title IV-agencies, and still gather data on a timely basis, a semi-annual reporting period has been required in the regulation.

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

There are no special circumstances required in the collection of this information in a manner other than that required by OMB.

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

The mechanism by which the Department solicited comments on proposed changes to AFCARS was a Notice of Proposed Rulemaking issued on February 9, 2015 (80 FR 7132) (2015 NPRM) and in a Supplemental Notice of Proposed Rulemaking issued on April 7, 2016 (81 FR 20283) (2016 SNPRM). ACF considered the input from comments to the 2015 NPRM and 2016 SNPRM. In response to both proposals, we received a variety of comments but we received too few estimates to assist in calculating the costs associated with this final rule. Therefore, ACF provides estimates using the best available information.

9. Explanation of Any Payment or Gift to Respondents

No payments, other than Federal financial participation (FFP), will be made to states for the maintenance and development of an information system.

10. Assurance of Confidentiality Provided to Respondents

All data reported to AFCARS will be collected with the assurance of confidentiality. The data must be kept confidential as the purpose of its collection is to conduct policy analyses and not to track individual children at the national level. The identity of individual children and families will be known to the reporting title IV-E agency only. ACF has approved two methods for the creation of an AFCARS record number, encryption or sequential numbering. ACF has assisted title IV-E agencies in developing an algorithm to encrypt. All title IV-E agencies encrypt the record number.

11. Justification for Sensitive Questions

AFCARS is a collection of information from public state and tribal child welfare agencies, not individuals. State and tribal child welfare agencies collect information in individual case files that are maintained by the agency.

12. Estimates of Annualized Burden Hours and Costs

Annual Burden Estimates

Collection - AFCARS	Number of respondents	Number of responses per respondent	Average burden hours per response	Total annual burden hours
Recordkeeping	59	2	8,204.25	968,102
Reporting	59	2	18	2,124
Total				970,226

Respondents: The 59 respondents comprise 52 state (including the District of Columbia and Puerto Rico) title IV-E agencies and seven tribal title IV-E agencies, which are Indian tribes, tribal organizations or consortium with an approved title IV-E plan under section 479B of the Act.

Recordkeeping burden: Searching data sources, gathering information, and entering the information into the system, developing or modifying procedures and systems to collect, validate, and verify the information and adjusting existing ways to comply with AFCARS requirements, administrative tasks associated with training personnel on the AFCARS requirements (e.g., reviewing instructions, developing the training and manuals), and training personnel on AFCARS requirements.

Reporting burden: Extracting the information for AFCARS reporting and transmitting the information to ACF.

Annual Cost Estimates

Collection - AFCARS	Total annual burden hours	Average hourly labor rate	Total cost	Number of respondents	Net average cost per respondent
Recordkeeping	968,102	\$84	\$81,320,668	59	\$1,378,316
Reporting	2,124	\$84	\$178,416	59	\$3,024

The estimated cost for the collection of information is based on an average wages from the Bureau of Labor Statistics for Computer and Mathematical Operations, Social Workers, Management Analyst, Social and Community Service Managers, and Paralegals and Legal Assistants. ACF averaged these wages to come to an average labor rate of \$42 and ACF doubled this rate (\$84) to take into account overhead costs associated with these labor costs.

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

There are no AFCARS-only data collection systems. Title IV-E agencies utilize existing computer information systems to record and collect information pertaining to the case work associated with children in their placement and care responsibility. Some of the costs that title IV-E agencies incur as a result of the revisions to AFCARS will be eligible for FFP. There may be costs associated with incorporating the proposed information into the electronic case file, if not already there, and a new program code to extract the data from agencies’ information systems. There will be costs for collecting, entering, and reporting the information.

14. Annualized Cost to the Federal Government

Federal reimbursement under title IV-E will be available for a portion of the costs that title IV-E agencies will incur as a result of the revisions in this final rule, depending on each agency’s cost allocation plan, information system, and other factors. For this estimate, we used the 50% FFP rate.

Collection - AFCARS	Total annual burden hours	Average hourly labor rate	Total cost	Estimate Federal costs (50% FFP)
Recordkeeping	968,102	\$84	\$81,320,668	\$40,660,284
Reporting	2,124	\$84	\$178,416	\$89,208
Total				\$40,749,492

15. Explanation for Program Changes or Adjustments

This final rule changes the collection requirements by adding for the first time, ICWA-related data elements to AFCARS for state title IV-E agencies and requiring all title IV-E agencies to report historical information on all of the child’s removals, placements, permanency plans, caseworker visits, and exits. The burden hours may be an overestimate since we are unable to know exactly what information state title IV-E agencies currently collect for their own purposes related to ICWA. While agencies may collect the information in some ICWA-related format for their own purposes, the final rule will require the automated collection and reporting of this information and other historical information to the Federal government for the first time. Also, this final rule collects information on children receiving adoption assistance or guardianship assistance on an on-going basis. While the reporting of

this information is new, agencies have this data in their case record systems for the purpose of making monthly subsidy payments.

16. Plans for Tabulation and Publication and Project Time Schedule

There is no timetable or end date for the project, as collection of data will be ongoing.

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

The Department is requesting that the OMB number and expiration date not be displayed as there is no forms that the title IV-E agencies use to submit AFCARS data. All data are submitted electronically. The OMB number is displayed at 45 CFR 1355.40.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification statement.

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

The information collected in AFCARS does not require the use of statistical methods.