

Child Care Improper Payments Data Collection Instructions

**OMB Information Collection Request
0970 - 0323**

Supporting Statement Part A - Justification

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Submitted By:
Office of Child Care
Administration for Children and Families
U.S. Department of Health and Human Services

Summary

This information request is for revisions to the Child Care Improper Payments Data Collection Instructions. The current data collection forms and instructions expire on October 31, 2021 and must be renewed. The proposed revisions do not change the methodology, but instead make the forms and instructions more user-friendly by providing additional guidance, instruction, and clarifications to respondents. Ongoing feedback from respondents during the current data collection cycle has informed these minor revisions.

1. Circumstances Making the Collection of Information Necessary

Section 2 of the Payment Integrity Information Act of 2019 (PIIA) requires federal agencies to review their programs and activities to identify those that may be susceptible to significant improper payments and submit a report on actions taken to reduce improper payments. The 45 CFR Part 98 Subpart K—Error Rate Reporting—requires states, the District of Columbia, and Puerto Rico to measure, calculate, and report errors and improper payments occurring in the administration of the Child Care and Development Fund (CCDF) once every three years.

The Office of Child Care (OCC) first implemented the error rate methodology in 2007 and is currently completing the fifth 3-year cycle of case record reviews to meet the requirements for reporting under the PIIA. The current data collection forms and instructions expire on October 31, 2021 and must be renewed. As part of the renewal process, OCC has revised the document with minor changes that do not change the methodology, but that provide respondents with additional guidance, clarification, and support to facilitate completeness and accuracy of the required data submissions. See Attachment A for the revised Data Collection Instructions.

2. Purpose and Use of the Information Collection

The Child Care Improper Payments Data Collection Instructions (DCI) detail the methodology to be used by states, the District of Columbia, and Puerto Rico (referred to as “states” for the remainder of this item) to implement the CCDF error rate reporting requirements. The methodology outlined in the DCI provides a consistent framework for all states to follow while allowing flexibility to reflect the policies, procedures, and requirements unique to each state. The DCI provides instructions for each step of the three-year error rate review cycle and includes four data collection forms:

- *Sampling Decisions, Assurances, and Fieldwork Preparation Plan (SDAP)*: The SDAP includes a series of questions about how the state plans to sample cases and conduct case reviews, including the frequency of collecting samples, the state’s review team and project leadership composition, and how the state ensures inter-reviewer consistency. OCC reviews and approves the state’s SDAP prior to the state drawing their first sample of case records.
- *Record Review Worksheet (RRW)*: The RRW provides a standardized format for states to review their case records to evaluate whether CCDF eligibility was correctly determined and whether the subsidy payment was made in the correct amount.

Because states may establish eligibility conditions in addition to the CCDF federal requirements, states customize the RRW template to include their state's regulations, policies, and procedures. After the RRW template is reviewed and approved by OCC, the state uses the approved RRW to review a sample of 276 case records (for a total of 276 completed RRWs).

- *State Improper Payments Report*: States use the *State Improper Payments Report* to report their error rate and improper payments findings and analysis from their completed RRWs. OCC uses the aggregate information and data collected from the *State Improper Payments Reports* to calculate the CCDF national error rate and prepare the annual Agency Financial Report (AFR) submitted to the Department of Health and Human Services (HHS).
- *Corrective Action Plan (CAP)*: After submission of the *State Improper Payments Report*, any state with an improper payment rate above 10% must submit a CAP to OCC to address the root causes of their improper payments and the action steps, milestones and timelines to address the errors. OCC uses the CAP data to conduct state oversight and identify technical assistance and training needs. If a state's improper payment rate continues to exceed 10% after 12 months, the state must submit a new CAP, for a total of up to three CAP submissions per error rate review cycle.

The information collected through the DCI enables OCC to meet PIIA reporting requirements. In addition, OCC uses the information to identify actions to reduce CCDF improper payments and inform technical assistance and training offered to states.

3. Use of Improved Information Technology and Burden Reduction

States submit three out of four documents required under this information collection electronically into the web-based Grants Solutions Online Data Collection system (OLDC):

- *Sampling Decisions, Assurances, and Fieldwork Preparation Plan*,
- *State Improper Payments Report*, and
- *Corrective Action Plan*.

Electronic data collection facilitates transparency through a system that tracks and stores submissions and creates historical documentation that supports state staff transitions. Use of online report templates also eases burden on respondents and increases data accuracy. For example, when appropriate, the online report templates pre-populate existing information from prior state reports and several fields in the *State Improper Payments Report* have an auto-calculation function.

The fourth document is the *Record Review Worksheet (RRW)* template, which OCC provides for states to customize. This allows them the flexibility to complete the template in their preferred format. Many states have automated the RRW which has enhanced their review process and report compilation. States are encouraged to enter all data fields from each RRW into a database to compute the data submitted in the *State Improper Payment Reports*.

4. Efforts to Identify Duplication and Use of Similar Information

The data in this information collection are not duplicative of any other sources of information and are not available from any other source. While other ACF programs produce error rate measures for their programs, their procedures do not collect information about the CCDF.

5. Impact on Small Businesses or Other Small Entities

This data collection effort does not impact small businesses or other small entities.

6. Consequences of Collecting the Information Less Frequently

PIIA requires federal agencies to annually report error rate measures. To minimize burden on states, ACF has obtained approval from the Office of Management and Budget (OMB) for each state, the District of Columbia and Puerto Rico to collect data and report findings once every three years, with one-third of grantees reporting each year. Without this information collection, HHS will be unable to report this information in the AFR.

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

The CCDF regulations at Subpart K of 45 CFR, Part 98, require states to maintain all records related to the Improper Payments Error Rate Review for five years.

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

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13) and Office of Management and Budget (OMB) regulations at 5 CFR Part 1320 (60 FR 44978, August 29, 1995), ACF published a notice in the Federal Register announcing the agency's intention to request an OMB review of this information collection activity. This notice was published on April 14, 2021, Volume 86, Number 68, pages 18985-18986, and provided a sixty-day period for public comment. During the notice and comment period, OCC received comments from New York state. OCC has given thoughtful consideration to the comments received and has provided a response in Attachment B. While no changes to the Data Collection Instructions were made in response to the comments, OCC will use the helpful feedback to inform training and technical assistance for states.

In addition, during the 60-day public comment period, OCC notified external stakeholders about the publication of this information collection in the Federal Register through an OCC Announcement. OCC also notified states about the opportunity for public comment during Error Rate trainings and Office Hours sessions held in April and May of 2021. Further, OCC reviewed the proposed revisions with staff from the ten OCC regional offices and provided a draft copy of the revised information collection to share with states.

Finally, feedback from states and technical assistance providers during the last three-year cycle of error rate reviews has informed the minor proposed revisions to this data collection.

9. Explanation of Any Payment or Gift to Respondents

No payments or gifts are provided to respondents.

10. Assurance of Confidentiality Provided to Respondents

This information collection does not collect information of a confidential nature and therefore does not require any assurance of confidentiality.

11. Justification for Sensitive Questions

This data collection does not include questions of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

States, the District of Columbia, and Puerto Rico complete the error rate review every three years on a rotational cycle. Over a three-year period, each submits one response to this request. The states, District of Columbia, and Puerto Rico have been divided into three cohorts for reporting purposes. Year one cohort consists of 18 respondents, and year two and three cohorts each consist of 17 respondents. Estimated time to complete the information collection is based on respondent experience and feedback to date. **Note:** Burden shown in RegInfo.gov and that shown in the following table are slightly different due to the automatic rounding in the online submission system (ROCIS).

Information Collection Title	Total Number of Respondents	Total Number of Responses Per Respondent	Average Burden Hours Per Response	Total Burden Hours	Annual Burden Hours	Average Hourly Wage	Total Annual Cost
Sampling Decisions, Assurances, and Fieldwork Preparation Plan (Attachment 1)	52	1	106	5,512	1,837	\$36.76	\$67,528
Record Review Worksheet (Attachment 2)	52	276	6.33	90,848	30,283	\$36.76	\$1,113,203
State Improper Payments Report (Attachment 3)	52	1	639	33,228	11,076	\$36.76	\$407,154
Corrective Action Plan (Attachment 4)	5	2 ^a	156	1,560	520	\$36.76	\$19,115
Estimated Annual Burden Total:					43,716	Estimate d Annual Cost Total:	\$1,607,000

a. The total number of responses per respondent ranges from 1-3, depending on how long it takes respondents to reduce the Improper Payment Rate to below the threshold. Respondents submit a *Corrective Action Plan* that covers a one-year period; at the end of each year, if respondents have not reduced the Improper Payment Rate to below the threshold, they submit a new *Corrective Action Plan* for the following year. An average of 2 responses per respondent is used to calculate annual burden estimates

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The cost to respondents was calculated using the Bureau of Labor Statistics (BLS) job code for Social and Human Services Assistants [21-1093] and wage data from May 2020, which is \$18.38 per hour. To account for fringe benefits and overhead the rate was multiplied by two which is \$36.76. https://www.bls.gov/oes/current/oes_stru.htm

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

There are no other direct required monetary costs to respondents to participate in this data collection effort.

14. Annualized Cost to the Federal Government

The annual costs to the Federal government are projected as follows:

Task (over three-year DCI project cycle)	Cost
Contractor support: <ul style="list-style-type: none"> • Training and technical assistance to States to implement the data collection methodology • Data analysis and national-level report preparation 	\$344,478
OCC Central Office and Regional Office staff oversight of the required data collection process including review and approval of data collection forms	\$475,305
Online Data Collection System: <ul style="list-style-type: none"> • One-time software enhancements to implement DCI revisions • Ongoing annual system maintenance 	\$86,116
Total Cost (over three-year DCI project cycle)	\$905,899
Annual Cost (Total Cost /3 years)	\$301,966

15. Explanation for Program Changes or Adjustments

There are no significant changes to the information collection since the last OMB approval. Minor revisions were made to provide respondents with additional guidance, clarification, and support to facilitate completeness and accuracy of the required data submissions.

Burden estimates appear slightly different than the previous approval due to a change in the way information is presented and calculated. The number of respondents and the estimated time to complete the information collection remain the same. **Note:** Burden shown in RegInfo.gov and that shown in A12 of this document are slightly different due to the automatic rounding in the online submission system (ROCIS).

16. Plans for Tabulation and Publication and Project Time Schedule

States will complete a review and submit a report of error rate data on a three-year rotational cycle. Each reporting year report is based on a review of cases from the fiscal year prior to

the reporting year. All reports are submitted by June 30th of the reporting year. Data are reviewed and undergo a quality assurance review in the program office. CCDF error rate data are aggregated, compiled and reported to HHS for the annual AFR, published each year in November.

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

The current expiration date will be displayed at the top right corner of each form.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

No exceptions are necessary for this information collection.