

**Federal Tax Refund Offset  
Administrative Offset  
and  
Passport Denial**

**OMB Information Collection Request  
0970 - 0161**

**Supporting Statement**

**Part A - Justification**

**April 2022**

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

## **1. Circumstances Making the Collection of Information Necessary**

The federal Office of Child Support Enforcement (OCSE) helps state child support agencies develop, manage, and operate their programs effectively according to federal law. OCSE provides limited enforcement services that facilitate collecting past-due child and spousal support. This information collection ensures continued compliance with federal law that requires and governs the Federal Tax Refund Offset, Administrative Offset, and Passport Denial programs. The Federal Tax Refund Offset and Administrative Offset programs are conducted by OCSE and the Department of the Treasury's (U.S. Treasury) Bureau of the Fiscal Service (BFS). The Passport Denial Program is conducted by OCSE and the U.S. Department of State (DOS).

The Federal Tax Refund Offset Program requires state child support agencies to submit information pertaining to a past-due support case that meets specific criteria to offset a federal tax refund of a 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 child support agencies to submit information pertaining to a past-due support case that meets specific criteria to offset administrative federal payments, other than federal tax refunds, owed to a noncustodial parent owing past-due support. 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 child support agencies to submit information pertaining to a past-due support case that meets specific criteria to DOS for the denial, revocation, restriction, or limitation of a passport held by a noncustodial parent owing past-due support. 42 U.S.C. §§ 654(31) and 652(k); 22 CFR 51.60.

State child support agencies must 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).

This request is for a revision of a currently approved information collection. Please see item A.15 for an explanation of changes.

## **2. Purpose and Use of the Information Collection**

Information collected from the support case submitted by state child support agencies is maintained in the OCSE Debtor File and matched with records maintained by BFS and DOS. OCSE, BFS, DOS, and state child support agencies use the match results to offset federal income tax refunds and other federal payments, and to deny, revoke, restrict, and limit passports to facilitate past-due support collections.

OCSE uses the information collected in the Annual Certification Letter to verify that states meet federal offset and passport denial requirements. OCSE also uses this information to determine each state agency's preference for OCSE to mail Pre-Offset Notices to noncustodial parents.

### **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 (FCE) application maintained in the Child Support Portal (CSP). CSP applications securely and efficiently transmit large amounts of data by authorized users.

Daily CSP access allows individual cases to be added, updated, and deleted by state and/or federal users, simplifies retrieval of case data, and allows for up-to-date arrearage balances.

State IV- D agencies may also submit information daily required for data matching 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 child support agencies e-mail or upload through the CSP the Annual Certification Letter to expedite delivery and eliminate postage costs.

### **4. Efforts to Identify Duplication and Use of Similar Information**

The information collected for the federal offset and passport denial programs is unique because no similar program exists. 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 child support collections. BFS and DOS process cases daily to ensure arrearage balances are as up to date as possible, which mitigates inappropriate federal payment interceptions or wrongly imposed passport denials, revocations, or restrictions.

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

As provided by Department of Health and Human Services (HHS) regulations, state child support agencies must notify OCSE of any deletion of, or any change in, the debt submitted for federal tax refund offset. U.S. Treasury regulations also require states to notify OCSE of any decrease in or elimination of, an amount referred for collection by federal income tax refund offset and/or by administrative offset within timeframes established by OCSE. Because all federal remedies depend on the information that is maintained on the OCSE debtor file, it is important that states update information at least biweekly, but may update as frequently as daily, to avoid inappropriate collection and enforcement actions. 45 CFR 303.72(d)(2); 31 CFR 285.1(g); 31 CFR 285.3(c)(5); 31 CFR Part 285.

## **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), OCSE published a notice in the Federal Register at 86 FR 70842 on December 13, 2021. The notice announced the OCSE's intention to seek OMB approval of collection of information and to provide a 60-day comment period for the public to submit written comments about this information collection activity. OCSE received comments from one individual who shared dissatisfaction with California state child support regulations and federal passport denial law. OCSE's Division of Customer Communication assisted with locating child support and judicial officials in California to address the individual's concerns.

## **9. Explanation of Any Payment or Gift to Respondents**

Not applicable.

## **10. Assurance of Confidentiality Provided to Respondents**

OCSE maintains Federal Tax Refund Offset, Administrative Offset, and Passport Denial data at the secure Social Security Administration facility, and only authorized users have access to the CSP. In addition, each state must have safeguards in place to protect an individual's privacy rights. All state data transmission using MFT are encrypted, and the data exchanged between OCSE, BFS, and DOS are encrypted. No agency shall disclose any record in the system of records, No. 09-80-0387 "Federal Parent Locator Service Child Support Services Portal HHS/ACF/OCSE" (now renamed "Child Support Portal Registration Records, HHS/ACF/OCSE"), 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 last published at 87 FR 3551 on January 24, 2022.

## **11. Justification for Sensitive Questions**

Social Security numbers are a required data element that ensures a noncustodial parent’s information is correctly matched before intercepting a federal payment or imposing passport denials, revocations, or restrictions.

## 12. Estimates of Annualized Burden Hours and Costs

Estimates of burden hours and costs to respondents are based on these assumptions:

- The information is currently contained in state case files and requires no additional information gathering.
- Five states, varying in population, caseload, and system age, provided information about the time required to transmit and receive the required information. OCSE used that information to obtain an average hourly burden for all states.
- States can complete many functions with no manual intervention at all.
- Four CSP users, with varying level of experience with the application, provided information about the time required to enter, add, delete, and update data; the time to perform specific portal functions, such as basic queries, submitting additions, deletions, or updates; and, the time to submit both normal and emergency passport releases. OCSE used this information to determine an average burden for all state CSP users.
- States use the FCE application in the CSP to add, update, and delete federal tax, administrative offset, and passport denial case information. OCSE used web hits received on the CSP to estimate the number of entries completed per year.

Information Collection Instrument	Total Number of Respondents	Total Number of Responses per Respondent	Average Burden Hours per Response	Annual Burden Hours	Average Hourly Wage	Total Annual Cost
Input Record	54	52	.3	842.40	\$46.56	\$39,222.14
Output Record	54	52	.46	1,291.68	\$46.56	\$60,140.62
Payment File	54	52	.14	393.12	\$46.56	\$18,303.67
Certification Letter	54	1	.4	21.60	\$46.56	\$1,005.70
CSP FCE Processing Screens	173	281	.01	486.13	\$46.56	\$22,634.21
<b>Estimated Annual Burden Total:</b>				<b>3,034.93</b>	<b>Estimated Annual Cost Total:</b>	<b>\$141,306.34</b>

OCSE used the Bureau of Labor Statistics job code for a state Child Social Worker [21-1021] and wage data from May 2020, which is \$23.28 per hour, to calculate the annualized cost to respondents. To account for fringe benefits and overhead the rate was multiplied by two which is \$46.56. The estimate of annualized cost to respondents for hour burden is \$46.56 x 3,034.93 hours = \$141,306.34.

[https://www.bls.gov/oes/current/oes\\_stru.htm](https://www.bls.gov/oes/current/oes_stru.htm)

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

State agencies already have required systems in place that they can use for the Tax/Administrative Offset and Passport Denial programs, 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 to operate and maintain the Debtor File is \$5,786,922, which includes federal salaries and benefits, contractor fees, and hardware/software costs.

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

OCSE made minor grammatical changes and these minor edits to the previously approved record specifications:

- Charts E-1 and E-3: added bullets for clarity
- Charts F-3, F-4, and F-6: added bullets for clarity
- Charts F-4: removed statement that the BFS Offset Month Day field contains spaces for administrative offsets
- Charts F-6: added an additional condition when a case might be in hold status (arrearage amount is less than \$25 or no Pre-Offset Notice printed yet)
- Charts F-6: added an additional definition for address source "O" (no address)
- Charts F-6: provided examples of Foreign Address indicators (Y, N, or Space and their definitions)

Edits to the record layouts constitute program changes, but they do not affect the burden hour or cost to the respondents because they do not require system reprogramming or for the user to provide any additional information. The Annual Certification letter remains the same since the previous approval.

The adjustment to the respondents' costs reflects an overall cost increase since the previous approval, which is due to wage rate increases and to incorporating the OMB requirement to double the hourly rate to account for fringe benefits and overhead.

The increase in costs to the federal government from the previous OMB approval is due to general increases in salaries and costs.

**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**

Not applicable.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

Not applicable.