

TANF Expenditure Report – ACF 196R

**OMB Information Collection Request
0970 - 0446**

Supporting Statement Part A - Justification

December 2023

Type of Request: Revision

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

Summary

This request is for a revision to a previously approved information collection, TANF Expenditure Report – ACF 196R (OMB #0970-0446). The minor updates proposed are intended to ensure the instructions are up-to-date for respondents.

1. Circumstances Making the Collection of Information Necessary

Form ACF-196R is used by states administering the Temporary Assistance for Needy Families (TANF) program to report on quarterly expenditure data and to request quarterly grant funds from the federal awarding agency. Failure to collect the data would seriously compromise the Office of Family Assistance (OFA) and the Administration for Children and Families' (ACF) ability to monitor TANF expenditures and ensure compliance with statutory requirements found at 42 U.S.C. 411(a)(3). These data are also needed to estimate outlays and to prepare reports and budget submissions for Congress.

Edits have been made to the instructions to update references to lapsed timeframes, to add demonstrative tables that aid in a recipient's comprehension of reporting requirements, incorporate minor edits to the instructions, and to adjust formatting to improve presentation.

2. Purpose and Use of the Information Collection

ACF uses the financial data provided by states to assess compliance with statutory and regulatory requirements relating to use of funds, administrative costs, and state maintenance-of-effort requirements. Without the data captured by the ACF-196R, the agency's ability to monitor TANF grant performance would be compromised.

The ACF-196R form includes a Part 1 and a Part 2. Part 1 collects financial data from states. Part 2 requires states to provide additional information regarding several general categories of spending (Assistance Authorized Solely Under Prior Law, Non-Assistance Authorized Solely Under Prior Law, and Other) and the methodology used to estimate any expenditure reported.

3. Use of Improved Information Technology and Burden Reduction

Federal regulations at 45 CFR 265.6 require that reports for this program be submitted online through the ACF On-Line Data Collection (OLDC) system. Likewise, in accordance with ACF policy published in the Federal Register June 28, 2013 (78 FR 38989 et. seq.), financial reports for all ACF grant programs are submitted electronically, either through OLDC or through the HHS Payment Management System (PMS). Paper copies of these reports are no longer being accepted either by mail, by fax, or as an email attachment. (See ACF Office of Grants Management Action Transmittal, OGM-AT-13-01, September 25, 2013.)

4. Efforts to Identify Duplication and Use of Similar Information

Information collected in this report is not available through any other source.

5. Impact on Small Businesses or Other Small Entities

This form is completed by state governments only. Small businesses and other entities are not involved.

6. Consequences of Collecting the Information Less Frequently

ACF and OFA use this data to compute quarterly grant awards, as required by law. Failure to collect expenditure and estimate data on a quarterly basis would preclude the Department of Health and Human Services from accurately calculating and issuing these awards in a timely manner.

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

Collection of state financial data is consistent with guidelines at 5 CFR 1320.5. The information requested is necessary to satisfy statutory requirements.

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 September 14, 2023, Volume 88, Number 177, page 63109, and provided a sixty-day period for public comment. During the notice and comment period, one commenter submitted a few comments.

Comment: The New Jersey Division of Family Development (DFD) welcomes the change made to Form ACF-196R that increased the number of reportable categories and more accurately reflects expenditures within the TANF program. Unfortunately, the processes related to prior grant years were also altered which makes timely completion of the ACF-196R more difficult.

Response: The change in reportable categories and reporting of prior grant year expenditures were made effective FY 2015, nearly 10 years ago. These requirements have been in effect since FY 2015 and this approach provides for the most accurate and policy-relevant information for Congress and other policymakers. No changes have been made in response to this comment.

Comment: In reviewing the NPRM, New Jersey agrees that fourteen (14) hours is a fair and reasonable estimate of time for the development and submission of a single 196R for the current quarter. The estimate in the NPRM of fourteen (14) hours, however, does not take into account the fact that the State must have more than one Federal Fiscal Year open at one time which means that there is never just a single 196R submitted in any given quarter.

Response: These provisions have been in effect since FY 2015 and states are able to

reduce their administrative burden of federal reporting by expending older year funding first. The current burden estimates do consider reporting for multiple fiscal years. We will continue to monitor burden and consider alternatives for reporting that may provide less burden for federal reporting. Since this is the first concern expressed since 2015, no changes will be made with respect to these recommended reforms at this time.

Comment: By way of examples, New Jersey's most recent submission for QE 06/30/2023 required the State to report on Federal Fiscal Year 2021, 2022, and 2023. Rather than one report for each year, DFD's Office of Budgetary and Financial Management were required to develop six reports; three for revisions to FFY 2021, two for revisions to FFY 2022, and one for the initial entries for FFY 2023. Additionally, due to the new expenditures-only requirement of the 196R, the State is unable to submit all six reports at one time because the prior year's submission(s) must contain the correct balances before moving forward with submission of the subsequent report(s). In the current example, the work efforts required three separate cycles to finalize the reports instead of one cycle. On average, each additional report adds a minimum of two hours, bringing the total preparation time to at least 24 hours.

Response: As noted above, these requirements have been in effect since FY 2015 and this approach provides for the most accurate and policy-relevant information for Congress and other policymakers. No changes have been made in response to this comment.

Comment: Therefore, New Jersey respectfully requests that ACF:

- 1) Revert the prior year reporting to the former process of entering the cumulative expenditures to date and not just the additional quarterly expenditures, and
- 2) Initiate a prior year adjustment portion of the form (similar to the ACF Child Support claim) which would allow states to identify which quarter and Federal Fiscal Year to apply the revised expenditures.

Response: With respect to the first request, reverting to the prior approach for reporting expenditures would pose an administrative burden to all states, as they would have to adopt a new approach. Also, the current approach does involve reporting cumulative expenditures within a fiscal year. In this regard, and with respect to the second request, we believe requiring revisions by quarter would be an added and unnecessary administrative burden. No changes have been made in response to this comment.

9. Explanation of Any Payment or Gift to Respondents

No payments and/or gifts will be provided to respondents.

10. Assurance of Confidentiality Provided to Respondents

The information collected will be kept private, as appropriate, to the extent permitted by law.

11. Justification for Sensitive Questions

None of the information requested from state agencies is of a sensitive nature.

12. Estimates of Annualized Burden Hours and Costs

Information Collection Title	Total Number of Respondents	Annual Number of Responses Per Respondent	Average Burden Hours Per Response	Annual Burden Hours	Average Hourly Wage	Total Annual Cost
ACF-196R	51	4	14	2,856	\$80.36	\$229,508.16

Respondents include state agencies administering the TANF program (50 states and the District of Columbia). The ACF-196R is due quarterly and the estimated time to complete the submission is about 14 hours.

The cost to respondents was calculated using the Bureau of Labor Statistics (BLS) job code for Business and Financial Operations Occupations 13-2099 and wage data from May 2022, which is \$40.18 per hour. To account for fringe benefits and overhead the rate was multiplied by two which is \$80.36.

<https://www.bls.gov/oes/current/oes132098.htm>

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

There are no additional direct monetary costs.

14. Annualized Cost to the Federal Government

We estimate federal staff will require 2 hours to review and analyze each of the 204 reports submitted during a fiscal year (51 respondents x 4 reports per year), for a total of 408 hours per year. Using an estimate of \$41.80 per hour, the hourly federal GS-12, "Rest of US" employee rate, the annualized cost is \$17,054 (408 hours x \$41.80 per hour = \$17,054).

15. Explanation for Program Changes or Adjustments

ACF modified the form instructions to remove detailed instructions for the ACF-196 report (OMB #0970-0247) and instead only include instructions for the singular ACF-196R report. ACF has also clarified some instructions that have generated confusion for states and has reorganized the format and chronology of section headers and associated guidance to better reflect the flow of the TANF reporting process.

The estimated number of respondents and time to complete the form has not changed.

16. Plans for Tabulation and Publication and Project Time Schedule

Section 411(b) of the Social Security Act requires the Secretary to submit a report to Congress each year that includes expenditures under each state's TANF program. Information collected from the quarterly ACF-196R financial report is an important source of the information used to compile certain sections of the report to Congress. Financial data are also published on our website at <http://www.acf.hhs.gov/programs/ofa/programs/tanf/data-reports>.

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

Not applicable. OMB expiration date will be shown as required.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

No exceptions are necessary for this information collection.