Child Care Improper Payments Data Collection Instructions

OMB Information Collection Request
0970 - 0323

Supporting Statement Part B –

Statistical Methods

January 2025

Type of Request: Revision

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

1. Respondent Universe and Sampling Methods

There are 52 total respondents in the respondent universe which includes CCDF grantees (Lead Agencies) from the 50 states, the District of Columbia, and Puerto Rico. Each respondent responds once every three years. There is a 100% response rate for this information collection, in accordance with the Child Care and Development Fund (CCDF) regulations at 45 CFR Part 98 Subpart K. Respondents are broken into three cohorts, with 17-18 respondents per Cohort. Respondents submit the *Sampling Decisions, Assurances, and Fieldwork Preparation Plan* (SDAP), the *ACF-403 Record Review Worksheet* (RRW), the *ACF-404 State Improper Payments Report*, and the *ACF-405 Corrective Action Plan* (CAP) (if applicable) based on cohort deadlines.

Cohort	Number of Respondents	Data Collection Timeline (over three-year cycle)
1	18	• SDAP due 10/31 of 1st reporting year • RRW due 12/31 of 1st reporting year • *State Improper Payments Report* due 6/30 of 1st reporting year • CAP due 8/30 of 1st reporting year (if applicable)
2	17	• SDAP due 10/31 of 2nd reporting year • RRW due 12/31 of 2nd reporting year • *State Improper Payments Report* due 6/30 of 2nd reporting year • CAP due 8/30 of 2nd reporting year (if applicable)
3	17	• SDAP due 10/31 of 3rd reporting year • RRW due 12/31 of 3rd reporting year • *State Improper Payments Report* due 6/30 of 3rd reporting year • CAP due 8/30 of 3rd reporting year (if applicable)
Complete Cycle of Reviews	52 (total)	Cycle concludes at end of three-year period

To allow sufficient time for state to make changes to their systems to gather and report the requested data, OCC proposes to make the changes to the ACF-404 *State Improper Payments Report* effective with the June 2026 reports (Cohort 1 states). The currently approved version of the ACF-404 will be used in 2025 for Cohort 3 states submitting on June 30, 2025.

2. Procedures for the Collection of Information

The Office of Child Care (OCC) created the cohort reporting model by stratifying the sample (which includes the 50 states, the District of Columbia, and Puerto Rico) by ACF region (10

total), with the regions randomly ordered. States were sorted within regions by caseload, from the most cases to the fewest cases. Every third state on the list was then selected, using a random start number for Cohort 1 and Cohort 2. Cohort 3 includes those states not selected for Cohort 1 or Cohort 2. This yielded a mix of states in each cohort, including those with county-administered and state-administered programs and those serving small and large numbers of children.

At the respondent level, each state randomly selects a sample of 276 case records for review following the methodology outlined in the Child Care Improper Payments Data Collection Instructions (DCI) and described by the state in their SDAP. The sample size is based on a conservative error rate of 50%, a 90% confidence level, and a margin of error of +/- 5 percent, for a sample size of 271. Because states draw samples monthly over a 12-month period, we added five more cases to the sample size for a total of 276, so that states could draw the same number of cases (23) per month.

States use the RRW to record the data from their case reviews. State then consolidate and report the results from all 276 case reviews in the *State Improper Payments Report*, which is due by June 30th of the reporting year.

OCC uses the aggregate information and data collected from the *State Improper Payments Reports* to calculate and report the CCDF national error rate as part of the annual HHS Agency Financial Report.

3. Methods to Maximize Response Rates and Deal with Nonresponse

States, the District of Columbia and Puerto Rico are required to report error rate data in accordance with CCDF regulations at 45 CFR Part 98 Subpart K—Error Rate Reporting. OCC staff work closely with states to remind them of reporting deadlines and help them understand reporting requirements. In addition, OCC provides ongoing training, technical assistance and resources to states to support successful data collection submission.

4. Test of Procedures or Methods to be Undertaken

Implementation of the original Error Rate Review methodology began in October 2007. All respondents have completed or are currently completing their sixth cycle of reviews. Respondents have provided continuous feedback and input into the adjustments found in these instructions.

5. Individuals Consulted on Statistical Aspects and Individuals Collecting and/or Analyzing Data

Ongoing communication and feedback from respondents, federal staff and technical assistance contractors have been incorporated into adjustments for this revision. In addition,

the following have been involved in the statistical aspects and data analysis process for the collection:
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