

Federal Tax Refund Offset Administrative Offset and Passport Denial

**OMB Information Collection Request
0970 - 0161**

Supporting Statement

Part A - Justification

April 2025

Type of Request: Revision

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 Office of Child Support Enforcement (OCSE) helps state child support agencies (CSA) develop, manage, and operate their programs effectively according to federal law. OCSE operates the Federal Collections Enforcement (FCE) program, which 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 information collection activities are authorized as follows:

U.S. Department of Health and Human Services (HHS) regulation requires state CSAs to notify OCSE of any deletion of or 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 by administrative offset within timeframes established by OCSE. 45 CFR 303.72(d)(2); 31 CFR 285.1(g); and 31 CFR 285.3(c)(5).

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

State CSAs must submit 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 CSAs is maintained in the OCSE Debtor File and matched with records maintained by BFS and DOS. OCSE, BFS, DOS, and state CSAs 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.

The total amount of overdue payments collected through FCE is included in periodic reports to Congress.

3. Use of Improved Information Technology and Burden Reduction

OCSE provides automated and electronic submission options for this information collection to minimize the burden to respondents.

The Federal Tax Refund Offset, Administrative Offset, and Passport Denial programs are components of the FCE application maintained in the Child Support Portal¹ (Portal). Authorized users securely and efficiently transmit large amounts of data through the Portal. They may also access the Portal anytime to add, update and delete individual cases; retrieve case data or get accurate arrearage balances.

State CSAs may also submit required information daily 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.

Portal and MFT technology reduce case processing time and allow for effective data sharing with minimal or no programming, effectively reducing user burden.

State CSAs email or upload the Annual Certification Letter through the Portal 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. No similar program exists and OCSE maintains the only national database that includes past-due support cases and arrearage balances.

5. Impact on Small Businesses or Other Small Entities

¹ OMB No.: 0970-0370

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

Because all federal remedies rely on the information that is maintained in 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, in accordance with HHS and U.S. Treasury regulations.

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 89 FR 84155 on October 21, 2024. The notice announced that OCSE intends to seek OMB approval of collection of information and provides a 60-day period for the public to submit written comments about this information collection activity. OCSE did not receive comments.

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 Portal. 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" (renamed to "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

Estimated Burden Hours

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 Portal 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 Portal users.
- States use the FCE application in the Portal to add, update, and delete federal tax, administrative offset, and passport denial case information. OCSE used web hits received on the Portal to estimate the number of entries completed per year.

Estimated Cost to Respondents

OCSE calculated the cost to respondents using the Bureau of Labor Statistics (BLS) job code for Social and Human Services Assistants [21-1021] and wage data from May 2023, totaling \$25.93 per hour.

The increase in the total annualized costs from the previous approval is due to a slight increase in the hourly wage rate estimate derived from the most current Bureau of Labor Statistics figures. To account for fringe benefits and overhead, OCSE multiplied the hourly rate by two, totaling \$51.86. (<https://www.bls.gov/oes/2023/may/oes211021.htm>)

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	\$51.86	\$43,686.86
Output Record	54	52	.46	1,291.68	\$51.86	\$66,986.52
Payment File	54	52	.14	393.12	\$51.86	\$20,387.20
Certification Letter	54	1	.4	21.60	\$51.86	\$1,120.18
Portal FCE Processing Screens	173	281	.01	486.13	\$51.86	\$25,210.70
Estimated Annual Burden Total:				3,034.93	Estimated Annual Cost Total:	\$157,391.46

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 \$6,140,687, which includes federal salaries and benefits, contractor fees, and hardware/software costs.

15. Explanation for Program Changes or Adjustments

OCSE made minor formatting enhancements to the FCE Portal screens and removed the option to select gender. These program changes do not impact the burden.

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 *Annual Report to Congress on the Child Support Services*. 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.