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B-317592

December 22, 2008

The Honorable Max Baucus  
Chairman  
The Honorable Charles E. Grassley  
Ranking Minority Member  
Committee on Finance  
United States Senate

The Honorable Charles B. Rangel  
Chairman  
The Honorable Jim McCrery  
Ranking Minority Member  
Committee on Ways and Means  
House of Representatives

Subject: *Department of Health and Human Services, Administration for Children and Families: Child Support Enforcement Program*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Department of Health and Human Services, Administration for Children and Families (ACF), entitled “Child Support Enforcement Program” (RIN: 0970-AC24). We received the rule on December 9, 2008. It was published in the *Federal Register* as a final rule on December 9, 2008, with a stated effective date of February 9, 2008. 73 Fed. Reg. 74,898.

The final rule amends the regulations concerning the federal tax refund offset program to collect past-due child support. The rule extends the program to children who are not minors, mandates state review and adjustment of child support orders for families receiving Temporary Assistance for Needy Families, reduces the federal matching rate from 90 percent to 66 percent for paternity tests, gives states the option to pay more child support collections to former-assistance families, and requires states to impose a mandatory annual \$25 fee in certain child support enforcement cases in which the state has collected and disbursed at least \$500 of support to the family. The rule also makes other conforming changes necessary to implement changes to the distribution and disbursement requirements. This final rule implements sections 7301 to 7311 of the Deficit Reduction Act of 2005, Pub. L. No. 109-171, 120 Stat. 4, 141–149 (Feb. 8, 2006).

Enclosed is our assessment of the ACF's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that ACF complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Shirley A. Jones, Assistant General Counsel, at (202) 512-8156.

signed

Robert J. Cramer  
Associate General Counsel

Enclosure

cc: Ann Stallion  
Program Manager  
Department of Health and  
Human Services

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
DEPARTMENT OF HEALTH AND HUMAN SERVICES,  
ADMINISTRATION FOR CHILDREN AND FAMILIES  
ENTITLED  
"CHILD SUPPORT ENFORCEMENT PROGRAM"  
(RIN: 0970-AC24)

(i) Cost-benefit analysis

The Administration for Children and Families (ACF) analyzed the costs and benefits of this final rule. ACF estimates that the statutory provisions which this rule implements will save the federal government and state governments approximately \$66 million in fiscal year 2007 and \$495 million over 5 years.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603–605, 607, and 609

ACF determined that this final rule will not have a significant economic impact on a substantial number of small entities.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

ACF determined that this final rule does not contain any mandates on state, local, or tribal governments and that the overall impact on the private sector does not exceed \$100 million. ACF estimates that the net impact of this final rule on states will be a savings of almost \$140 million over 5 years.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

ACF promulgated this final rule using the notice and comment procedures found in the Administrative Procedure Act. 5 U.S.C. § 553. On January 24, 2007, ACF published the proposed rule. 72 Fed. Reg. 3093. ACF received 28 comment letters on the proposed rule from states, tribes, advocacy groups, and other interested individuals. ACF responded to those comments in the final rule. 73 Fed. Reg. 74,899–74,917.

Paperwork Reduction Act, 44 U.S.C. §§ 3501–3520

This rule references information collection requirements under the Act. The Office of Management and Budget (OMB) reviewed these requirements and assigned them

OMB Control Numbers 0970–0017, 0970–0181, and 0970–0177. ACF estimates that there will be 54 respondents with 11 yearly submittals and an average 9.5 burden hours per respondent for a total of 837 burden hours.

#### Statutory authorization for the rule

ACF promulgated this final rule under the authority of section 1302 of title 42, United States Code. This final rule amends regulations promulgated under the authority of sections 651–658, 660, 664, 666, 667, 1301, 1302, 1396a, 1396b, and 1396k of title 42, United States Code.

#### Section 654 of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999, 5 U.S.C. § 601 note

The Act requires federal agencies to determine whether a rule will negatively affect family well-being. ACF determined that this final rule will have a positive impact on family well-being as defined in the Act because expanded access to the federal tax refund offset, mandatory 3-year reviews of support orders in Temporary Assistance for Needy Families cases, and state options to pay more collections to families will ensure more child support is paid to families.

#### Executive Order No. 12,866

ACF determined that this final rule is economically significant under the Order because it will have an effect of \$100 million or more on the economy. This final rule was reviewed by OMB.

#### Executive Order No. 13,132 (Federalism)

ACF determined that this final rule will not have a substantial direct effect on states, the relationship between the federal government and states, or on the distribution of power and responsibilities among the levels of government.