

air quality triggers from the ozone maintenance plan for the Dayton-Springfield, Ohio Area (Miami, Montgomery, Clark, and Greene Counties)

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Administration for Children and Families

45 CFR Part 307

RIN 0970-AB71

Automated Data Processing Funding Limitation for Child Support Enforcement Systems

AGENCY: Office of Child Support Enforcement (OCSE), ACF, HHS.

ACTION: Final rule.

SUMMARY: The Federal share of funding available at an 80 percent matching rate for child support enforcement automated systems changes resulting from the Personal Responsibility and Work Opportunity Reconciliation Act is limited to a total of \$400,000,000 for fiscal years 1996 through 2001. This rule responds to the requirement that the Secretary of Health and Human Services issue regulations which specify a formula for allocating this sum among the States, Territories and eligible systems.

EFFECTIVE DATE: This rule is effective August 19, 1998.

FOR FURTHER INFORMATION CONTACT: Robin Rushton, (202) 690-1244.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

This rule does not require information collection activities and, therefore, no approvals are necessary under the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)). In a separate transmittal, however, the Administration for Children and Families submitted for approval the information collection activities under 45 CFR § 307.15 which is referenced in this rule.

Statutory Authority

These regulations are published under the authority of the Social Security Act (the Act), as amended by the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA; P.L. 104-193) and Section 5555 of the Balanced Budget Act of 1997 [P.L. 105-33].

Section 344(b) of P.L. 104-193 amends section 455(a) of the Act to provide enhanced Federal matching for approved development and implementation costs of automated child support enforcement systems.

Section 344(b)(2) of PRWORA establishes a temporary limitation on payments under the special Federal matching rate of 80 percent. The Secretary of Health and Human Services may not pay more than \$400,000,000 in the aggregate for approved systems development and implementation costs in fiscal years 1996 through 2001. Under this section the Secretary is also required to prescribe in regulation a formula for allocating the available \$400,000,000 among the States. According to section 344(b)(2)(C) the formula for allocating the specified funds among the States shall take into account the relative size of State IV-D caseloads and the level of automation required to meet the IV-D automated data processing requirements. Section 5555 of The Balanced Budget Act of 1997 amends the requirements in this section of PRWORA to include certain systems in the allocation formula.

Regulatory Provisions

Background

With the enactment of the Family Support Act of 1988 (P.L. 100-485), States were required to have an operational child support enforcement system, certified by the Office of Child Support Enforcement (OCSE) as meeting the requirements specified in that statute and implementing regulations, no later than October 1, 1995. (P.L. 104-85 subsequently extended this deadline to October 1, 1997.) PRWORA specifies new requirements in section 454A of the Act which must be included in a State child support enforcement system no later than October 1, 2000. The new automation requirements require State systems to perform functions including: controlling and accounting of Federal, State and local funds to carry out the child support enforcement program; maintaining data necessary to meet Federal reporting requirements; maintaining data on State performance for calculation of performance indicators; safeguarding of the integrity and security of data in the automated system; developing a State case registry; performing data matches; and providing expedited administrative procedures. (PRWORA requires the establishment of State New Hire and State Disbursement Units but does not require them to be an integrated part of the Statewide automated child support system.)

For fiscal years 1996 through 2001, the Department of Health and Human Services (HHS) will reimburse 80 percent of approved State expenditures for development and implementation of automated systems which meet the requirements of section 454(16) of the Act as in effect on September 30, 1996 (i.e., Family Support Act requirements which must be completed by October 1, 1997), the amended section 454(16), and new section 454A of the Act. The Federal share of reimbursement to States is limited to an aggregate total of \$400,000,000. Once a State reaches its allocated share of the \$400,000,000, Federal funding remains available at the 66 percent rate for additional approved expenditures incurred in developing and implementing child support enforcement systems. Child Support Enforcement Action Transmittal 96-10 (OCSE-AT-96-10) provides instructions for submitting claims for Federal reimbursement at the 80 percent rate.

PRWORA requires the Secretary of Health and Human Services to issue regulations which specify a formula for allocating the \$400,000,000 available at 80 percent FFP among the States and Territories. The Balanced Budget Act Amendments add specified systems to the entities included in the formula. The allocation formula must take into account the relative size of State and systems IV-D (child support enforcement) caseloads and the level of automation needed to meet title IV-D automated data processing requirements.

Accordingly, we published a proposed rule in the **Federal Register** on March 2, 1998 [63 FR 10173] in which we revised 45 CFR Part 307 to include conforming changes and to add § 307.31. In response to the notice of proposed rulemaking we received nine letters containing ten comments from nine State agencies. Six of these were letters of support which commended the fairness of the allocation formula. We clarified the preamble discussion of the allocation formula to respond to comments raised in the other three letters.

These clarifications are included in the following sections which describe the regulatory provisions. A discussion of all the comments received and our response follows in the preamble under the Response to Comments section.

Conditions that must be met for 80 percent Federal financial participation

P.L. 104-193 provides enhanced funds to complete development of child support enforcement systems which meet the requirements of both the

Family Support Act and PRWORA. From this we conclude that no change in the conditions for receipt of funds was anticipated by Congress. Thus, 45 CFR § 307.31 retains the same conditions for receipt of funds at 80 percent FFP which appear at § 307.30(a), (b), (c), and (d) and apply to claims for FFP at the 90 percent rate.

Throughout this rule we use "State" as the inclusive term for States, Territories and approved systems as described in 42 U.S.C. § 655(a)(3)(B)(iii) [section 455(a)(3)(B)(iii) of the Act] as added to the Act by section 5555 of the Balanced Budget Act of 1997 (Pub. L. 105-33). The technical amendments to section 455(a)(3)(B) of the Act changed the entities included in the allocation formula by adding "system" to States and Territories.

For purposes of this rule, a system eligible for enhanced funding is a system approved by the Secretary to receive funding at the 90 percent rate for the purpose of developing a system that meets the requirements of section 454(16) of the Act (42 U.S.C. § 654(16)) (as in effect on and after September 30, 1995) and section 454A of the Act (42 U.S.C. § 654A), including a system that received funding for this purpose pursuant to a waiver under section 1115(a) of the Act (42 U.S.C. § 1315(a)). We believe that the Los Angeles County child support enforcement system is the only non-State system which meets these requirements.

Therefore, § 307.31(a) provides that until September 30, 2001, Federal financial participation (FFP) is available at the 80 percent rate for expenditures for the planning, design, development, installation, or enhancement of a child support enforcement system meeting the requirements described in §§ 307.5 and 307.10. To receive Federal reimbursement: (1) a State must have an approved advance planning document (APD); (2) the system must meet the requirements of § 307.10; (3) OCSE must determine that the expenditures are consistent with the APD; (4) OCSE must also determine that the computerized support enforcement system is designed effectively and efficiently and will improve the management and administration of the State IV-D plan; (5) the State IV-D agency must agree in writing to use the system for a period of time which is consistent with the APD approved by OCSE; and (6) the State or local government must have ownership rights in any software, software modifications and associated documentation that is designed, developed, installed or enhanced with Federal funds.

In § 307.31(b) the requirements for FFP at the 80 percent rate in the costs of hardware and proprietary software are the same as the requirements at the 90 percent rate. Until September 30, 2001, FFP at the 80 percent rate is available in expenditures for the rental or purchase of hardware for the planning, design, development, installation, or enhancement of a computerized support enforcement system as described in § 307.10. FFP at the 80 percent rate is available until September 30, 2001, for the rental or purchase of proprietary operating/vendor software necessary for the operation of hardware during the planning, design, development, installation, enhancement or operation of a child support enforcement system in accordance with the OCSE guideline entitled "Automated Systems for Child Support Enforcement: A Guide for States." FFP at the 80 percent rate is not available, however, for proprietary application software developed specifically for a computerized support enforcement system.

With § 307.31(c), the Department of Health and Human Services continues to reserve a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for Federal government purposes, software, software modifications, and documentation developed under § 307.10. This license permits the Department to authorize the use of software, software modifications and documentation developed under § 307.10 in another project or activity funded by the Federal government. (See also 45 CFR 95.617.)

Section 307.31(d) reiterates the consequences of suspension of the APD. If OCSE suspends approval of an APD during the planning, design, development, installation, enhancement or operation of the system, FFP is disallowed as of the date the State failed to comply substantially with the approved APD. FFP at the 80 percent and applicable matching rates is not available for any expenditure incurred under the APD after the date of the suspension until the date OCSE determines that the State has taken the actions specified in the notice of suspension. OCSE will notify the State in writing upon making such a determination.

Note that for conformance, we added to § 307.40(a) of the regulation a reference to "§ 307.31(d)."

As required in section 344(a)(3) of PRWORA, the Administration for Children and Families developed Federal regulations for the

implementation of the child support enforcement systems requirements mandated by section 454A of the Social Security Act and listed in the background section above. We issued proposed rules on March 25, 1998 [63 FR 14462] which will revise 45 CFR Part 307 to reflect these requirements.

In addition, ACF drafted revisions to the existing OCSE publication, "Automated Systems for Child Support Enforcement: A Guide for States." By action transmittal (OCSE-AT-98-13) OCSE distributed the new and revised child support enforcement system functional requirements to the States. Currently, OCSE is reviewing comments by the States before issuing a final document.

Limitation on Payments to States

Section 344(b)(2) of PRWORA limits the Federal share of payments at the 80 percent rate to \$400,000,000 over fiscal years 1996 through 2001. Section 307.31(e) therefore provides that FFP at the 80 percent rate may not exceed \$400,000,000 in the aggregate for fiscal years 1996 through 2001.

We include the amount of the funding limitation in the regulation because it caps the funds available to each State at the special matching rate. The statute requires an allocation of the available \$400,000,000 based on a formula established by the Secretary, HHS.

State implementation of all automated systems requirements enacted with the Family Support Act of 1988 was to be accomplished by October 1, 1997. Subsequent requirements enacted with or before PRWORA must be met by October 1, 2000. For fiscal years 1996 through 2001, the FFP rate for the provisions of this section is 80 percent. Although system implementation must be completed no later than October 1, 2000, Federal funds at the 80 percent FFP rate remain available through September 30, 2001, to accommodate contractually mandated "holdback" payments and other system implementation-related expenses.

As indicated above, FFP at the 80 percent rate is available only for expenditures made by a State on or before September 30, 2001, for system development and implementation activities which meet all statutory and regulatory requirements. Under section 1132 of the Act and Federal regulations at 45 CFR Part 95, Subpart A, States have two years from the end of a quarter in which an expenditure is made to file a claim for Federal funding for that cost. Therefore, approved system implementation expenditures made in 2001 may be claimed for Federal

funding at the 80 percent FFP rate as late as 2003.

Allocation Formula

Section 344(b)(2)(C) of PRWORA requires the Secretary to allocate by formula the \$400,000,000 available at the 80 percent FFP rate. This section specifies that the formula take into account the relative size of State IV-D caseloads and the level of automation needed to meet applicable automatic data processing requirements. The legislative history does not elaborate on the meaning of these factors.

The allocation formula described in this section is the product of consultation with a wide range of stakeholders. We sought information from child support enforcement systems experts, financial experts, economists, State IV-D directors, and national associations. Before drafting regulations we asked States to suggest approaches for allocating the available Federal share of the funds. In a number of open forums we sought suggestions for the allocation formula. An internal working group considered the information from States, reviewed the suggestions, then developed the allocation formula.

Simply stated, the formula first allots a base amount of \$2,000,000 to each State to take into account the level of automation needed to meet the automated data processing requirements of title IV-D. The formula, then, allots an additional amount to States based on both their reported IV-D caseload and their potential caseload based on Census data on children living with one parent.

As indicated earlier, we use "State" as the inclusive term for States, Territories and systems described in 42 U.S.C. 655(a)(3)(B)(iii) [455(a)(3)(B)(iii) of the Act] as amended by section 5555 of the Balanced Budget Act of 1997. The technical amendments to section 455(a)(3)(B) of the Act changed the entities included in the allocation formula by adding "system" to States. As noted earlier, we believe that the Los Angeles County child support enforcement system is the only non-State system which meets the requirements specified in section 455(a)(3)(B)(iii) of the Act.

Before considering a base level of funding, we examined several approaches for taking into account States' level of automation. First, we contemplated allocating funds based on the certification status of a State's child support enforcement automated system. However, we were advised of several flaws in this approach: it does not reflect current automation needs; it could reward States that are behind schedule and not certified for Family

Support Act standards by giving them a larger allocation to meet PRWORA requirements and complete their statewide automated systems; and, it could advantage States with certified but obsolete systems. We then considered establishing a ranking system based on dollars invested in systems to date. This approach is problematic because it penalizes States that were early developers of child support enforcement systems and it does not address the new requirements. We also considered grading States' systems on a set of criteria, but we came to believe that this was an overly complex approach with numerous and subjective variables.

As an alternative, several States suggested that the formula allocate a base amount to each State to take into account the level of automation. This is the approach we take in the following formula. The majority of comments received in response to the notice of proposed rulemaking commended this method for its fairness to States.

Using a funding base and then varying the allocation by current and potential caseload reflects the flexibility States have, and have had, in designing their systems. Each State develops its system to meet its particular needs. Thus, each State's system development plan takes into account factors such as: caseload size; organization (county administered, state administered, court involvement); State and local business practices for case processing and management; the process for setting and enforcing orders (court or administrative process); responsiveness and capacity of its contractors; State planning process; availability of State funding and resources.

However, a number of areas common to all State systems will need additional investment in order to meet the new PRWORA requirements. Primarily, the increased systems costs are associated with changes in distribution, performance indicators, reporting, interfaces and case management, the State Case Registry and wage withholding activities on non-IV-D cases. All States must perform these functions regardless of the caseload size or State population. With each State required to perform a core set of systems functions, it is reasonable to allocate a base amount to each State.

A base level of funding for each State takes into account the level of automation by recognizing that all States have similar costs for planning, design, programming and development regardless of the size of their caseloads. A minimum amount is provided to each State to ensure support for a State's

development effort. In order to treat States fairly in determining this minimum level of funding, we looked to our experience with basic project costs (e.g., planning, design, programming, and development). We believe a base amount of \$2,000,000 per State fairly represents the start-up costs which are common to all States. Table 2 in Appendix A shows the distribution of the base amount to each State, Territory and Los Angeles County.

States suggested various percentages of the available funds which should be set aside to distribute as equal base amounts to each State. Obviously, as the portion of the funds designated for the base amount increases, the portion available to distribute based on relative caseload size decreases. Changes in the portion set aside for minimum funding to each State could advantage or disadvantage some States (e.g., allocating a larger percentage of funds to a base amount advantages States with small caseloads). Allocating a minimum of \$2,000,000 to each State accounts for a little over one-quarter of the \$400,000,000 available from federal funds. As discussed in the following paragraphs, our proposal for taking into account the relative size of State IV-D caseloads in the allocation formula also considers the scope of changes that States must make in their child support enforcement systems to meet PRWORA requirements. Therefore, we believe that using one-quarter of the available funds for the base amount is reasonable.

In addition to the base level of funding which takes into account States' levels of automation, the allocation formula's calculation of relative caseload size also addresses the changes that States must make in their child support enforcement systems in order to meet PRWORA requirements. Section 311 of PRWORA mandates that child support enforcement systems include information on all new and modified child support orders in the State as of October 1, 1998 as well as information on all cases receiving services under title IV-D. Effectively, this increases the potential child support enforcement caseload maintained on a State's automated system to include almost all children in a State who are not living with both parents. Since the majority of States must increase their automated systems capacity because of this expanding caseload, the use of a census factor based on the size of the child population not living with both parents helps take into account the need for additional capacity building.

With this in mind, the formula allocates the remaining funds, after the base amount is assigned to each State,

by an Allocation Factor. A Caseload Factor and a Census Factor are averaged to yield the Allocation Factor. Table 1 shows by State the calculation of the Allocation Factor from caseload and census data.

The State of California supplied us with caseload and census information for Los Angeles County which had been agreed to by the County. This information indicated that the County should receive 25.04 percent of the amount allocated to the State. We applied that information to California's share of the "Allocated Remainder" shown in Table 2 of the proposed rule, i.e., \$32,153,986. That resulted in a division of this amount between the State and Los Angeles County, with \$24,101,956 allocated to the State and \$8,052,030 allocated to the County. Those figures are reflected in Table 2 of this final rule.

The Caseload Factor is the ratio of the six-year average IV-D caseload as reported by a State to the OCSE for fiscal years 1990-1995 to the total six-year average caseload in all States for the same period. States differ in the percentage of total child support cases which receive IV-D services and thus, are included in the IV-D system. For example, some States routinely include all court-ordered support cases in the child support enforcement system. In addition, all States have some duplication in their caseload count due to interstate cases. To compensate for counting variations, we propose averaging the caseloads as reported by States for fiscal years 1990-1995. We considered using shorter periods for averaging, (e.g., 2 years, 4 years) but we decided on the period from 1990-1995 because it minimizes variations in each State's reported caseload.

The Census Factor is the ratio of the number of children in a State with one parent living elsewhere as reported in the 1992 Current Population Survey-Child Support Supplement to the total number of such children in all States. We use census data on children with one parent living elsewhere because this represents the maximum number of children living in the State who could potentially receive services from the IV-D program.

Note: It is also the same data set required by statute to determine the allotments for the Access and Visitation Grants which the OCSE will issue to the States under section 391 of PRWORA.

Therefore, § 307.31(f) provides that payments to individual States will be equal to the sum of a \$2,000,000 base amount and an additional amount as determined by the Allocation Factor.

The Allocation Factor is an average of the Caseload and Census Factors which yields the percentage that is used to calculate a State's allocation of the \$400,000,000 (less the amounts set aside for the base).

Table 1 shows by State the Caseload Factors and the Census Factors and the calculation of the Allocation Factor. Table 2 displays the amount each State would be allotted from the \$400,000,000 under the allocation formula. The tables are printed in Attachment A at the end of this rule.

Response to Comments

We received a total of 10 comments on the proposed rule published in the **Federal Register** March 2, 1998 [63 FR 10173] from State agencies. Specific comments and our response follows.

General Comments

1. *Comment:* Six commenters expressed support for the allocation formula as set forth in the notice of proposed rulemaking. These commenters described the formula for distributing the limited funds for enhancing State child support enforcement systems as "fair and equitable."

Response: We agree. The allocation formula reflects the suggestions from States of all sizes.

2. *Comment:* One commenter objected to allocating a base amount to each State. This commenter questioned the rationale for setting a base level of funding.

Response: We believe that allocation of a base level of funding is a sound approach. Several commenters wrote in support of a base level of funding.

A number of areas common to all State systems will need additional investment in order to meet PRWORA requirements, such as distribution, performance indicators, reporting, and State case registry. A base level of funding recognizes that all States, regardless of their caseload size, have similar costs for planning, design, programming and development.

PRWORA requires the Secretary to develop an allocation formula which *takes into account* the level of automation. The combined elements of the formula take into account the variation in States' approaches to automation. The base acknowledges that all State child support systems must perform the same functionalities and have the same capabilities. While caseload size and potential caseload factors acknowledge that other components of the child support system, such as training, conversion and

processing time are affected by the scale of the project.

3. *Comment:* A commenter suggested that the allocation formula should give more weight to large States.

Response: The allocation formula uses two factors derived from State population: child support caseload and census data for children with one parent living elsewhere. By using these factors the formula does give more weight to States with large populations.

4. *Comment:* A commenter recommended deleting the census factor from the allocation formula because it penalizes States whose overall birthrate is declining.

Response: These data sets—average IV-D caseload as reported by States (Caseload Factor) and number of children with one parent living elsewhere (Census Factor)—are logical factors to include in the allocation formula. They consider the population served currently and anticipate the growth. Together, these factors are an approximate measure of the capacity need of a State's child support system.

5. *Comment:* A commenter questioned the apparent rounding of the census, caseload, and allocation factors.

Response: We did not use rounded numbers in calculating the allocations. We used numbers to 10 decimal places in the underlying calculations. For clarity and simplicity in the tables, we display rounded numbers.

Regulatory Impact Analysis

Executive Order 12866 requires that regulations be reviewed to ensure that they are consistent with the priorities and principles set forth in the Executive Order. The Department has determined that this rule is consistent with these priorities and principles.

Regulatory Flexibility Analysis

Consistent with the Regulatory Flexibility Act (P.L. 96-354) which requires the Federal Government to anticipate and reduce the impact of rules and paperwork requirements on small business and other small entities, the Secretary certifies that this rule has no significant effect on a substantial number of small entities. The primary impact of this regulation is on State governments. State governments are not considered small entities under the Act. Therefore, a regulatory flexibility analysis is not required.

Unfunded Mandates Act

The Department has determined that this rule is not a significant regulatory action within the meaning of the Unfunded Mandates Reform Act of 1995 (P.L. 104-4).

Congressional Review of Regulations

This final rule is not a "major" rule as defined in Chapter 8 of 5 U.S.C.

List of Subjects in 45 CFR Part 307

Child support, Computer technology, Grant programs—social programs.

(Catalog of Federal Domestic Assistance Program No. 93.023, Child Support Enforcement Program.)

Dated: July 10, 1998.

Olivia A. Golden,

Assistant Secretary for Children and Families.

Approved: August 12, 1998.

Donna E. Shalala,

Secretary, Department of Health and Human Services.

For the reasons set forth in the preamble, 45 CFR Part 307 is amended as follows:

PART 307—COMPUTERIZED SUPPORT ENFORCEMENT SYSTEMS (AMENDED)

1. The authority citation for Part 307 is revised to read as follows:

Authority: 42 U.S.C. 652 through 658, 664, 666 through 669A, and 1302.

2.–3. A new section 307.31 is added to read as follows:

§ 307.31 Federal financial participation at the 80 percent rate for computerized support enforcement systems.

(a) *Conditions that must be met for 80 percent FFP.* Until September 30, 2001, Federal financial participation is available at the 80 percent rate to States, Territories and systems defined in 42 U.S.C. 655(a)(3)(B)(iii) [455(a)(3)(B)(iii) of the Act] (hereafter referred to as "States") for expenditures for the planning, design, development, installation, or enhancement of a computerized support enforcement system meeting the requirements as described in §§ 307.5 and 307.10 or 42 U.S.C. § 654(16) [454(16) of the Act], if:

(1) The Office has approved an APD in accordance with § 307.15;

(2) The Office determines that the system meets the requirements specified in § 307.10, or 42 U.S.C. 654(16) [454(16) of the Act];

(3) The Office determines that the expenditures incurred are consistent with the approved APD;

(4) The Office determines that the computerized support enforcement system is designed effectively and efficiently and will improve the management and administration of the State IV–D plan;

(5) The State IV–D agency agrees in writing to use the system for a period of

time which is consistent with the APD approved by the Office; and

(6) The State or local government has ownership rights in software, software modifications and associated documentation that is designed, developed, installed or enhanced under this section subject to the Department of Health and Human Services license specified in paragraph (c) of this section.

(b) *Federal financial participation in the costs of hardware and proprietary software.*

(1) Until September 30, 2001, FFP at the 80 percent rate is available for expenditures for the rental or purchase of hardware for the planning, design, development, installation, or enhancement of a computerized support enforcement system as described in § 307.10 or 42 U.S.C. 654(16) [454(16) of the Act].

(2) Until September 30, 2001, FFP at the 80 percent rate is available for the rental or purchase of proprietary operating/vendor software necessary for the operation of hardware during the planning, design, development, installation, enhancement or operation of a computerized support enforcement system in accordance with the OCSE guideline entitled "Automated Systems for Child Support Enforcement: A Guide for States." FFP at the 80 percent rate is not available for proprietary application software developed specifically for a computerized support enforcement system. (See § 307.35 regarding reimbursement at the applicable matching rate.)

(c) *HHS rights to software.* The Department of Health and Human Services reserves a royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for Federal government purposes, software, software modifications, and documentation developed under § 307.10 or 42 U.S.C. 654(16) [454(16) of the Act]. This license would permit the Department to authorize the use of software, software modifications and documentation developed under § 307.10 or 42 U.S.C. 654(16) [454(16) of the Act] in another project or activity funded by the Federal government.

(d) *Consequences of suspension of the APD.* If the Office suspends approval of an APD in accordance with § 307.40 during the planning, design, development, installation, enhancement or operation of the system:

(1) The Office shall disallow FFP as of the date the State failed to comply

substantially with the approved APD; and

(2) FFP at the 80 percent and applicable matching rates is not available in any expenditure incurred under the APD after the date of the suspension until the date the Office determines that the State has taken the actions specified in the notice of suspension described in § 307.40(a). The Office will notify the State in writing upon making such a determination.

(e) *Limitation on 80 percent funding.* Federal financial participation at the 80 percent rate may not exceed \$400,000,000 in the aggregate for fiscal years 1996 through 2001.

(f) *Allocation formula.* Payments at the 80 percent rate to individual States, Territories and systems defined in 42 U.S.C. 655(a)(3)(B)(iii) [455(a)(3)(B)(iii) of the Act] (hereafter referred to as "States") will be equal to the sum of:

(1) A base amount of \$2,000,000; and

(2) An additional amount defined as the Allocation Factor computed as follows:

(i) Allocation Factor—an average of the Caseload and Census Factors which yields the percentage that is used to calculate a State's allocation of the funds available, less amounts set aside pursuant to paragraph (f)(1) of this section.

(ii) Caseload Factor—a ratio of the six-year average IV–D caseload as reported by a State for fiscal years 1990 through 1995 to the total six-year average IV–D caseload in all States for the same period;

(iii) Census Factor—a ratio of the number of children in a State with one parent living elsewhere as reported in the 1992 Current Population Survey—Child Support Supplement to the total number of such children in all States.

4. In § 307.40 paragraph (a) is amended by removing the paragraph designation (1) and by adding "and § 307.31(d)" at the end of the last sentence. The addition reads as follows:

§ 307.40 Suspension of approval of advance planning documents for computerized support enforcement systems.

(a) * * * Federal funding will be disallowed as described in § 307.30(d) and § 307.31(d).

* * * * *

Note: The following Tables will not appear in the Code of Federal Regulations.

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Table 1.--Calculation of Allocation Factor From Caseload and Census Data

	Caseload 6 yr avg.	% of caseload	Census--92 children	% of census	Allocation factor
Alabama.....	290,391	1.81	345,570	1.84	1.83
Alaska.....	42,954	0.27	27,765	0.15	0.20
Arizona.....	240,814	1.50	271,870	1.45	1.47
Arkansas.....	111,852	0.70	187,640	1.00	0.86
California (ex. Los Angeles Co.).....	1,212,347	10.48*	1,696,020	11.60*	11.09*
Los Angeles County.....	469,909	---	482,580	---	---
Colorado.....	166,360	1.04	182,320	0.97	1.00
Connecticut.....	167,175	1.04	242,910	1.29	1.18
Delaware.....	44,417	0.28	68,966	0.37	0.33
District of Columbia.....	78,327	0.49	61,788	0.33	0.40
Florida.....	795,006	4.95	1,043,100	5.56	5.28
Georgia.....	460,993	2.87	428,450	2.28	2.55
Guam.....	5,788	0.04	6,772	0.04	0.04
Hawaii.....	59,662	0.37	79,211	0.42	0.40
Idaho.....	50,243	0.31	70,539	0.38	0.35
Illinois.....	695,072	4.33	879,600	4.68	4.52
Indiana.....	610,335	3.80	690,510	3.68	3.74
Iowa.....	137,349	0.86	174,860	0.93	0.90
Kansas.....	115,061	0.72	227,530	1.21	0.98
Kentucky.....	259,739	1.62	362,530	1.93	1.79
Louisiana.....	258,556	1.61	402,430	2.14	1.90
Maine.....	64,203	0.40	70,932	0.38	0.39
Maryland.....	310,502	1.94	366,710	1.95	1.94
Massachusetts.....	234,721	1.46	336,030	1.79	1.64
Michigan.....	1,239,750	7.73	757,680	4.04	5.74
Minnesota.....	195,708	1.22	357,550	1.90	1.59
Mississippi.....	254,350	1.59	268,880	1.43	1.50
Missouri.....	312,990	1.95	339,170	1.81	1.87
Montana.....	29,676	0.18	55,911	0.30	0.25
Nebraska.....	118,598	0.74	90,157	0.48	0.60
Nevada.....	64,867	0.40	80,703	0.43	0.42
New Hampshire.....	38,461	0.24	56,581	0.30	0.27
New Jersey.....	530,061	3.30	395,560	2.11	2.66
New Mexico.....	64,995	0.41	138,260	0.74	0.58
New York.....	1,053,781	6.57	1,363,500	7.26	6.94
North Carolina.....	381,598	2.38	457,280	2.44	2.41
North Dakota.....	31,981	0.20	32,165	0.17	0.18
Ohio.....	879,306	5.48	785,450	4.18	4.78
Oklahoma.....	117,380	0.73	200,790	1.07	0.91
Oregon.....	221,282	1.38	222,130	1.18	1.27
Pennsylvania.....	851,155	5.30	696,690	3.71	4.45
Puerto Rico.....	184,548	1.15	215,949	1.15	1.15
Rhode Island.....	70,281	0.44	44,712	0.24	0.33
South Carolina.....	186,716	1.16	254,370	1.35	1.27
South Dakota.....	25,440	0.16	48,647	0.26	0.21
Tennessee.....	486,970	3.03	394,230	2.10	2.53
Texas.....	641,667	4.00	1,377,600	7.34	5.80
Utah.....	79,955	0.50	142,460	0.76	0.64
Vermont.....	18,577	0.12	40,292	0.21	0.17
Virgin Islands.....	10,704	0.07	12,525	0.07	0.07
Virginia.....	300,239	1.87	379,510	2.02	1.95
Washington.....	294,085	1.83	346,700	1.85	1.84
West Virginia.....	83,599	0.52	111,830	0.60	0.56
Wisconsin.....	365,825	2.28	374,170	1.99	2.13
Wyoming.....	29,279	0.18	27,763	0.15	0.16
Totals.....	16,045,594	100.00	18,775,849	100.00	100.00

*Combines amounts for Los Angeles County and the remainder of the State of California

Table 2.--Proposed Allocation of Child Support Enforcement Funds Available at 80% EFPF

	Allocation factor (percent)	Federal calculations			Total State share	Total
		Base amount	Allocated remainder	Total Federal share		
Alabama.....	1.83	\$2,000,000	\$5,296,411	\$7,296,411	\$1,824,103	\$9,120,514
Alaska.....	0.20	2,000,000	588,959	2,588,959	647,240	3,236,199
Arizona.....	1.47	2,000,000	4,269,736	6,269,736	1,567,434	7,837,170
Arkansas.....	0.86	2,000,000	2,494,226	4,494,226	1,123,556	5,617,782
California (ex. Los Angeles Co.).....	11.09*	2,000,000	24,101,956	26,101,956	6,525,489	32,627,445
Los Angeles County.....	---	2,000,000	8,052,030	10,052,030	2,513,007	12,565,037
Colorado.....	1.00	2,000,000	2,903,875	4,903,875	1,225,969	6,129,843
Connecticut.....	1.18	2,000,000	3,415,271	5,415,271	1,353,818	6,769,088
Delaware.....	0.33	2,000,000	944,272	2,944,272	736,068	3,680,340
District of Columbia.....	0.40	2,000,000	1,166,907	3,166,907	791,727	3,958,634
Florida.....	5.28	2,000,000	15,308,115	17,308,115	4,327,029	21,635,143
Georgia.....	2.55	2,000,000	7,407,463	9,407,463	2,351,866	11,759,329
Guam.....	0.04	2,000,000	104,603	2,104,603	526,151	2,630,754
Hawaii.....	0.40	2,000,000	1,156,560	3,156,560	789,140	3,945,699
Idaho.....	0.35	2,000,000	1,005,900	3,005,900	751,475	3,757,375
Illinois.....	4.52	2,000,000	13,114,182	15,114,182	3,776,545	18,890,727
Indiana.....	3.74	2,000,000	10,833,701	12,833,701	3,208,425	16,042,126
Iowa.....	0.90	2,000,000	2,600,140	4,600,140	1,150,035	5,750,174
Kansas.....	0.98	2,000,000	2,853,168	4,853,168	1,213,292	6,066,460
Kentucky.....	1.79	2,000,000	5,182,378	7,182,378	1,795,594	8,977,972
Louisiana.....	1.90	2,000,000	5,504,825	7,504,825	1,876,206	9,381,031
Maine.....	0.39	2,000,000	1,125,430	3,125,430	781,358	3,906,788
Maryland.....	1.94	2,000,000	5,639,961	7,639,961	1,909,990	9,549,951
Massachusetts.....	1.64	2,000,000	4,753,331	6,753,331	1,688,333	8,441,663
Michigan.....	5.74	2,000,000	16,635,003	18,635,003	4,658,751	23,293,753
Minnesota.....	1.59	2,000,000	4,607,640	6,607,640	1,651,910	8,259,550
Mississippi.....	1.50	2,000,000	4,357,564	6,357,564	1,589,391	7,946,954
Missouri.....	0.25	2,000,000	5,431,316	7,431,316	1,857,829	9,289,145
Montana.....	0.60	2,000,000	712,782	2,712,782	678,195	3,390,977
Nebraska.....	0.42	2,000,000	1,738,551	3,738,551	934,638	4,673,189
Nevada.....	0.27	2,000,000	1,212,336	3,212,336	803,084	4,015,420
New Hampshire.....	0.27	2,000,000	791,530	2,791,530	697,883	3,489,413
New Jersey.....	2.66	2,000,000	7,708,758	9,708,758	2,427,190	12,135,948
New Mexico.....	0.58	2,000,000	3,692,749	5,692,749	923,187	6,615,936
New York.....	6.94	2,000,000	20,131,601	22,131,601	5,532,900	27,664,501
North Carolina.....	2.41	2,000,000	6,986,341	8,986,341	2,246,585	11,232,926
North Dakota.....	0.18	2,000,000	534,222	2,534,222	633,556	3,167,778
Ohio.....	0.91	2,000,000	13,864,421	15,864,421	3,966,105	19,830,526
Oklahoma.....	1.27	2,000,000	2,649,783	4,649,783	1,162,446	5,812,228
Oregon.....	4.45	2,000,000	3,692,822	5,692,822	1,423,205	7,116,027
Pennsylvania.....	1.15	2,000,000	12,890,767	14,890,767	3,722,692	18,613,458
Puerto Rico.....	0.33	2,000,000	3,335,419	5,335,419	1,333,855	6,669,273
Rhode Island.....	0.21	2,000,000	957,681	2,957,681	739,420	3,697,101
South Carolina.....	1.27	2,000,000	3,673,449	5,673,449	1,418,362	7,091,811
South Dakota.....	0.21	2,000,000	617,014	2,617,014	654,254	3,271,268
Tennessee.....	2.53	2,000,000	7,338,813	9,338,813	2,334,703	11,673,516
Texas.....	5.80	2,000,000	16,816,864	18,816,864	4,704,216	23,521,080
Utah.....	0.64	2,000,000	1,852,320	3,852,320	963,080	4,815,400
Vermont.....	0.17	2,000,000	490,273	2,490,273	622,568	3,112,841
Virgin Islands.....	0.07	2,000,000	193,459	2,193,459	548,365	2,741,823
Virginia.....	1.95	2,000,000	5,661,088	7,661,088	1,915,272	9,576,360
Washington.....	1.84	2,000,000	5,336,587	7,336,587	1,834,147	9,170,733
West Virginia.....	0.56	2,000,000	1,627,568	3,627,568	906,892	4,534,460
Wisconsin.....	2.13	2,000,000	6,162,828	8,162,828	2,040,707	10,203,534
Wyoming.....	0.16	2,000,000	475,057	2,475,057	618,764	3,093,822
	100.00	310,000,000	290,000,000	400,000,000	100,000,000	500,000,000

*Includes Los Angeles County and the balance of the State of California