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In it's Supporting Statement A, the program states: "• We have reviewed the OCSE 396 Report, Line 10 per this request and prior comments that we have received from this individual. Our analysis has determined that 45 CFR 303.70 (e)(2)(iii) provides that the payment of a fee by the IV-D agency is not a reimbursable expense under the IV-D program. Rather, such amounts would be counted as program income. Therefore, the authority does not permit states to claim FFP reimbursement for FPLS user fees, and there is no requirement that there be federal funding reimbursement for underpayments to states for FPLS user fees. We appreciate the concern regarding states ability to claim FFP for FPLS user fees, but ACF does not feel that any action is necessary. Please know that this response is intended to address all inquiries from this individual to ACF on this matter."

The program's statement does not respond to the concern about a citation error; and it contradicts itself, stating that a "fee" is "income".

1. "Our analysis has determined that 45 CFR 303.70 (e)(2)(iii) provides that the payment of a fee by the IV-D agency is not a reimbursable expense under the IV-D program." If this statement is true, then why is OCSE 396, Line 11, "CSENet Fees", a fee paid by the IV-D agency, a reimbursable expense? And, why does 45 CFR 304.20(b)(5)(ii) provide that the utilization of the Federal Parent Locator Service (FPLS) is a reimbursable expense?
2. "Rather, such amounts would be counted as program income." I do not disagree that the FPLS Fee is income -- for the FEDERAL IV-D program. However, FPLS Fee is an EXPENSE to state IV-D programs (similar to the OCSE 396, Line 11, CSENet Fees), and form OCSE 396 is the state IV-D program EXPENSE report. Further 45 CFR 304.20(b)(5)(ii) provides that the utilization of the FPLS Fee is a reimbursable expense.
3. "Therefore, the authority does not permit states to claim FFP reimbursement for FPLS user fees, and there is no requirement that there be federal funding reimbursement for underpayments to states for FPLS user fees." Correct, the authority cited by the responder does not permit states to claim FFP reimbursement. The authority cited authorizes the federal HHS Secretary to charge the states for fees and is not intended to define reimbursable costs. \*\*\*My assertion is that the wrong statute is used to prevent states from claiming reimbursement for FPLS Fees. Rather, statute 45 CFR 304.20(b)(5)(ii) defines reimbursable expenses, including the utilization of the Federal Parent Locator Service, and should replace the current citation. 45 CFR 304.20 governs reimbursable expenses, the purpose of OCSE 396, and clearly provides that the utilization of Federal Parent Locator Service is a state IV-D program reimbursable EXPENSE. The federal program response focuses on Line 10 as "PROGRAM INCOME", without revealing that the Line 10 FPLS Fee is program income for the FEDERAL PROGRAM. Similar to Line 11, CSENET Fees, Line 10 is an EXPENSE for the state IV-D programs.
4. "We appreciate the concern regarding states ability to claim FFP for FPLS user fees, but ACF does not feel that any action is necessary." I URGE a non-HHS/ACF review that the current OCSE 396, Line 10 cite prevents states from claiming FFP, and that 45 CFR 304.20(b)(5)(ii) is the authority for FFP reimbursable expenses to state IV-D programs. Also review if Tribal IV-D Programs receive reimbursement for FPLS Fees on their Expense Report.