

advance notice to the obligor. Because cases are now certified on an ongoing basis—rather than once a year—that requirement is no longer appropriate. Collections should be applied against the balance certified as of the date of offset. That amount may vary up and down throughout the year as arrears change and States send in updated information. The current model pre-offset letter makes it clear to the obligor that the arrears balance may fluctuate up and down and that the debt will be offset at the amount which is certified as of the date of offset, not necessarily the amount shown in the notice. As noted earlier, a notice of offset is sent by the Treasury at the time of the offset, giving the exact amount offset and a contact at the State child support office for questions. This notice is required by Treasury regulations. However, if a new case is established, the IV-D agency must send an advance notice to the obligor before referring the associated debt for offset.

Paperwork Reduction Act of 1995

No new information collection requirements are imposed by these regulations, nor are any existing requirements changed as a result of their promulgation. Therefore, the requirements of the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), regarding reporting and record keeping, do not apply.

Regulatory Flexibility Analysis

The Secretary certifies, under 5 U.S.C. 605(b), as enacted by the Regulatory Flexibility Act (Pub. L. 96-354), that this rule will not result in a significant impact on a substantial number of small entities. The primary impact is on State governments. State governments are not considered small entities under the Act.

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.

Unfunded Mandates Reform Act of 1995

Section 202 of the Unfunded Mandates Reform Act of 1995 requires that a covered agency prepare a budgetary impact statement before promulgating a rule that includes any Federal mandate that may result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year.

The Department has determined that this rule would not impose a mandate that will result in the expenditure by State, local, and Tribal governments, in the aggregate, or by the private sector, of more than \$100 million in any one year.

Congressional Review

This regulation is not a major rule as defined in 5 U.S.C. chapter 8.

Assessment of Federal Regulations and Policies on Families

Section 654 of the Treasury and General Government Appropriations Act of 1999 requires Federal agencies to determine whether a proposed policy or regulations may affect family well being. If the agency's determination is affirmative, then the agency must prepare an impact assessment addressing seven criteria specified in the law. These regulations will not have an impact on family well being as defined in the legislation.

Executive Order 13132

Executive Order 13132 on Federalism applies to policies that have Federalism implications, defined as "regulations, legislative comments or proposed legislation, and other policy statements or actions that have substantial direct effects on the States, or on the distributions of power and responsibilities among the various levels of government".

This rule does not have Federalism implications for State or local governments as defined in the Executive Order.

List of Subjects in 45 CFR Part 303

Child support, Grant programs-social programs.

(Catalog of Federal Domestic Assistance Programs No. 93.563, Child Support Enforcement Program)

Dated: January 9, 2003.

Wade F. Horn,

Assistant Secretary for Children and Families.

Date Approved: May 30, 2003.

Tommy G. Thompson,

Secretary of Health and Human Services.

■ For the reasons discussed above, title 45 CFR chapter III is amended as follows:

PART 303—STANDARDS FOR PROGRAM OPERATIONS

■ 1. The authority citation for part 303 continues to read as follows:

Authority: 42 U.S.C. 651 through 658, 660, 663, 664, 666, 667, 1302, 1396a(a)(25), 1396(b)(d)(2), 1396b(o), 1396b(p) and 1396(k).

■ 2. Amend § 303.72 by revising paragraphs (a)(2), (a)(3)(ii), (b)(1), (b)(2)

introductory text, and (b)(3), (c)(2), (c)(4), (d)(2), (g)(4), (g)(8) and (h)(6) to read as follows:

§ 303.72 Requests for collection of past-due support by Federal tax refund offset.

(a) * * *

(2) For support that has been assigned to the State under section 408(a)(3) of the Act or section 471(a)(17) of the Act, the amount of the support is not less than \$150. The State may combine assigned support amounts from the same obligor in multiple cases to reach \$150. Amounts under this paragraph may not be combined with amounts under paragraph (a)(3) of this section to reach the minimum amounts required under this paragraph or under paragraph (a)(3) of this section.

(3) * * *

(ii) The amount of support is not less than \$500. The State may combine support amounts from the same obligor in multiple cases where the IV-D agency is providing IV-D services under § 302.33 of this chapter to reach \$500. Amounts under this paragraph may not be combined with amounts under paragraph (a)(2) of this section to reach the minimum amounts required under this paragraph or under paragraph (a)(2) of this section.

(b) Notification to OCSE of liability for past-due support. (1) A State IV-D agency shall submit a notification or (notifications) of liability for past-due support to the Office according to the timeframes and in the manner specified by the Office in instructions.

(2) To the extent specified by the Office in instructions, the notification of liability for past-due support shall contain with respect to each:

* * * * *

(3) The notification of liability for past-due support may contain with respect to each delinquency the taxpayer's IV-D identifier.

* * * * *

(c) * * *

(2) If a request meets all requirements, the Deputy Director will transmit the request to the Secretary of the Treasury and will notify the State IV-D agency of the transmittal.

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(4) If a request cannot be corrected through consultation, the Deputy Director will return it to the State IV-D agency with an explanation of why the request could not be transmitted to the Secretary of the Treasury.

(d) * * *

(2) The State IV-D agency shall within time frames established by the Office in instructions, notify the Deputy Director of any deletion of an amount