

**MINUTES**  
**SENATE FINANCE COMMITTEE**  
**February 14, 2001**  
**9:05 AM**

**TAPES**

**SFC-01 # 15, SIDE A**

**CALL TO ORDER**

Co-Chair Pete Kelly convened the meeting at approximately 9:05 AM

**PRESENT**

Senator Dave Donley, Co-Chair  
Senator Jerry Ward, Vice Chair  
Senator Lyda Green  
Senator Gary Wilken  
Senator Lyman Hoffman  
Senator Donald Olson  
Senator Loren Leman  
Senator Alan Austerman

**Also Attending:** BARBARA MIKLOS, Director, Child Support Enforcement Division, Department of Revenue; KEVIN SHORES, Assistant Attorney General, Human Services Section, Department of Law

**Attending via Teleconference:** DIANE WENDLANDT, Assistant Attorney General, Collections and Support Services, Department of Law

**SUMMARY INFORMATION**

SB 19 - CHILD SUPPORT ENFORCEMENT/SOC SEC. #

After brief debate, the bill was held in Committee.

#sb19

CS FOR SENATE BILL NO. 19(HES)  
"An Act relating to federal child support enforcement requirements regarding social security number information, employer reports about employees, and certain kinds of automated data matching with financial institutions; repealing the termination date of changes made by ch. 87, SLA 1997, and ch. 132, SLA 1998,

regarding child support enforcement and related programs; repealing the nonseverability provision of ch. 132, SLA 1998; repealing uncodified laws relating to ch. 87, SLA 1997, and ch. 132, SLA 1998; and providing for an effective date."

BARBARA MIKLOS, Director, Child Support Enforcement Division, Department of Revenue, explained that the governor initiated SB 19 in order to repeal sunset provisions that were put on legislation that was passed due to welfare reform. She indicated that in 1996 Congress passed welfare reform legislation and at that time it was their intent to help people support their families once they were off welfare. At the same time that they passed that legislation in terms of the child support requirements they also put out sanctions that if the states did not pass laws consistent with the Congressional mandate than the states would be in jeopardy of losing federal child support and public assistance money, which is a substantial amount of money, approximately \$70 million. She pointed out that the Alaska legislation was passed in three different years in order to meet compliance; it was passed in 96, 97 and 98. She noted that the 97 and 98 legislation had sunset provisions for 2001.

Mrs. Miklos further stated that they believe the legislation has been very helpful with regards to child support over the last few years; there has been a dramatic increase in the funding. For instance, in FY99 they raised \$81 million in child support, in FY00 they raised \$85 million and now they are expecting between \$99 and \$2 million. She further noted that they believe a lot of it is due to the fact that they have additional tools, particularly the new hire reporting program, which is one of the provisions in the legislation. They also believe that they can show that the number of complaints and the number of problems with regards to child support have decreased, because they have put more energy into customer service.

Mrs. Miklos pointed out that CS SB 19 (HES) put some sunset provisions back on the bill. She explained that a lot of the provisions in the original legislation had to do with social security numbers; therefore, in the Senate Health, Education and Social Services (HESS) Committee sunset dates were put back on those provisions. In fact, she noted, that in Sections 1 through 13 of the committee substitute there were sunset provisions put back on for 2006. She indicated that the thought there was for them to be able to come back and see if the program was working. She referred to Section 14 where it removes the nonseverability clause. She explained that in the original legislation it was stated that

if part of the law were found to be unconstitutional than the entire law would be unconstitutional and that language was removed. She added that for everything but the social security numbers and the financial data-match program it would take effect immediately. She also said that they worked closely with the HESS Committee and they agreed with the changes.

Senator Ward referred to the fiscal note from the original bill, in the analysis, where it changes from losing approximately \$80 million to \$70 million.

Mrs. Miklos explained that since the time that they originally offered the bill they found that the money the Division of Public Assistance gives to the public assistance grant is not at jeopardy and is no longer a part of the sanction.

Senator Hoffman requested clarification on Section 11.

Mrs. Miklos explained that it was an amendment added in the HESS Committee. In Section 11 of the bill it states that employers are required, by law, to report to the agency and it was amended so that if an employer did not report they would not be held for a separate civil action; it was a protection for employers.

Senator Hoffman wondered what the reason was for that action.

Mrs. Miklos responded that it was to make sure that there would be no separate civil action.

Senator Hoffman wondered if there had been civil action prior.

Mrs. Miklos replied that there had not been.

Senator Hoffman wondered why there was the need for Section 11.

Senator Ward said, "It was not the intent to put liability up on a private employer and so it was to eliminate frivolous lawyering."

KEVIN SHORES, Assistant Attorney General, Department of law, remarked that Senator Ward's explanation was accurate as to why the language was in there. He further explained that there was a concern that an employer might get entangled in a private domestic suit where one party tries to use the employer to put pressure on the other party. He said that it makes it clear that this statute does not set up a private cause of action and reiterated that the purpose of the language is to protect the employer.

Senator Olson speaking from the standpoint of a small business

owner he said that he could see why the language was necessary.

Senator Ward wondered if federal law has always required the social security number. He applauded the fact that somebody is trying to do away with it.

Mrs. Miklos indicated that originally the requirement was for social security numbers on hunting and fishing licenses, but they obtained a waiver. She explained that the conditions of the waiver were that the data was not good data and there is better data someplace else. She noted that they could show that the data from hunting and fishing licenses was not good data, because so much of it they got so late and they already had data that was better. She pointed out that they used the permanent fund. She specified that this was one thing that was taken out of this bill and was being taken care of in another bill. She said that the law specifically states that they require that the various agencies have social security numbers and that people will put social security numbers on applications. Further, she referred to the Privacy Act and indicated that if the federal government requires the social security number than it is not in violation of the Privacy Act.

Co-Chair Donley wondered if Senator Green was happy with the title of the bill. He noted that the sunset provisions were not specifically stated in the title.

Senator Green wondered if there were any sunset provisions in the original bill.

Mrs. Miklos responded no, but there was a change to the title by the legislative drafters.

DIANE WENDLANDT, Assistant Attorney General, Collections and Support Services, Department of Law, stated that the changes made to the title were consistent with the changes made in the version of the bill.

Co-Chair Donley inquired as to whether there was something that the HESS Committee or other Committee's felt strongly about with regards to the title.

Co-Chair Kelly indicated that it was his intent to HOLD the bill in Committee.

Co-Chair Donley said, along those lines, that he spoke with Ben Stevens and he represented that this money would only be used for housing or lodging expenses. He made a commitment that if they did not need the full amount of money than that money would be returned

to the state. He asked of the committee members that if anybody has ideas for accountability in the legislation that they submit that information.

Senator Green wondered if Senator Donley intended to go back and review the original request that came to the legislature a couple of years ago.

Co-Chair Donley expressed that he had not intended to do that, because it was his general understanding that they ended up with a guarantee that if they fell short the state is responsible for up to \$4 million.

Senator Green indicated that it might be a good idea.

[HEARD AND HELD]

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ADJOURNMENT

Co-Chair Kelly adjourned the meeting at 9:24 AM