

**HB**

**146**

# Alaska State Legislature

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## Representative Lesil McGuire

Chair, Judiciary Committee

### MEMORANDUM

To: Rep. Peggy Wilson, Chair, House Health, Education, and Social Services Committee

From: Rep. Lesil McGuire

Date: March 5<sup>th</sup>, 2003

Re: Request for hearing of HB 146 "Repealing 'sunset' provisions for SSN reporting for CSED"

I would appreciate it if you would consider scheduling my bill, HB 146 "An Act repealing the termination date of certain provisions that require the reporting of social security numbers and automated data matching with financial institutions for child support enforcement purposes; and providing for an effective date." before your committee at your earliest possible convenience.

23-LS0705H  
Lauterbach  
3/13/03

CS FOR HOUSE BILL NO. 146( )  
IN THE LEGISLATURE OF THE STATE OF ALASKA  
TWENTY-THIRD LEGISLATURE - FIRST SESSION

BY

Offered:  
Referred:

Sponsor(s): REPRESENTATIVES MCGUIRE, Gruenberg

A BILL

FOR AN ACT ENTITLED

1 "An Act repealing the termination date of certain provisions that require the reporting  
2 of social security numbers and automated data matching with financial institutions for  
3 child support enforcement purposes; relating to social security numbers on applications  
4 for commercial fishing licenses; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 \* Section 1. AS 16.05.480(b) is amended to read:

7 (b) A person applying for a [RESIDENT] commercial fishing license under  
8 this section shall provide the person's social security number. A person applying for  
9 a resident commercial fishing license under this section shall also provide [AND  
10 THE] proof of residence that the department requires by regulation.

11 \* Sec. 2. AS 16.05.480(d) is amended to read:

12 (d) Upon request, the department or the Alaska Commercial Fisheries  
13 Entry Commission shall provide a social security number provided by an applicant  
14 for a license under [(a) OF] this section to the child support enforcement agency

1           created in AS 25.27.010, or the child support agency of another state, for child support  
2           purposes authorized under law.

3       \* Sec. 3. Sections 1 - 10, 14, and 17, ch. 54, SLA 2001, are repealed.

4       \* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

## **CHILD SUPPORT ENFORCEMENT 2003 "SUNSET" SUMMARY**

### **Introduction**

Sunset provisions that will take effect in 2003 were attached to legislation passed during the 2001 session. These laws support programs and activities at CSED that have resulted in a significant increase in child support payments<sup>1</sup>, and improved services to families in Alaska. If the sunsets are allowed to occur, these improvements will be diminished, and by being out of compliance with welfare reform laws Alaska will be in jeopardy of losing \$75,000,000 in federal public assistance and child support funding.

Below is an outline of key parts of the 2001 legislation, as well as a description of how the sunset provisions would affect CSED's work. Each of these segments is a requirement of federal compliance.

### **Financial Institution Data Match and Immunity from Liability**

Current statutes allow us to match the names of parents who owe arrears with the names on accounts at financial institutions. This makes it much more difficult for delinquent parents to hide their assets, simplifies the search for funds in multi-state institutions, and allows the institutions to cooperate without fear of retaliatory lawsuits. Few banks would participate in the FIDM if this protection were repealed. Searching for hidden assets would require sweeps of all banks for each and every case. For many children our ability to collect support would be seriously compromised.

CSED has had no significant complaints from parents or financial institutions regarding this statute.

### **Social Security Numbers**

Legislation passed in 2001 continued the requirement that applications for state licenses, including professional, business, occupational, driver's, recreational and marriage licenses, include the social security number of the applicant. These numbers help CSED locate parents and collect child support, and reduce the number of cases of mistaken identity. Use of Social Security numbers is critical to our New Hire Reporting, license suspension, and locate programs.

CSED is cognizant of the confidential responsibilities conferred on us through use of Social Security numbers and other items of personal information included in our files. We make confidentiality training a priority, and monitor it constantly so that no inappropriate use can be made of the parties' personal information.

Federal requirements for social security numbers on hunting and fishing licenses were waived in 2000. The waiver will expire this year, however, CSED has requested that it be extended.

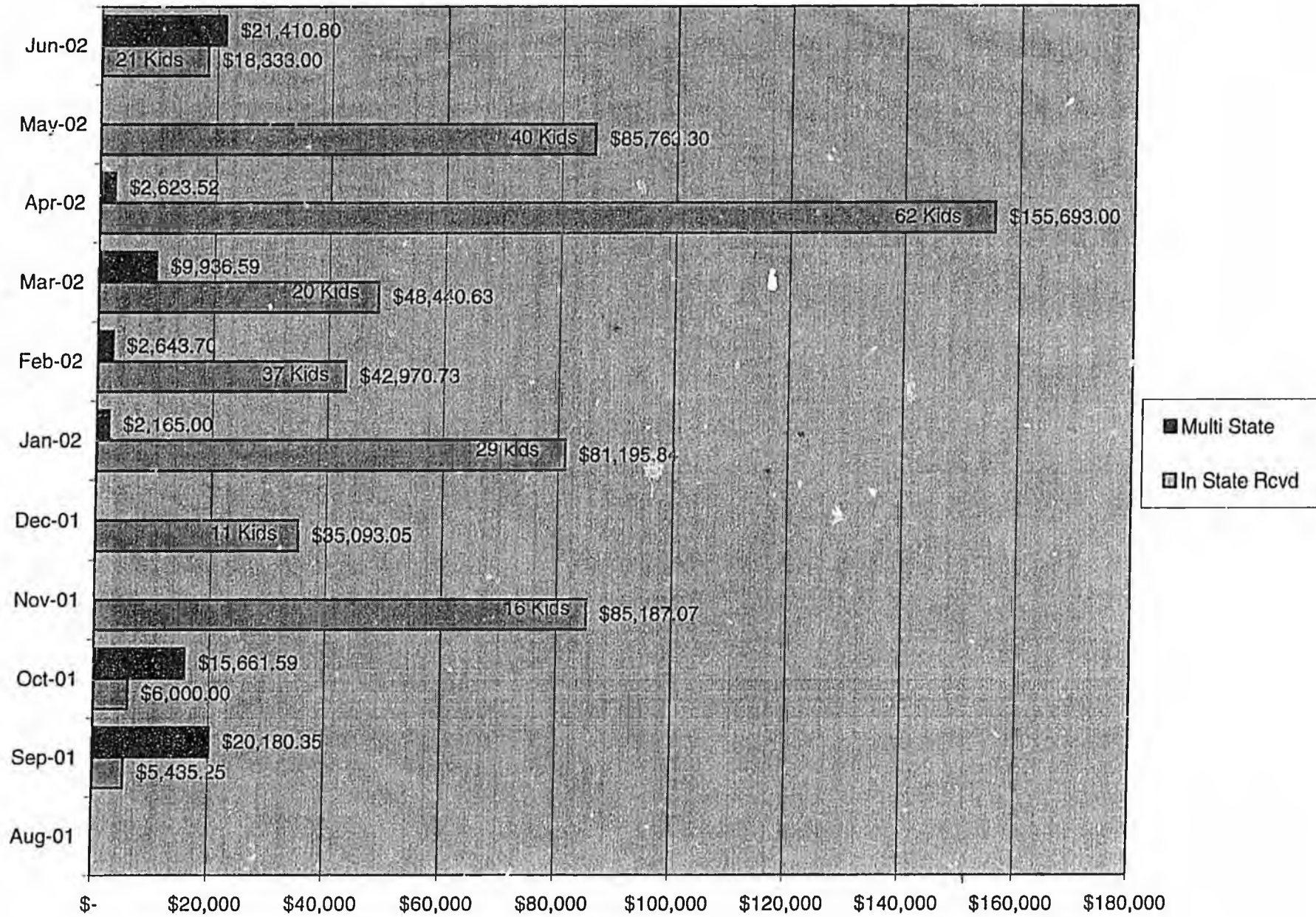
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<sup>1</sup> Since the first of these statutes was passed in 1996, child support collections in Alaska have increased from \$71 million to \$95 million, a 33% increase.

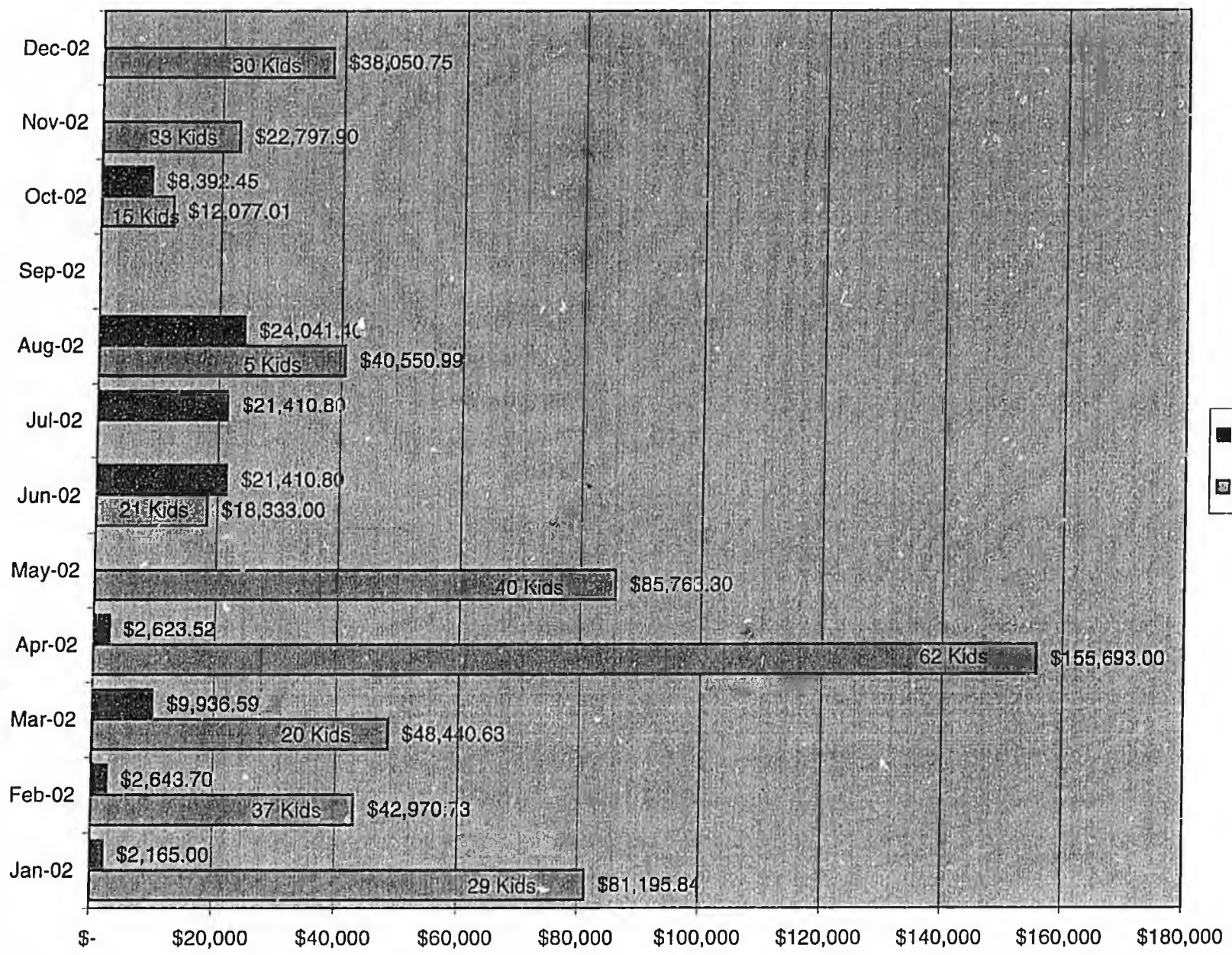
## Child Support Enforcement Division - Financial Institution Data Match Monthly Statistics: May 2001 through December 2002

Month	IN State Amount Rcvd	Multi State Amount Rcvd	# of kids	# Cases W	Case = \$	# of kids	# Cases W	Case = \$
May-01	\$ 14,313.91							
Jun-01	\$ 55,606.95							
Jul-01	\$ 53,868.55							
Aug-01	\$ -		13	12	6	0	30	0
Sep-01	\$ 5,435.25	\$ 20,180.35	12	7	7	2	17	2
Oct-01	\$ 6,000.00	\$ 15,661.59	24	23	11	0	8	0
Nov-01	\$ 85,187.07	\$ -	16	16	12	0	4	0
Dec-01	\$ 35,093.05	\$ -	6	15	4	5	4	0
Jan-02	\$ 81,195.84	\$ 2,165.00	25	27	16	4	24	2
Feb-02	\$ 42,970.73	\$ 2,643.70	37	47	24	0	13	2
Mar-02	\$ 48,440.63	\$ 9,936.59	15	21	9	5	0	0
Apr-02	\$ 155,693.00	\$ 2,623.52	62	61	36	0	24	1
May-02	\$ 85,763.30	\$ -	40	35	20	0	7	0
Jun-02	\$ 18,333.00	\$ 21,410.80	21	29	15	0	3	0
Jul-02		\$ 21,410.80	17	22	14	0	15	0
Aug-02	\$ 40,550.99	\$ 24,041.40	3	10	2	2	6	0
Sep-02		\$ -	39	31	21	0	2	1
Oct-02	\$ 12,077.01	\$ 8,392.45	13	6	5	2	5	0
Nov-02	\$ 22,797.90	\$ -	36	30	23	2	4	1
Dec-02	\$ 38,050.75	\$ -	30	30	17	0	6	0
Total Rcvd	\$ 801,377.93	\$ 128,466.20	409	422	242	22	172	9
monthly average	\$ 40,068.90	\$ 6,423.31	Collection Rate	57.35%		Collection Rate	5.23%	
Aug 01-Jun 02	\$ 564,111.87	\$ 74,621.55	271	293	160	16	134	7
monthly average	\$ 47,009.32	\$ 6,218.46	Collection Rate	54.61%		Collection Rate	5.22%	
Jan 02-Dec 02	\$ 545,873.15	\$ 92,624.26	338	349	202	15	109	7
monthly average	\$ 45,489.43	\$ 7,718.69	Collection Rate	57.88%		Collection Rate	6.42%	

## Child Support Enforcement Division - Financial Institution Data Match Collections Aug 01 - Jun 02



## Child Support Enforcement - Financial Institution Data Match Collections Jan 02 - Dec 02



Multi State  
 In State

## Child Support Enforcement Division - Financial Institution Data Match Sample Case Explanations

XZ79Y45	Case was brought current with FIDM money NCP is now current every month
XZ5X7X5	Case was brought current with FIDM money NCP is now current every month
XZ65Y67	Case paid in full with FIDM Money, now closed
XZ8948X	Case was brought current with FIDM money NCP is now current every month
XZXZY287 XZ5Z4Z9	NCP had two cases and owed over 45K in arrears. When FIDM /WID was issued, NCP decided to pay cases current and now pays monthly support on time each month and has been doing so since May 2002
XZX6Z36	FIDM wid paid case in full, case is being reviewed for closure
XZ764Z6	FIDM paid case in full now closed.
XZ758Y5	FIDM paid all but \$60.00 on case, there had been no payments on this case in prior three years
XZ33765	FIDM paid case in full \$5802.11
XZ74X84	FIDM paid case in full \$992.00 5/02, last payment 11/30/01
XZ5X367	FIDM payment of 3242.26 05/02, no other payments since 11/00
XXZY66Y	FIDM payment of \$27262.00 06/02 to cp, no other payments since May 2001
XZZ84YY	FIDM paid case in full 06/02, no payments since 1998 (\$2581.00
XZ76YY4	FIDM helped us collect \$22K for CP, only payments have been getting are from SSA, Bal at time of wid \$56k
XZ9ZYZ6	FIDM helped collect 12529.64 for child, no voluntary payments ever rcvd org bal 22K now 9K
XZY867Y	FIDM paid case in full now closed.
XZ5477Y	FIDM paid case in full now closed.
XZY7644	Case was brought current with FIDM money NCP is now current every month
XZ79Y45	brought case current mso now only due
XZ75873	paid case in full, only payments pfd since 8/01 (3797.44)
XZ84Y7X	Case was brought current with FIDM money NCP is now current every month
XZ39899	paid all but \$20.00 ATAP debt only case being reviewed for closure
XZ6533Z	FIDM paid case down to 6k (8278), no disbursements since 1998, ncp came in and paid remainder of case in full
XZX9Z6X	paid case in full 11/02 with no voluntary payments since 07/01

CSED WELFARE REFORM "SUNSET" SUMMARY 2003

STATUTES

**Bank & Financial Institutions**

AS 06.20.020 (b) Small Loan Act

AS 06.40.050 (a) (e) Premier Financial License

**Board of Licensing**

AS 08.01.060 (b) Professional License Application

AS 08.01.089 Certified Copy of Public Record (Professional License) per CSED request

**Alaska Bar Admission**

AS 08.08.137 Alaska Bar Admission Fingerprint submission (SSAN Required)

**Presumptive Death Certificate / SSAN Required**

AS 09.55.050

**Death Certificate / SSAN Required**

AS 18.50.230 (f)

**Professional License / SSAN Required on Application**

AS 14.20.027 Teaching Certificate

AS 16.05.450 (a) Commercial Fish Crewman License

AS 16.05.450 (a) Commercial Fishing License

AS 18.60.395 (a) Boiler Operator License

AS 18.65.410 (a) Security Guard License

AS 18.72.030 (a) Fireworks Wholesaler License

AS 21.06.255 Insurance License

**Family Judicial Processes / Vital Statistics (SSAN Required)**

AS 25.05.091 (b) Marriage License Application

AS 25.20.050 (n) Paternity Order

AS 25.24.160 (d) Court Ordered Divorce Judgement

AS 25.24.210 (f) Petition for Dissolution

AS 25.24.230 (i) Court Ordered Dissolution Judgement

**Driver's License / SSAN Required**

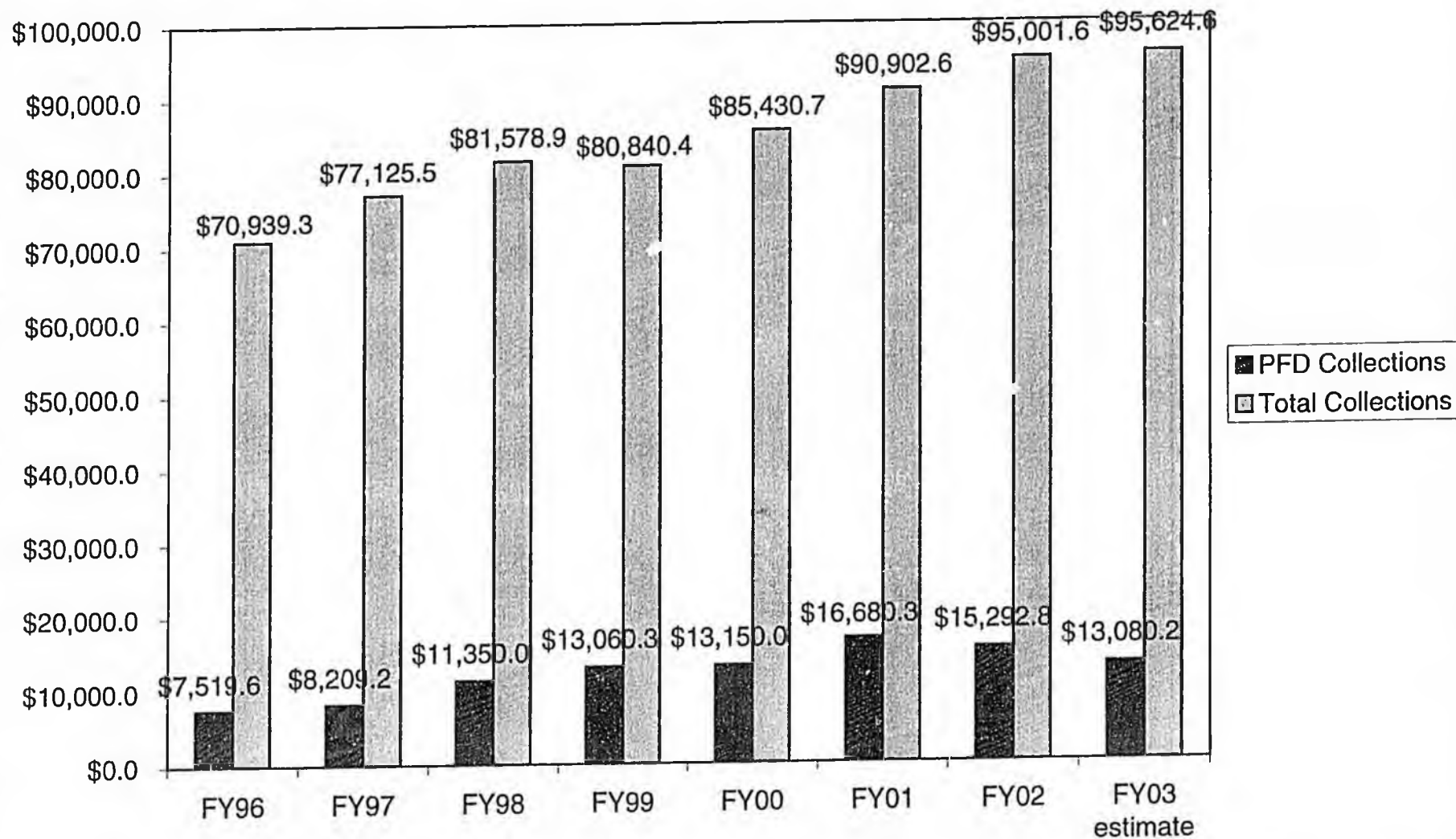
AS 28.15.061 (b) (g) Driver's License / Instruction Permit

**Financial Institution Date Match**

AS 25.27.020 (a)(2)(D) Agreements with Financial Institutions must include SSAN to facilitate automated data exchanges

### Child Support Enforcement Division PFD collections vs. Total Collections

In 000's



## Protection of Social Security Numbers

The Child Support Enforcement Division takes the security of all confidential data (including social security numbers) very seriously. The following steps are taken to protect social security numbers:

- Each new employee is given an initial comprehensive confidentiality briefing within two days of reporting to work and before they have access to the division's computer and paper files. During the more extensive employee orientation that occurs within the first several weeks of reporting to work employees are again briefed on confidentiality and shown a video produced by the federal Office of Child Support Enforcement that deals with protection of confidential information including social security numbers.
- Each employee is required to sign a confidentiality form that explains the policy and the penalties for unauthorized disclosure. These forms are signed by new employees during in processing and by other employees yearly.
- Every employee receives annual training on confidentiality to include viewing a video produced by the Internal Revenue Service. This video deals with protecting IRS information to include social security numbers.
- Only division personnel who perform casework have access to computer screens that display social security numbers.
- Caseworkers are prohibited by policy from viewing any cases that are not assigned to them. This is to prevent workers from surfing through case files and having access to confidential information on cases that they are not working.
- Social Security numbers have been removed from all forms and letters sent to parties outside the agency except where it is absolutely required to conduct business. For example the social security number is still included on the wage withholding order so employers can positively identify the individual from whom wages should be withheld.
- Any time the division is required to release information all confidential information including social security numbers are redacted.