

SB-329

Senate

Committee Report

The committee on Privacy, Electronic Commerce and Financial Institutions, reports and recommends:

Assembly Joint Resolution 48

Relating to: urging the Wisconsin congressional delegation to work to enact legislation that would remove social security numbers from hunting and fishing license applications.

By Representatives Balow, Suder, Schneider, Sinicki, Gundrum, Hahn, Underheim, Hasenohrl, Gronemus, Miller, Kreuser, Huber, Musser, F. Lasee, Grothman, Sykora, Plale, Albers, Pocan, Seratti, Ziegelbauer, Schooff, Klusman and Colon; cosponsored by Senators Erpenbach, Schultz, Lazich, Zien, Rude, Baumgart and Decker.

CONCURRENCE RECOMMENDED, Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Assembly Bill 315

Relating to: prohibiting the department of transportation from providing information compiled and maintained by the department that contains the personal identifiers of 10 or more people.

By Representatives Foti, Huebsch, Ainsworth, Berceau, Black, Bock, Boyle, Brandemuehl, Cullen, Freese, Gronemus, Gunderson, Hahn, Handrick, Hasenohrl, Hutchison, Johnsrud, Kelso, Klusman, Kreibich, Kreuser, F. Lasee, M. Lehman, Miller, Montgomery, Musser, Olsen, Petrowski, Plale, Plouff, Porter, Powers, Reynolds, Rhoades, Sherman, Sinicki, Spillner, Staskunas, Stone, Turner, Wasserman, Young and Ziegelbauer; cosponsored by Senators Erpenbach, Panzer, Wirch, Darling, Drzewiecki, Lazich, Roessler, Schultz, Welch and Clausing.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 1,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

CONCURRENCE AS AMENDED RECOMMENDED, Ayes 5, Noes
0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and
Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Senate Bill 259

Relating to: creating a consumer privacy advocate in the department of justice and making an appropriation.

By Senators Erpenbach, Decker, Baumgart, Rosenzweig, Risser, Plache and Grobschmidt; cosponsored by Representatives Schneider, La Fave, Bock, Black, Travis, Musser, Boyle, Ryba, Lassa, Hebl, J. Lehman, Hasenohrl, Schooff, Richards and Coggs.

PASSAGE RECOMMENDED, Ayes 4, Noes 1, Absent 0

Ayes: (4) Senators Erpenbach, Jauch, Plache and Rude.

Noes: (1) Senator Fitzgerald(polling).

Absent: (0) None.

Senate Bill 267

Relating to: prohibiting certain telephone solicitations, requiring the registration of telephone solicitors, requiring the exercise of rule-making authority, making an appropriation and providing a penalty.

By Senators Clausing, Erpenbach, Jauch, Decker, A. Lasee, Roessler, Moen and Darling; cosponsored by Representatives Black, Schneider, Lassa, Bock, Ryba, M. Lehman, Kreuser, Musser, Balow, Plouff, Hasenohrl, Steinbrink and Suder.

INTRODUCTION AND ADOPTION OF SENATE SUBSTITUTE
AMENDMENT 1, Ayes 3, Noes 2, Absent 0

Ayes: (3) Senators Erpenbach, Jauch and Plache.

Noes: (2) Senators Rude and Fitzgerald(polling).

Absent: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 3, Noes 2,
Absent 0

Ayes: (3) Senators Erpenbach, Jauch and Plache.

Noes: (2) Senators Rude and Fitzgerald(polling).

Absent: (0) None.

Senate Bill 274

Relating to: credit union membership, powers and operation; the application of agriculture, trade and consumer protection statutes to credit unions and providing a penalty.

By Senators Erpenbach, Moen, Grobschmidt, Plache, Baumgart, George, A. Lasee, Risser, Decker, Robson and Zien; cosponsored by Representatives F. Lasee, Young, Carpenter, Ryba, Colon, Huber, Kreibich, Sykora, Pocan, Boyle, Plale, Reynolds, Sinicki, Hasenohrl, Black, Ainsworth, Staskunas, Hebl, Goetsch, Gronemus, Waukau, Travis, Townsend, Meyerhofer, Plouff, Balow, J. Lehman, Musser, Ziegelbauer, Albers, Schneider and Pettis.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 1,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 2,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

INTRODUCTION AND ADOPTION OF SENATE AMENDMENT 3,
Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 4, Noes 1,
Absent 0

Ayes: (4) Senators Erpenbach, Jauch, Plache and Rude.

Noes: (1) Senator Fitzgerald(polling).

Absent: (0) None.

Senate Bill 329

Relating to: prohibiting the inclusion of an individual's social security number on certain documents issued or used by the state.

By Senators Erpenbach, Plache, Rude, Schultz, Robson, Roessler and Darling; cosponsored by Representatives Schneider, La Fave, Musser, Black, F. Lasee, Reynolds, Young, Coggs, Sykora, Ryba, Wasserman, Boyle, Berceau and Huber.

PASSAGE RECOMMENDED, Ayes 5, Noes 0, Absent 0

Ayes: (5) Senators Erpenbach, Jauch, Plache, Rude and Fitzgerald(polling).

Noes: (0) None.

Absent: (0) None.

Senator Jon Erpenbach
Chair

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1-20-00

BILL NO. SB 329

SUBJECT _____

Pam Henning

(NAME)

801 W Badger Rd

(Street Address or Route Number)

Madison

(City and Zip Code)

Dept. of Employee Trust Funds

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7862
Madison, WI 53707-7862

10:02

SENATE HEARING SLIP

(Please Print Plainly)

DATE: 1/20/00

BILL NO. _____

OR

SUBJECT SB 329

Marie W Schneider

(NAME)

3820 Southbrook Ln

(Street Address or Route Number)

Wisconsin Rapids

(City and Zip Code)

72nd Assembly

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7862
Madison, WI 53707-7862

SENATE HEARING SLIP

(Please Print Plainly)

DATE: _____

BILL NO. _____

OR

SUBJECT SB 329

Jim Carpenter

(NAME)

(Street Address or Route Number)

(City and Zip Code)

(Representing)

Speaking in Favor:

Speaking Against:

Registering in Favor:

but not speaking:

Registering Against:

but not speaking:

Speaking for information only; Neither for nor against:

Please return this slip to a messenger PROMPTLY

Senate Sergeant-At-Arms
State Capitol - B35 South
P.O. Box 7862
Madison, WI 53707-7862

SB329

passage

Rude

~~ays~~
Exp x

Jauch

Jauch x

Plach x

Rude x

Fitz x

Testimony for Senate Bill 329
Senate Committee on Privacy, Electronic Commerce and Financial Institutions
by
The Department of Employee Trust Funds

(Requires the Secretary of DETF to ensure that the participant's SSN does not appear on the annual Statement of Benefits. Requires the Deferred Compensation Board to ensure that any statement sent to employees who participate in the deferred compensation plan not contain the SSN of the employee.)

Thank you Chair Erpenbach and Committee Members for this opportunity to speak on SB 329. I am Pam Henning, Legislative Liaison, at the Department of Employee Trust Funds, and I'm here to speak in opposition to the bill.

For purposes of the Wisconsin Retirement System, the member's social security number (SSN) is the controlling data field in creating and updating member WRS accounts and in reconciling member data with participating employers. The statement of benefits sent once a year to participants is the only correspondence for active and inactive participants to verify their WRS accounts with our Department and their employers.

Employers are required to maintain SSN's for Internal Revenue Service (IRS) wage reporting and WRS service and earnings reports. Each year, ETF reconciles member accounts to ensure that member accounts have been credited with the correct amount of employer and employee contributions. Only after all accounts are reconciled does ETF send out the Statement of Benefits to 250,000 active members and 65,000 inactive members. These statements are placed in a sealed envelope for distribution by their employer. The SSN is displayed on the annual Statement of Benefits for identification and processing purposes. It is critical that the SSN remain on the annual SOBs for the following reasons:

1. The SSN allows members to review and verify the SSN on file with ETF. Employers can make data entry errors when entering SSN's into the payroll system as well as our staff when loading employee SSN's into our system.
2. An inaccurate SSN on file with us could lead to problems for employees with the IRS and Social Security Administration (SSA) at the time of the employee's retirement.
3. Over 4,000 inactive member SOBs are returned each year due to undeliverable addresses. These statements are used to update the members record with an "lost contact" date. If the SSN is removed from the statement, there will be tremendous difficulty in updating the member's record or place the statement in the member's file.
4. Removing or suppressing the SSN on our SOBs will require another manual process for our staff to verify the correct member with their account, if at all. We have hundreds of members with the same names, including first, middle and last as well as date of birth. This will lead to a higher risk of a wrong member receiving confidential correspondence from our department or ultimately a member's account being updated incorrectly.

For purposes of the deferred compensation program, SB 329 indicates that "all statements" must not display the SSN. All statements could include not only the quarterly statement, but also the confirmation statements on trades and transactions, enrollment confirmation statements, and all other correspondence in which our third party administrator uses the SSN to verify the participant.

The third party administrator currently uses the SSN for all major transactions and record keeping for the participant under the deferred compensation program. Simply suppressing the SSN would not be feasible since it is utilized for verification. Creation of a dummy system or somehow disguising the SSN would require the third party administrator to completely develop a new system to administer our program at a costly price to the participants who would bear the costs.

In addition, we are currently in a contract with Charles Schwab and Company effective February 1, 2000, a brokerage that does self-directed options for participants. Since they will be sending out the statements on accounts directly to participants, we cannot require them to customize these account statements for participants in our program since they will be sending out what they send out nationwide.

In closing, I'd just like to again ask the committee to continue to allow us to send out SOBs and deferred compensation plan statements utilizing the SSN.

Thank you for your time. I'd be happy to answer your questions you may have.

FISCAL ESTIMATE FORM

1999 Session

- ORIGINAL
- CORRECTED
- UPDATED
- SUPPLEMENTAL

LRB # 99 - 2984/1

INTRODUCTION # 99 SB 329

Admin. Rule #

Subject

Prohibit inclusion of social security number on WRS statement of benefits and on any account statement under the deferred compensation program

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

Increase Costs - May be possible to Absorb Within Agency's Budget Yes No

- Increase Existing Appropriation
- Decrease Existing Appropriation
- Create New Appropriation
- Increase Existing Revenues
- Decrease Existing Revenues
- Decrease Costs

Local: No local government costs

- 1. Increase Costs
 - Permissive Mandatory
- 2. Decrease Costs
 - Permissive Mandatory

- 3. Increase Revenues
 - Permissive Mandatory
- 4. Decrease Revenues
 - Permissive Mandatory

5. Types of Local Governmental Units Affected:
- Towns Villages Cities
 - Counties Others _____
 - School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Ch. 20 Appropriations s. 20.515 (1)(w)

Assumptions Used in Arriving at Fiscal Estimate:

SB 329 requires the Department of Employee Trust Funds to ensure that a participant's social security number does not appear on the annual Wisconsin Retirement System (WRS) statement of benefits (SOB).

The fiscal impact of suppressing the social security number on the SOB would involve minimal computer programming changes. However, additional staff resources would be needed to verify accurately the participant and his/her WRS account when approximately 2,000 SOB's are returned each year from participants with questions for ETF staff to respond to. The costs associated with the verification would be \$4,100 SEG for salaries and fringe benefits. Also, approximately 4,000 SOB's are returned each year from inactive participants due to undeliverable addresses. These statements are used to update the participant's record with a "lost contact" date. With no SSN, staff resources will be needed to spend additional time to verify the statements with the correct participant. Costs associated with the verification would require an additional .75 FTE and \$29,200 SEG salary and fringe benefits, \$1,200 SEG on-going supplies, \$3,500 SEG one-time PC and software and \$5,000 SEG one-time system furniture.

SB 329 also requires the deferred compensation board to ensure that any statement sent to employees who participate in the deferred compensation plan not contain the social security number of the employee.

The third party administrator that administers the state deferred compensation program currently utilizes only social security numbers (SSN) of participants as account identifiers. If the SSN is required to be suppressed on all documentation (quarterly statements, confirmation statements of trades/transactions, enrollment confirmation statements, etc.) sent by the third party administrator to the participant, the third party administrator would need to develop a new system to mask or disguise the SSN or create a dummy identifier. The disguised or dummy SSN would still need to be cross-referenced with the true SSN, which is needed to correspond with payroll offices submitting deferrals. The fiscal cost would be approximately \$1 million to \$3 million to create a new system and would take up to 1 year to develop. These additional costs would be paid by the participant in higher administrative fees.

Long-Range Fiscal Implications:

On-going.

Prepared By: / Phone # / Agency Name
Pamela Henning 267-2929
Department of Employee Trust Funds

Authorized Signature Telephone No.
266-3641

Date
1/20/00

FISCAL ESTIMATE WORKSHEET

Detailed Estimate of Annual Fiscal Effect

ORIGINAL
 CORRECTED

UPDATED
 SUPPLEMENTAL

LRB # 99 - 2084/1

1999 Session

Admin. Code #

INTRODUCTION # 99 SB 329

Subject

Prohibit inclusion of social security number on WRS statement of benefits and on any account statement under the deferred compensation program

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):
\$0,500 SEG

II. Annualized Costs:

A. State Costs by Category	Annualized Fiscal Impact on State funds from:	
	Increased Costs	Decreased Costs
State Operations - Salaries and Fringes	\$ 33,300	\$ -
(FTE Position Changes)	(.75 FTE)	(- FTE)
State Operations - Other Costs	1,200	-
Local Assistance	-	-
Aids to Individuals or Organizations	-	-
TOTAL State Costs by Category	\$ 34,500	\$ -
B. State Costs by Source of Funds	Increased Costs	Decreased Costs
GPR	\$ -	\$ -
FED	-	-
PRO/PRS	-	-
SEG/SEG-S	34,500	-
State Revenues Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes	\$ -	\$ -
GPR Earned	-	-
FED	-	-
PRO/PRS	-	-
SEG/SEG-S	-	-
TOTAL State Revenues	\$ -	\$ -

NET ANNUALIZED FISCAL IMPACT

NET CHANGE IN COSTS \$ 34,500 STATE LOCAL \$ _____

NET CHANGE IN REVENUES \$ _____ \$ _____

Prepared By: / Phone # / Agency Name Pamela Henning 267-2929 Department of Employee Trust Funds	Authorized Signature / Telephone No. 268-3841 <i>[Signature]</i>	Date 1/20/00
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PUBLIC HEARING

AJR 48 - Jon testify

AB 315 - Sub amendment announced
Jon testify

SB 248 - Jauch testify

SB 329 - Jon testify

EXECUTIVE SESSION

AJR 48 - A Motion for **RECOMMEND** passage of AJR 48?

AB 315 - There is a typo in this substitute amendment. Unless there is objection I would like to make that change by unanimous consent to amend the sub and have it redrafted. Will Leg Council please state the change for the committee?

Is there objection to **UNAMIOUS** consent for committee introduction of Senate Amendment 1 as amended to AB 315?

A Motion for **ADOPTION** of Senate Sub 1?

A Motion for **CONCURRENCE** of AB 315 AS AMENDED?

SB 248- ???A Motion for **RECOMMEND** passage of SB 248?

SB 329- A Motion for **RECOMMEND** passage of SB 329?

SB 259- This is the creation of the Consumer Privacy Advocate in the Department of Justice. Their seemed to be no concerns by the committee in regards to this legislation. Are their any objections committee members would like to address at this time?

A Motion for **RECOMMEND** passage of SB 259?

SB 267- This is the creation of a statewide DO NOT CALL list within DATCP. The substitute amendment changes the section of statute this is housed in, per Dept of Justice recommendation. There were also technical changes to make the program more self-sufficient. In addition, some changes suggested at the hearing in Menomonie were added into the sub. There are some typos in the drafting of this sub; I would like to correct those by unanimous consent right now if there are no objections and we will have thew sub redrafted. Will Leg Council please read the changes?

IS THEIR OBJECTION TO UNAMIOUS consent for committee introduction of Senate Sub 1 to SB 267?

A Motion for **ADOPTION** of Senate Sub 1 as amended?

A Motion for **RECOMMEND** passage of SB 267 as AMENDED?

SB 274- A motion for **INTRODUCTION** and **ADOPTION** of Senate Amend 1?

A motion for **RECOMMENDED** passage of SB 274 as amended?

Thank you Committee members for your patience and attendance. We will have another hearing either at the end of January or early February.

