



House of Representatives

General Assembly

File No. 418

February Session, 2010

Substitute House Bill No. 5196

House of Representatives, April 8, 2010

The Committee on Human Services reported through REP. WALKER of the 93rd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CREDIT PROTECTION FOR FOSTER CARE CHILDREN.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2010*) (a) The Commissioner of
2 Children and Families, pursuant to the federal Fair and Accurate
3 Credit Transactions Act, shall request a free credit report on behalf of
4 each child or youth who is in the custody of the commissioner and
5 placed in foster care. The commissioner shall make such request not
6 later than fifteen days after the issuance of an order assigning custody
7 of the child or youth to the commissioner or, if the child or youth is in
8 the custody of the commissioner and has been placed in foster care on
9 or before July 1, 2010, the commissioner shall make such request not
10 later than July 31, 2010. Upon receipt of the credit report, the
11 commissioner or a designee of the commissioner shall review the
12 report for evidence of identity theft, as defined in section 53a-129a of
13 the general statutes. If the commissioner or the commissioner's
14 designee finds evidence of identity theft, not later than five business

15 days after receipt of the credit report, the commissioner shall: (1)
 16 Report such findings to the Attorney General, the police department
 17 that has jurisdiction over the geographic area where the child or youth
 18 resides and the Federal Trade Commission; and (2) request, pursuant
 19 to section 36a-699f of the general statutes, that each of the three major
 20 national credit rating agencies block and not report the information
 21 appearing on the credit report as a result of identity theft.

22 (b) Not later than five business days after receipt of the credit report
 23 requested pursuant to subsection (a) of this section, the commissioner
 24 or the commissioner's designee shall make a request to place a security
 25 freeze on the child's or youth's credit report pursuant to section 36a-
 26 701a of the general statutes. The commissioner or the commissioner's
 27 designee shall request removal of the security freeze not later than five
 28 business days after the child or youth is released from the
 29 commissioner's custody. Nothing in this section shall prohibit the
 30 commissioner or the commissioner's designee from requesting a
 31 temporary lifting of a security freeze on behalf of a child or youth for
 32 good cause.

33 (c) The commissioner shall maintain (1) the child's or youth's credit
 34 report; (2) documentation of the request for a security freeze; (3)
 35 documentation of the request for removal of the security freeze; and (4)
 36 all other related information for a period of not less than five years
 37 after the child or youth is released from the commissioner's custody.

This act shall take effect as follows and shall amend the following sections:		
Section 1	July 1, 2010	New section

Statement of Legislative Commissioners:

In the first sentence of section 1(a), "a child or youth" was changed to "each child or youth" for clarity.

HS *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Children & Families, Dept.	GF - Cost	162,445	136,836
Comptroller Misc. Accounts (Fringe Benefits) ¹	GF - Cost	29,405	79,470

Note: GF=General Fund

Municipal Impact: None

Explanation

The state will incur a cost of approximately \$191,850 in FY 11 (\$216,306 in FY 12) to support two additional positions and other expenses needed by the Department of Children and Families (DCF) to:

1. Request credit reports for approximately 3,400 children in foster care on 7/1/10 (by 7/31/10), and 1,300 newly placed foster children annually thereafter;
2. Review each report for evidence of identity theft, forward findings to the Attorney General and police, and request blocking of information after identifying reports indicating identity theft; and
3. Request a security freeze on each child's credit report, until time of release from foster care.

Cost detail is presented in the following table.

¹ The estimated non-pension fringe benefit rate as a percentage of payroll is 26.66% which includes health insurance, social security, Medicare, life insurance, and unemployment compensation. Fringe benefit costs for new positions do not include pension costs as new positions will not impact the state's pension contribution until FY 12 after the next scheduled actuarial valuation.

	<u>FY 11</u>	<u>FY 12</u>
1 Fiscal Administrative Officer	\$ 60,087	\$ 65,094
1 Fiscal Administrative Assistant	50,208	54,392
Security Freeze Fees (\$10 per non-victim of identity theft, assumed to be 95%)	44,650	12,350
Other Expenses (supplies, mailing)	7,500	5,000
Total - DCF	\$ 162,445	\$ 136,836
Fringe Benefits	29,405	79,470
Total	\$ 191,850	\$ 216,306

No funding has been included within sHB 5018 (the FY 11 Revised Budget, as favorably reported by the Appropriations Committee) for purposes of this bill.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, and the number of newly placed foster children in any given fiscal year.

Sources: Department of Administrative Services website; www.experian.com; www.transunion.com; www.equifax.com.

OLR Bill Analysis**HB 5196*****AN ACT CONCERNING CREDIT PROTECTION FOR FOSTER CARE CHILDREN.*****SUMMARY:**

This bill requires the Department of Children and Families (DCF) to obtain a free credit report for every child in foster care and then review it for evidence of identity theft. If DCF finds any evidence, it must (1) report it to the attorney general, the police department in the area where the child is living, and the Federal Trade Commission; (2) ask each of the national credit rating agencies to block and not report the information on the credit report resulting from identity theft; and (3) ask the credit rating agencies to place a security freeze on the credit report.

EFFECTIVE DATE: July 1, 2010

CREDIT REPORTS FOR FOSTER CHILDREN***Obtaining and Reviewing Reports***

Under the bill, DCF must ask for a free credit report within 15 days after a child is ordered into DCF custody. For children in foster care as of July 1, 2010, DCF must order reports by July 31, 2010. Once it receives the reports, DCF must review them for evidence of identity theft.

Action in Case of Identity Theft

DCF must report any evidence it finds of identity theft to the attorney general, the police department in the area where the child is living, and the Federal Trade Commission. It must also ask each of the three national credit rating agencies to block and not report any of the information on the credit report that is the result of identity theft. It must do both within five days after receiving the report.

Also within five days after receiving the credit report, DCF must ask (presumably the credit rating agencies) to place a security freeze on the child’s credit report. Within five days after a child is released from DCF custody, it must ask for the freeze to be removed. It can also ask that the freeze be lifted temporarily for good cause.

Record Keeping

The bill requires DCF to keep for at least five years after a child leaves DCF custody (1) the credit reports (apparently just for children whose reports contained evidence of identity theft), (2) documentation of the request for a security freeze and the request to remove it, and (3) all other related information.

BACKGROUND

Blocking and Freezing Credit Reports

State law requires a consumer asking a credit rating agency to block and not report information that appears on a credit report as a result of identity theft to submit the request in writing along with proof of the consumer’s identity and the police report concerning the identity theft. Credit agencies can decline to block information for a variety of reasons (CGS § 36a-699f).

State law governing security freezes requires the consumer to make the request in writing by certified mail. This law prohibits, with certain specific exceptions, the credit reporting agency from releasing the consumer’s credit report or any information from it without the consumer’s express authorization. Each agency can charge up to \$10 for each security freeze, temporary lifting, or permanent removal. They can charge up to \$12 for lifting the security freeze on a specific party (CGS § 36a-701a).

COMMITTEE ACTION

Human Services Committee

Joint Favorable
Yea 14 Nay 5 (03/23/2010)