

NEBRASKA

Good Life. Great Mission.

DEPT. OF HEALTH AND HUMAN SERVICES



Pete Ricketts, Governor

March 3, 2017

Senator John Murante
District #49 State Capitol
P.O. Box 94604
Lincoln, NE 68509-4604

Dear Senator Murante,

I am writing this letter in support of LB 433 which makes the Department of Health and Human Services (DHHS) compliant with the federal mandate regarding access to federal tax information. DHHS employees in the Child Support Enforcement Program, the Economic Assistance Program as well as the Medicaid and Long-Term Care Division routinely come into contact with federal tax information in nearly every case they handle.

Effective September 30, 2016, the Internal Revenue Service (IRS) informed all states they must implement rules requiring that employees with access to federal tax information be fingerprinted and have background checks every 10 years. The IRS has granted states one year from the effective date to implement these new standards. This includes the development of written policies and verification that all individuals with access to federal tax information have an appropriate level of investigation.

LB 433 requires state employees who have this access to provide a copy of their fingerprints as well as an authorization to the Nebraska State Patrol. State Patrol would conduct a criminal history background check, as well as transmit the fingerprints to the Federal Bureau of Investigation (FBI). After completing the background check, the State Patrol would issue a report to the employee's agency. Employees would then be subject to periodic criminal background checks no less than every 10 years. Fingerprints and information received by the Department would not be considered a public record and could only be released to those lawfully entitled to that information.

Without the proposed legislation, the State Patrol is unable to submit fingerprints to the FBI as now mandated by the IRS.

Ultimately, compliance with the new IRS rules will ensure confidential federal tax information is safeguarded by our system and additionally, reduces the potential for state liability for the improper release of such information. Costs to implement the new rules are modest. In FY18, the cost estimated for DHHS is \$3,065 in general funds.

I appreciate the opportunity to share this information, and look forward to working with you in continuing our mission of helping people live better lives.

Sincerely,

Douglas J. Weinberg, Director
Division of Children and Family Services
Department of Health and Human Services