

COMMITTEE STATEMENT

LB 1296

HEARING DATE: 1/28/2000

COMMITTEE ON: Judiciary

TITLE: (Kristensen, Bourne) Implement child support payments through the State Disbursement Unit and create a commission and unit

ROLL CALL VOTE – FINAL COMMITTEE ACTION

Advanced to General File

Advanced to General File with Amendments

X Indefinitely Postponed

Vote Results:

7	Yes	Senators Baker, Bourne, Brashear, Chambers, Connealy, Pedersen, Robak
	No	
	Present, not voting	
1	Absent	Senator Hilgert

PROPOSERS

Senator Doug Kristensen

Lon Alexander Dean

Ellen Eby

REPRESENTING

Introducer

Self

Nebraska Association of County Officials
Clerk of the District Court Association

OPPOSERS

REPRESENTING

NEUTRAL

Pam Brown

Dave Heineman

REPRESENTING

Self

State Treasurer's Office

SUMMARY OF PURPOSE AND/OR CHANGES:

In 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, which **mandated establishment of a centralized State Disbursement Unit (SDU) for the receipting and disbursement of child support payments**. Non-compliance with this mandate will result in a suspension of Title IV-D formula grants to the State, as well as potential reductions in TANF Block Grant funding.

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In 1999, the Legislature provided for the creation of an SDU in bill LB 637. **LB 1296 is a follow-up bill**, and enumerates specific duties of the SDU and related provisions.

Like LB 972, **LB 1296 identifies the responsibilities of the SDU** as: receiving and accurately identifying payments; promptly disbursing payments; furnishing the obligor or obligee current information regarding the status of payments; and, providing one location for employers to send income withholding payments.

Under the bill, **a copy of support payment records certified by the Title IV-D Division shall be prima facie evidence** of all payments made and disbursed, and shall be rebuttable only by a specific evidentiary showing to the contrary.

As required by federal law, **the SDU must disburse payments within two business days** of receipt so long as the SDU is provided sufficient information identifying the obligee.

Under LB 1296, **the SDU may collect a fee equal to the actual cost of processing a bad check** and can require a person who originates *two bad checks within six months to pay by cash, guaranteed funds, or electronic transfer for the next year*. If a payor originates bad checks for **3 consecutive years**, the Title IV-Division or its designee **may require cash, guaranteed funds, or electronic transfer** for an **indefinite period of time**. Until the SDU is fully implemented, the Title IV-D Division must reimburse counties for unrecovered costs associated with the processing and disbursement of support order payments based upon insufficient funds checks.

LB 1296 also requires the Title IV-D Division to **establish a Customer Service Unit**. This Unit will provide account information, as well as address problems and inquiries made by customers. There shall be **two statewide toll-free telephone systems**, one for **use by employers**, the other for **use by all other customers**, to answer questions regarding support order payments and child support enforcement. A call center shall be established, and shall have a **voice response unit (VRU)** available to answer receipt and disbursement information **24 hours a day**. **Customer service representatives will be available to support the VRU between 7 a.m. and 6 p.m. CST, five days a week**. The physical location of the Unit shall result in the hiring of a number of **new employees equal to at least .5% of the labor force** in the county or counties in which the Customer Service Unit is located.

Under LB 1296, there shall be established a **State Disbursement Advisory Commission to assist in the implementation of the SDU**. In addition, the Commission shall create a set of **performance indicators** to serve as a guide for the Customer Service Unit. Examples of performance indicators are average call length, or number of calls fielded per day. After implementation of the SDU, **the Commission shall monitor its performance**, and may utilize any **evaluative procedures** to ensure satisfactory

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performance. Finally, the Commission shall recommend legislation as well as annually report its activities to the Executive Board of the Legislative Council.

EXPLANATION OF AMENDMENTS, IF ANY:

Senator