



Ninety – Sixth Legislature – Second Session – 2000
Introducer's Statement of Intent
LB 1296

Chairperson: Senator Kermit A. Brashear
Committee: Judiciary
Date of Hearing: 01/28/00

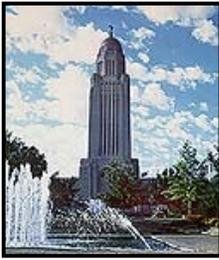
The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB 1296 is in response to the federal mandate that requires the creation of a centralized "State Disbursement Unit" (SDU) for the receipting and disbursement of child support payments. Non-compliance of this mandate may result in the suspension of Title IV-D grants to the State as well as the possibility of the reduction in TANF Block Grants. To comply with the federal mandate, the Legislature in 1999 passed LB 637 which called for the creation of the Nebraska SDU. LB 1296 is a bill that implements the SDU.

LB 1296 requires that the SDU would have the responsibilities of receipting payments of support, furnishing current payment information to the obligor or obligee, promptly disbursing payments within the federally mandated two day period, and establishing one central location for employers to send income withholding payments. To assist the SDU in meeting its responsibilities, LB 1296 also requires the Title IV D Division to establish a Customer Service Unit. This unit will provide account information to all interested parties by way of two statewide toll-free telephone systems. One toll-free system would be for employers and the other would be for all other customers. A call center shall be established, and shall have a Voice Response Unit (VRU) which would be available to provide receipting and disbursement information. Customer service representatives will be available to support the VRU five days a week, during the hours of 7 a.m. and 6 p.m. CST. The physical location of the Unit shall result in the hiring of a number of new employees equal to at least one-half of one percent of the labor force in the county or counties in which the customer service unit is located.

LB 1296 allows the SDU to collect a fee, for the actual cost of processing an insufficient funds check. LB 1296 would also establish the policy that, after an obligor has submitted two insufficient funds checks during a six-month period, the obligor may be required to pay their support obligation by way of guaranteed funds or electronic transfer. If the obligor has issued insufficient funds checks during three consecutive years, the Title IV-D Division of the SDU may require guaranteed funds or electronic transfer for an indefinite period of time.

Also under LB 1296, a State Disbursement Advisory Commission shall be formed to assist in the implementation of the SDU. In addition, the commission shall create a set of performance indicators to serve as guidelines for the customer service unit. Examples of these performance indicators would be, average wait time per caller, number of calls



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fielded per day, or the average length per call. Following implementation of the SDU, the Commission shall monitor its performance, and may utilize any evaluative procedures to ensure satisfactory performance. The Commission shall recommend legislation and provide an annual report of its activities to the Executive Board of the Legislature.

Principal Introducer:

Senator Douglas A. Kristensen