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April 19, 1999 LB 637

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. For further discussion on the bracket motion to LB 637, Senator Chris Peterson, followed by Senators Kristensen, Don Pederson, Engel, Redfield, Brown, Crosby, Hartnett, and Kiel. Senator Peterson.

SENATOR C. PETERSON: Thank you, Mr. Lieutenant Governor, members of the body. I rise in support or opposition to the bracket motion. And I think that it takes a little bit of explanation. Going back through this, we've had a lot of issues come up. And I think if you sort them out, we come down to several questions and maybe a little bit of history is needed for that. The idea of LB 637 is to set up this centralized unit, the State Disbursement Unit. And it will do three things: It will collect and receipt. That is now being done in the...with the clerk of the district courts, and the feds pay approximately two-thirds of that cost. The second part is it will distribute those funds, and that's figuring out where the money goes. And the third part...the second part is how the distribution of those funds is made, and then the third part is the disbursement, sending out the actual check. And these relate to what we call Title IV-D and non-IV-D child support. And Title IV-D, these are cases that involve ADC or public assistance cases, approximately 70 percent of the case in the state of Nebraska are those around 93,000. And then the non-IV-D are just straight child support, and we have approximately 23,000 cases of that. The first issue that has come up has to do with the issue of the waiver, and can we get the waiver, is there time to apply for the waiver? The way you get the waiver is if you can prove that the centralized...that the state disbursement unit, a centralized location, will cost more than doing it at the local level. The task force has sent a letter, I believe, to the Governor, Governor Nelson, then Governor Nelson (sic). And it states in there pretty adequately where their problems occurred, what they ran into, as well as coming up with the options. The majority of them wanted to the Department of Health and Human Services to prepare an exemption application authorizing a disbursement unit consisting of linked local units, which would be the clerks of the district court, plus a general unit for wage withholding collections, because you still have to have with the waiver a centralized location. Secondly, the second option was all cases being centralized in a