

March 22, 1973

(Start Belt #7)

as much as \$380 per month without ever going over and above the 371, without ever going off, before they actually were taken off of welfare, put it that way. The provision is that whatever their earnings are, their, the first third of the earnings plus \$30 isn't even, it's a complete disregard earnings. You don't even count that. That's just ignored. We can have, we can have a family earning, this is a family of 4 again, earning as much as \$735 and still receive their welfare. This \$735 is the cut off point. Now, my objection to the bill is not, do we treat families humanely or not. There is nobody in this Legislature that I've ever talked to that would not treat families in need and give them what they need to get by. The objection comes when you actually are giving them the amount of money necessary when it gets up to the point where they can actually get more from welfare than they can from working. That's when I think we better take a second look. This particular bill and the one that's coming behind it, are both about one year premature in the introduction of them. Whichever bill we consider, we have three alternatives. We can either kill the bill and wait for another year until we have accomplished three things: Number one would be a reform of the welfare program so that we can actually eliminate some of the families that make higher incomes, eliminate them from the rolls, saving that money to use to pay added benefits to those that are not working and can't make it on their own. The second point we'd have to clear up would be the new formula adoption because, what I'm talking about there is this; right now, the Federal Government participates in the welfare monies that are paid, this is ADC money, monies that are paid, they pay; the Federal Government pays 5/6ths of the first \$18, 53.86% of the next \$14 and nothing above \$32. This is \$32 per recipient. Now, the fiscal note that you all have in your book says in essence that this bill would cost something like 14,9, I believe it is, \$14,900,000. Well, the top part of it says \$15,000,00, the bottom part of it, the agency confirmation says \$14,900,000 and the fiscal note and this is something you better pay attention to because the fiscal note says, general funds \$6,300,000; Federal funds \$8,600,000. This fiscal note is absolutely wrong. The entire \$14,900,000 or \$15,000,000 whichever the correct figure is or somewhere between the two, comes out of general fund. When and if we adopt the new formula or alternate formula, then this fiscal note would be right. We have not adopted the new formula and the Welfare Department tells me that the earliest that they are considering right now the adoption of the new formula, would be July, January 1, 74, which would mean that half of the fiscal year would be operated under the present formula whereby the Feds would participate in no part of the \$15,000,00 increase. There is another thing that we, in my judgment, should accomplish before we're through with this and that is the standard of needs that we're talking about. The standard of needs as set by the Welfare Department. We don't control it. The day after we pass this law and it, either one of these bills, and it goes into effect, the Welfare Department could actually increase the standard of needs which is this \$307 figure and with this bill or the other one, we would pay out of general fund the entire increase, whatever it was. If they increased it say, to \$400 a month, that we just add 25% more to the total tab that we're paying for welfare at that time. There is another alternative that we have on this whole picture and that is that we could switch the present statutory limits from 124 plus \$34 for each additional child, to say a cost of living increase to \$140 per mother and one child plus \$40 for each additional child. This way, we would control the amount of money that we are spending on this program. The third alternative is that we can pay--we could pass this particular bill and then hold, set back with our seat belts buckled because it would just darn near, in fact it could exactly double the amount of welfare costs to the State of Nebraska right