

March 22, 1973

SENATOR FOWLER: Mr. Chairman and Members of the body. I had the pages pass out a letter that I received from Robert McManus who used to be Director of Welfare in the State of Nebraska under the Tiemann administration, subsequently went to Kansas City to work with the Federal Welfare Department and now has the title of Assistant Regional Director for Intergovernmental Relations. I ran into Mr. McManus in the Rotunda by chance. I asked him some questions about federal funding. Particularly, I asked him if Federal funds would continue and he sent me this letter and I would like to go through parts of it with the members of the body. The first paragraph just outlines the question I asked; if the Federal Government could reduce or eliminate Federal participation of funding of the Welfare program. Now he does get into some of the aspects that Senator Goodrich talked about, about the two formulas for funding and although this is kind of complicated, I think it's important to look at because Senator Goodrich, I think, has perhaps misrepresented some of the ways that these fundings can work and the way the State Government could utilize them. The second and third paragraphs of this letter talk about the funding that we're using now as Senator Goodrich explained. Where the Federal Government does not pay any more than the first, on the first \$32. It then talks about the alternate provision for computing assistance which would provide a much greater share of Federal Government funding and the Federal Government would be picking up some of the tab of the increase if Senator Chambers' bill passed. Now the way this was written, the State can pick whichever funding formula is most to its advantage and if Senator Chambers' bill passes as I understand it, it would be far more advantageous to the State to switch to this alternate funding program. Now Senator Goodrich said that the Welfare Department hasn't intended to do that until January 1, 1974, but that as I understand it, is what the Welfare Department is saying under the current provisions and under the current funding. If we switch to a program like Senator Chambers', there is no reason the Department of Welfare could not switch to this alternate funding and get greater Federal funds and, in fact, it would be, very compelling reasons for them to do so and this would merely be an administrative decision of the Department of Welfare. On the second page, Mr. McManus answers my original question as to whether or not the President

(End of Belt #7)