

SENATOR CHAMBERS: This is just one point that was brought up by Senator Carpenter. The more you discuss figures, the more confusing the situation can become. Now one thing to keep in mind; medical assistance payments, these are payments to doctors, hospitals, nursing care facilities and so forth, not to the ADC recipient. There are abuses which occur in this program which, if corrected, would save \$5,000,000 each year. Now I'm surprised that Senator Carpenter has not mentioned this; \$5,000,000 saved each year in the medical assistance program alone! Now as of January 1st, 1974, when certain changes occur as a result of social security legislation, aid to the aged, blind and disabled will be taken over totally by the Federal Government and Nebraska will not be paying anything in those categories, as of January 1, 1974. If this bill passes, then instead of the State receiving only 42% of Federal matching, they will receive 58.6%. They will receive more money from the Federal Government under this bill than they are currently receiving. The State will be paying less money in overall welfare because aged, blind and disabled will be taken over by the Federal Government. That's just by way of clarification.

SPEAKER: Senator Marvel.

SENATOR MARVEL: I would like to make two or three general statements first and then try to summarize the figures so you see where you are and we're going to come in with an operating budget the first of the week. We can't guarantee that this operating budget, based on the uncertainty of Federal funds, is going to hold up until we come back the 1st of January, so anything we do is piecemeal and temporary based upon the confusion that comes to us from the Federal Government. Some of you will be back in Washington, D.C. the end of this month, some will leave tonight to go to Chicago to attend a meeting. I hope that you get some clarifying information on what Uncle Sam proposes to do in this area because I realize we're talking about Aid to Dependent Children, but you can't divorce that program from the other programs in the Welfare budget. Now, what are we talking about totally in welfare and then I'll get to ADC. We're talking about a recommended budget the Budget Committee comes to you next week, recommending the adoption of the Governor's budget. They're almost as confused as everybody else is so we accept their recommendation and their recommendation at the moment we are spending roughly in the entire welfare program and I'm talking about general cash and Federal funds; we're spending roughly \$103,500,000 per year of which \$30,000,000 comes from general fund. The Governor's recommendation moves from \$103,500,000 to almost \$109,000,000. The increase in general funds in the Governor's budget for the entire welfare program at the moment is roughly \$1,000,000 increase in general funds, so you're going from \$103,500,000 to \$109,000,000 and the general fund increase is from \$30.3 million to \$31.3 million. Now, as Senator Carpenter's indicated, of the \$108, almost \$109 million dollars for the next year, \$24,000,000 is ADC and of that \$24,000,000 at the moment, \$10,000,000 is general funds. Now what's really killing you, Senator Chambers already referred to this, what's murdering us at the moment is the medical assistance program. Now, now ADC is costing, State and Federal funds about \$24,000,000; the medical program at the moment is costing \$52,000,000. I want to repeat that; ADC is costing roughly \$24,000,000; the medical assistance program \$52,000,000 and we are told by the Welfare Department that with the new welfare bill that's before us that was passed in December, that that \$52,000,000 could increase for this State by some place between \$10,000,000 and \$20,000,000 and by \$10 and \$20 million, we're talking about general fund money, talking about money out of your hide. Now, so with that in mind and somebody in the Welfare Department claims that they're making progress in this area and as some of you, I'm getting a little tired of simply making progress but never getting ahead of a program. I'm not sure any