

March 18, 1980

LB 1001

SENATOR WARNER: Yes, in the capital construction there is \$900,000 designated for the medimum-minimum facility in Omaha.

SENATOR CLARK: Is that the only part you got that is revenue sharing?

SEANATOR WARNER: Yes. All of the rest of the revenue sharing funds this time would be in the aid program or the aid program in the Department of Public Welfare. The reason we put it there is that we anticipated in all probability that there would be an audit of the revenue sharing money and had we continued it in the state aid to schools as we have historically done, there was indication that those audits might go clear down into the school systems, in addition to the state audit or whereas if we used it in welfare that audit will end at the department because it goes to aid the individuals and we have no audit problems from that and there are a couple of other states that have done that for a number of years and has been approved by the federal government. We also checked with the feds to make sure that there was no problem about using the money in that fashion.

SENATOR CLARK: What are you going to do if we don't have any revenue sharing? It looks like now they are going to cut it all off.

SENATOR WARNER: Well, two responses. As I understand, and I don't....all I know is what I read in the paper. As I understand, the federal revenue sharing reduction will not occur until the federal fiscal year beginning October 1. So, our fiscal year as you know begins July 1st so apparently we will receive at least seven million of the projected 15.6 this year and then I think that they are repealling three-fourths of the federal revenue sharing for the federal fiscal year beginning in October of this year so we ought to have somewhere in the vicinity of three to four million on top of that so there will be about, I assume there could be a four or five million dollar short fall in federal revenue sharing funds and I assume that we will need, which the bill does not now have, but I assume on Select File we will probably have to put in an amendment indicating a general fund appropriation in lieu of revenue sharing money in the event it doesn't come through. But that is not a fact until Congress acts.

SENATOR CLARK: We just got a handout on our desk that the Democratic people in Washington are going to cut it all out in order to balance the budget. Now if they cut out all of that revenue sharing, which they could balance the budget very easily doing that, cutting out Saturday mail, they could certainly