

the department's approval, from the Department of Institutions. We concurred in that. In the allocation of funds for the Mental Retardation Regions which appear on page twenty-three and continue on to page twenty-four, these figures for each of the regions was arrived at by this method. We took the amount of continuation budget that was recommended by the Department of Institutions and from that we reduced the cash funds that each of the regions had on hand except that we left enough to maintain at least one month's spending so they would have no cash flow problems and then to this was added \$794,516 for new and expanded programs and that was appropriately scattered across the regions reflecting their requests in this area. Another one I should mention briefly, at the bottom of page twenty-four is the Nebraska Veterans Homes. Included in the appropriation here is the use of all of the cash funds that will be available if you want to as a result of the passage of LB 315. If you wish to place those cash funds that are contained in LB 315 in an account which cannot be touched, you will have to add \$500,000 of general fund money, but this is adequate at this time.

PRESIDENT: Thank you, Senator Warner.

SENATOR WARNER: I'm not done.

PRESIDENT: Oh, well here, before you commence again, Senator Warner, I would like to introduce the huge group of students we have from Omaha Burke. We have one hundred seventy-five. They're an anxious group. We have one hundred seventy-five American Government Class, sophomores, seniors, two teachers and three parents and we're very delighted to have you with us. I understand you're going to meet with some members of the Omaha delegation and then the Governor, but thank you all for being here. Senator Warner, you had further remarks on the budget bill?

SENATOR WARNER: Not really, but I will. Mr. President, I'll perhaps skip some of the detail. The next is the Department of Public Welfare. I will not go into the breakdown. Any of you that are interested in a detailed breakdown, we have copies that indicate that but I will tell you that the increase over last year is nearly \$9,000,000 of general fund money and nearly \$9,000,000 of federal funds. A part of that is accounted for the passage of two pieces of legislation and the balance of it is a variety of increased requirements at the federal level and some cases additional case loads. One thing I should point out at the administrative level within the agency, the department originally asked for sixty-three additional staff people. Subsequently that was reduced to thirty-four. We approved eight additional positions out of that request which were directly required by a federal requirement. The other additional ones were presented on the basis that they would be doing additional audit and perhaps make some reductions, but however, there was no indicated reduction in aid programs as a result of these additional people and also it was indicated at the hearing that the expected fraud or misuse of welfare funds was exceedingly low in the state and it didn't seem justified to add nearly \$380,000 or \$390,000 of general fund money with a corresponding amount of federal funds when the benefit did not seem to merit that. I should point out as a general guide, the Department of Public Welfare is 48% general fund money and 52% federal funds but that will change from activity to activity. The