

we can debate it. And since this is the only way that we can debate it and since Senator Abboud did bring it up, I think it is important that I do rise again and express my intention to vote against this bill on Final Reading and we have belabored long and hard the pros and cons, but it is important that you understand that there are about three different reasons why issues in regards to LB 392 that are important. Number one, the issue is there is a loss of federal funds, some \$400,000 I believe is an annualization of the loss of federal funds. It is important that you make a policy decision as to how you are going to treat General Fund expenditures and how they relate to federal funds. We have been losing federal funds regularly for the last two, three years that I am aware of, being on the Appropriations Committee, and we're going to continue to lose federal funds. Mr. President, I can hardly hear myself.

PRESIDENT: (Gavel.) Please, let's hold the conversation down so we can hear the speakers. Thank you, and thank you, Senator Hannibal.

SENATOR HANNIBAL: The loss of federal funds is an issue that we have wrestled with for at least two years. We are going to wrestle with it for the next two years that I know of and probably on into the future. If we're going to use the argument that we don't want to cut General Fund expenditures, state dollars, because it will lose some matching federal funds, you are going to see an escalation in our General Fund appropriation that you just can't imagine. We have, in fact, taken on a philosophy in this Legislature for the past two years that we are not saying we're going to increase state funds just to make up for federal funds. We are rather looking at each individual program, what is happening and making a decision independently as to whether that program, that expenditure of state funds is indeed worthwhile. You know and I know that we have, in fact, not replaced federal funds the last couple of years. This argument of spending this \$100,000 and actually as you all know, it is going to be much more than \$100,000. It is going to be at least \$200,000 annualized for this coming year starting July 1 plus we're dipping into operating expenses that the Social Services Department has said will be needed to cover these jobs already, so we're talking about significantly more dollars than \$100,000. It is not our policy, has not been our policy to spend those funds just to hold on to a federal fund match. The other argument, of course, is, are we going to cut down the services out in these field offices? The Department of Social Services has made a determination, a managerial determination