

of time state after state has moved to full state administration of state programs, the welfare programs. Iowa is a classic example. In 1973 Iowa went to a state administered program and now it administers all of its welfare programs essentially out of state regional offices. When I have talked to John Knight, the existing, the present Director of the Nebraska Department of Public Welfare about a state take over, so to speak, of the county welfare system, Mr. Knight has said to me that it seemed to him that what we should do if we are going to do this is to assure adequately in time so that both the state and the counties are fully prepared for the take over and he has suggested that when we affect the take over, if we do that, that we do it at the beginning of the new term of a Governor. Now whether that be Governor Thone or someone else is not important but the point is he thinks that you need to start such a thing out at the beginning of a new term and it is for that reason that we have a take over date of July 1, 1983. It strikes me that with the changes now going on at the federal level with more and more federal dollars being moved away from the categorical grant program and placed into block grants, such will happen in the welfare arena. That means that a lot of money will come back to the State of Nebraska for the state to do with as it sees fit and it will be up to us as legislators to do with that money as we believe appropriate. The best vehicle for us to be able to deliver those monies and to administer our programs is through a state operated organization, just as a majority of states have now chosen. So all LB 522 does is puts us in the posture of having a state operated program. Now I have passed out several exhibits. One exhibit represents what counties paid out during the 1979-'80 fiscal year for their share of the Medicaid program, for their share of state administration in general assistance dollars and in emergency assistance dollars. Ultimately all of those costs will be borne from our state sales and income tax and would no longer be part of the property tax system. That would be pure and simple property tax relief. I have also passed out a chart prepared for me by our fiscal analyst which shows our general fund appropriations for state aid. What I asked our fiscal analyst to do was to give me some sense as to how our Appropriations Committee was putting new and additional dollars into the state aid allowances because right now our county Medicaid, because right now our state Medicaid program is in a form of state aid and right now our state coverage of the administration of welfare costs is a form of state aid and right on down the line. As you can see from this chart our present appropriations bills are calling for an overall increase in state aid of only 4%, whereas our present appropriation bills are calling for an overall increase in assistance to proposed secondary education of 12.7% and for other state