

SENATOR NICHOL: Mr. Chairman, members of the Legislature, I support the Kahle amendment as this thing has been up before this body the past several years and has always been a bone of contention with some of the county commissioner boards. I really think we should have a look at Senator Kahle's amendment and approve of this before we go further with the bill.

SENATOR CLARK: Senator Johnson on the Kahle amendment.

SENATOR V. JOHNSON: (Mike not on) speak for just a couple of minutes to Senator Kahle's amendment. Incidentally I happen to be conceptually in support of exactly what Senator Kahle is doing. When 522 was initially prepared it said that the state takeover shall be coterminus with the... in effect the full assumption of medicaid costs. However, when the Public Health and Welfare Committee advanced this legislation to the floor, they saw fit to phase in that medicaid reduction over a period of seven years. Now Senator Warner raised with me an interesting question concerning the phase in. He said is that constitutional, he said, because what you really have is if you have a state fully operating a program but you are still requiring counties to pick up part of the cost, you in effect are using property tax money to fund a state program. So I did ask the Attorney General for an opinion on that and you have it on your desk right now. The Attorney General said, yes, that is lawful. He said...then he points out in his opinion why that kind of a procedure could be done. Now is that...what is the best policy? How should we approach this issue? I can tell you unequivocally that I fully and absolutely support the state paying all the medicaid costs. I can tell you so for that reason I am sympathetic with Senator Kahle's amendment but I also don't want to wait for a state takeover until 1983. Why? Because in six years a lot of water will go under the bridge. We have got new federalism coming into place. We have got a lot of things happening and we are going to need to be in a position where we can make fairly rapid and dramatic changes with welfare functions and that means that you have to have a state system. And we also have a bill on the floor, LB 816, which is the \$70 million personal property tax relief fund bill which calls for a full state takeover this year, this year, of the county medicaid functions. All right, if this Legislature sees fit to advance that bill, then obviously my eight year or seven year phase in of the medicaid program, phase out of the medicaid program at the county level is totally and absolutely moot and extraneous. My suggestion would be for us to do this. My suggestion would be for us to reject Senator Kahle's amendment, to reject his amendment, only because I think