

March 31, 1982

LB 942

your attention to the green copy of the bill and the Fiscal Analyst note on Section's 15, 18 and 24. You look at these you will see the Appropriations Committee attempted to create a uniform matching formula for all of the county based programs. Mental retardation, mental health and alcoholism and drug abuse programs. While this goal is reasonable as an ultimate objective LB 942 attempted to do it all at one time. This would have been very difficult particularly given the typical funding mix of the mental retardation program. Those programs the local tax share is much less than 60% of the total local share which should have been called for. The approach taken in 942 was also radical in that it allowed the Department of Institutions to dole out the state monies among the various services in the region regardless of the amount of local monies coming for that service. In other words gives the Department of Public Institutions greater control over the service mix that would be offered in any region. For these reasons the approach taken in generating opposition, I think the committee wisely removed these sections by committee amendment, my approach is much more limited and it affects only the mental health programs. It is really quite simple. It retains the basic three to one ratio of state to local funding. the only change it makes is it would allow fees, third party payments and private donations to be considered part of the local share in addition to the tax revenues. Under current law local and county tax funds can be used to make up the local share. The current law set out in Section 17 of LB 942. Under my amendment fees, third party payments and donations would constitute up to 60%, could, not would, could constitute up to 60% of the local share with local taxes making up the remainder. Basically I have two reasons for seeking this change. One is economic and the other is equitable. I'm very concerned in the future the counties might not be able to meet their 25% matching obligations, as it is currently defined. As it now stands any future increase in state funding will thrust upon the counties an obligation that can only be met with tax revenues. That could prove difficult or impossible given a 7% lid that they operate under. The only loser in that case would be the recipient of these services. My second reason for this change is to establish some equity in the funding of these local programs. Currently all of these programs, mental health, mental retardation, alcoholism and drug abuse are funded on a three to one state local ratio, but only in the case of mental health services is the local share required to be made up entirely of tax revenues. In alcoholism programs the local share can include fees, third party payments and donations. They can constitute