

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE  
Transcriber's Office

March 27, 2000 LB 352

SENATOR RAIKES: Why...why does that happen? You currently have an agency within HHS and, as I understand it, they're receiving federal funds through a matching agreement, and quite often those matching agreements involve in-kind services and some of those sorts of things.

SENATOR WICKERSHAM: That's correct.

SENATOR RAIKES: If you take that out of HHS, then all of a sudden all those matching services go away? Is that the mechanism?

SENATOR WICKERSHAM: Well, that's the implication from the fiscal note. It isn't exactly that they go away, but you'd have to replace them with some other mechanisms. You have existing mechanisms, you may be able to replace them with other mechanisms, but those don't exist. And I think what the memo suggests is that other mechanisms are available for use. The question is whether or not that would actually occur. All kinds of things can happen and usually do.

SENATOR RAIKES: So, if you look at this in a sort of a risk reward framework, the risk is that with this change federal money would be lost, federal matching funding would be lost because the match at the state level would not be there.

SENATOR WICKERSHAM: That's correct, and the ultimate loss would be perhaps as much as half a million.

SENATOR RAIKES: Okay. And then the second part of the risk is that there is potential General Fund exposure, which I think you were referring to, that if...if no other way could be found, that then this money would be replaced entirely with state funds.

SENATOR WICKERSHAM: It...it would be usual, it would be usual for the responsible persons to come in and say, our federal match has been reduced, we need replacement General Fund dollars to continue our programs; we have good programs, we're delivering appropriate services, we're doing what is needed, but our federal dollars have been cut back. Whether or not Appropriations at that time would be able to sort out whether it