

Government, Military and Veterans Affairs Committee
LB 632
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Good afternoon, Senator Avery and members of the Government, Military and Veterans Affairs Committee, my name is Kerry Winterer (K-E-R-R-Y W-I-N-T-E-R-E-R), CEO of the Department of Health and Human Services. I am here to testify in opposition of LB 632.

LB 632 is intended to require the state to pay counties the cost for office and service facilities used for the administration of public assistance programs. Currently, counties are required to maintain office and service facilities used for public assistance programs as they existed on April 1, 1983.

Prior to July 1, 1983, county boards had responsibility for the county Departments of Public Welfare, including costs for building space, equipment, employees, and some program costs including 14 percent of the costs of the Medicaid program (at the time described as a \$20 million burden to the local property tax base). Today, 14 percent of the Medicaid program is more than \$200 million annually that would have been the responsibility of the counties.

Several pieces of legislation in 1982 and 1983 authorized the transition to state administration of the 89 county welfare offices and 1,200 county employees. Also transitioning to the state was all office space, equipment and some program costs, including Medicaid costs over several years. Legislation later allowed counties to keep the office space but to maintain it for public assistance programs as it existed on April 1, 1983. LB 234 in 2011 modified this requirement to allow counties to adjust office space if the Department reduces its presence and notifies a county that it is vacating a particular facility.

As it is today, counties provide 185,000 square feet of either county-owned space or leased space for the Department. Since 1983, the Department's space needs have continually evolved through federal and state statutes, policy changes and agency mergers. A recent example is LB 825 in 2012 that required the Department to provide 25 staffed offices to accommodate a face-to-face application process for public assistance.

The Department of Health and Human Services is committed to helping people live better lives where ever they reside. While we continue to improve access to public assistance programs through efficiencies such as automation, we are also committed to

having a presence and being available to people across the state. Indeed, the Legislature itself through such bills as LB 825 has expressed its policy that the Department continue to have a presence in local offices across the state. This bill would seem to conflict with that policy.

LB 632 would make space unavailable and/or it would increase Department costs significantly. Our estimate is that it would cost the Department more than \$3 Million to replace the space currently being provided by the counties. This may lead to the Department being physically located in fewer counties leading to fewer locally-provided direct services.

I would be happy to answer any questions you may have.