

CLERK: Mr. President, LB 954 was a bill introduced by the Appropriations Committee and signed by the members thereof. Title read. The bill was read originally on March 6th of this year and was referred directly to General File, Mr. President.

PRESIDENT: Senator Warner.

SENATOR WARNER: Mr. President, LB 954 was the appropriation bill for the agencies having responsibilities in postsecondary education. The first agency is #48, Nebraska Coordinating Commission for Higher Education. The recommended level of funding is totally at a continuation level. I should call your attention, however, that there is an indicated \$47,000 of federal funds estimate in their receipts and there is some question, although not much, but some question that that full amount might not be appropriated by Congress. In the event that it isn't, there is the possibility of somewhere between \$5,000 and \$7,000 deficiency that would be necessary next session should that occur. Other than that, as I have indicated, it is a continuation budget. Included is the students in-grants that they have the responsibility for administering. The next is the state colleges and I should point out two things. I have indicated on the other appropriation bills the general broad policies that the committee used and this same policy was used in higher education with one exception. The broad policy that was used that was consistent with other agencies was a 6 1/2% adjustment in the general fund appropriations to reflect salary policy. The increase that was necessary for social security payments were also included automatically. Operating budgets were at a level of a zero percent increase as we did with the other agencies with some exceptions. Those exceptions were such things as a case of library facilities where there are additional costs at a greater level of inflation. There was an allowance for that type of expenditure. The major area where the approach was different dealt with capital outlay. As I have indicated in other agencies, the general policy was to authorize in capital outlay only the replacement of existing equipment and the exception was for new equipment. In the case of higher education, we recognized that there is a need for a normal average amount of capital outlay each year, and that needs to be somewhat of a consistent amount. The policy that was used was either an appropriation in an amount equal to their capital outlay authorization last year or the alternative that was used was 80% of their request for capital outlay this year. We arrived at that sort of a rule of the thumb approach which we with some research arrived at that as a general rule 80% of the equipment would be replacement, 20% could be expanded but this was necessary in order to maintain a fairly level flow of capital outlay authorization for postsecondary education. Again then, in all cases, this was a rule that was applied. If you look into, when we get to the intent bill, it will indicate specific adjustments in addition to the broad policies though that were approved by the committee. Now I will expand on those in the intent bill. Also indicated in the intent bill is those requests that the committee is not recommending to the Legislature at this time. I should point out, when you look at the state colleges budgets, they are in the format that is called PCS format which has been the format for the appropriations in the