

# Appropriations Committee

# Budget Recommendations



## Mid-Biennium Budget Adjustments

## FY2011-12 and FY2012-13

**March 2012**

### Members of the Appropriations Committee

Sen Lavon Heidemann (C)

Sen Tony Fulton

Sen Tom Hansen

Sen John Harms (VC)

Sen Heath Mello

Sen Danielle Conrad

Sen John Nelson

Sen Jeremy Nordquist

Sen John Wightman

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# HIGHLIGHTS

## General Fund Financial Status

The financial status since Sine Die of the 2011 Legislative Session has been a continuing ebb and flow of positives and negatives. At Sine Die, the variance from the minimum General Fund reserve (commonly referred to as the surplus or shortfall) was predicted to be only \$3.2 million. The current estimate is a positive \$17.6 million.

Since Sine Die 2011, actual and projected revenues have increased by \$176 million. Actual receipts for FY2010-11 were \$62.7 million above forecast. In October 2011, the FY11-12 and FY12-13 forecasts were revised by the Nebraska Economic Forecast Advisory Board (NEFAB) by a total of \$113.3 million; \$51.9 million in FY11-12 and \$61.4 million in FY12-13. These forecasts remained unchanged when the NEFAB met again in February 2012. The FY10-11 and FY11-12 additional revenues are considered “above the certified forecast” and under current law are required to be transferred to the Cash Reserve Fund. The FY12-13 forecast won’t be certified until the start of that fiscal year, therefore the \$61.4 million increase in the forecast for FY11-12 is retained in the General Fund.

The increased forecast amounts not transferred to the Cash Reserve Fund were mostly translated into a more positive variance from the minimum reserve in the Committee preliminary budget. At that time, increases in state funds for child care and Medicaid (due to a lower federal Medicaid match rate) were offset by a decrease in the previous estimate for FY2012-13 TEEOSA school aid as estimated in October. At the preliminary budget stage, the projected financial status was \$63 million above the minimum reserve.

This \$63 million positive variance was reduced to the current \$17.6 million level primarily with funding of five items: \$7.2 million back into TEEOSA aid based on the Dept. of Education calculation of aid in February, \$17 million for child welfare shortfalls, \$9.7 million to restore 1.5% of the 2.5% cut made in Medicaid provider rates in FY12, \$6.1 million for the IANR veterinarian diagnostic center, and \$4 million to help reduce the developmental disability waiting list.

While the current FY12/FY13 biennial budget is balanced at the present time, the prospects for the following biennium financial status are at best pessimistic. The current financial status (with the Committee proposed budget adjustments) yields a projected balance that is \$461 million below the minimum reserve at the end of the next biennium. A \$48 million positive structural balance in FY2012-13 between revenues and spending turns into a \$195 million structural imbalance in FY13-14. This is the result of below average revenue growth, higher

spending growth (especially in TEEOSA school aid with expiration of some of the changes made in LB235 last session) and initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year). This structural imbalance expands in FY14-15 as projected spending growth again exceeds below average revenue growth.

## General Fund Budget Adjustments

The Appropriations Committee proposed adjustments increase General Fund appropriations by \$41 million over the two year period. About 93% of this overall increase is in eleven items shown below. A more complete listing of all General Fund items can be found in Table 8 on page 19 and a narrative description of these items starts on page 21.

Major General Fund Changes	FY2011-12	FY2012-13	2 Yr Total
Child Care Deficit	12,000,000	12,000,000	24,000,000
Child welfare shortfall	1,500,000	17,017,346	18,517,346
Lower 2013 Fed Medicaid Match Rate	0	12,429,338	12,429,338
Partial restoration of provider rate cut - Medicaid	0	9,660,143	9,660,143
Governors Emergency program	8,900,000	0	8,900,000
University - IANR Veterinary Diagnostic Center (bond payment)	0	6,093,000	6,093,000
Developmental disability, waiting list aid (LB 901)	0	4,000,000	4,000,000
Child Support Incentive Federal Match Change	0	2,630,843	2,630,843
TEEOSA state aid, adjust to NDE current law estimates	0	(27,574,876)	(27,574,876)
Homestead Exemption	(4,200,000)	(5,200,000)	(9,400,000)
Revised program cost estimates, DHHS programs	(5,250,000)	(5,950,000)	(11,200,000)
All Other	822,751	2,138,805	2,961,556
<b>Total Change in GF Appropriations</b>	<b>13,772,751</b>	<b>27,244,599</b>	<b>41,017,350</b>

## General Fund Revenue Forecasts

Revenue estimates for FY2011-12 and FY2012-13 are the February 2012 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 4.1% in FY11-12 and 3.8% in FY12-13, an average growth of 3.9%, below the 5% historical average.

For the following biennium or what's commonly referred to as the "out years", the preliminary estimates for FY2013-14 and FY2014-15 are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This "smoothing" technique derives a revenue growth for the "out years" by calculating the level of revenues that would yield a five year average growth (FY10 to FY15) roughly equal to the historical average from FY81 to FY11 (5.0%). Under this method, revenue growth for the two years would average 3.6%. Even with the low growth in the NEFAB forecasts, these out year growth numbers are low due to the 9.4% growth experienced in FY2010-11. The projected numbers for FY2013-14 and FY2014-15 also

reflect initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year).

## Cash Reserve Fund

In February 2012 state attorneys general from 49 states and the federal government reached agreement on a joint state-federal settlement with the country's five largest loan servicers. Nebraska's share of the settlement is estimated at \$8.4 million and is scheduled to be credited to the Cash Reserve Fund.

The Appropriations Committee preliminary budget includes \$81 million of transfers from the Cash Reserve Fund (CRF). There is a \$1 million transfer to the Affordable Housing Trust Fund, a portion of the national mortgage settlement funds credited to the CRF. The second transfer is \$80 million to the Nebraska Capital Construction Fund for five different construction projects. This includes \$79.2 million for higher education projects and \$800,000 for the Centennial Mall project in Lincoln. A description of these projects can be found starting on page 32.

Even with the use of these funds, the unobligated ending balance for the Cash Reserve Fund is projected at \$341.2 million which is still \$42 million higher than was projected at the end of the 2011 legislative session.

Note that the Committee limited its use of CRF monies to these one-time construction items so that the use of these funds did not compound the shortfall already projected in the following biennium based on current law. This was the reason why the on-going bond payment for the veterinarian diagnostic center project was financed with General Funds, on-going obligations financed with an on-going revenue source.

## TEEOSA School Aid

The Appropriations Committee proposal includes TEEOSA aid funding at a total of \$852.1 million for FY2012-13. This is based on the current TEEOSA law and reflects the state aid calculated and presented by the Department of Education (NDE) in February 2012. This \$852.1 million aid level is \$27.3 million less than the \$879.4 million estimated at the end of the 2011 legislative session and funded in the originally enacted FY2012-13 budget.

In the following biennium, half of the total projected budget increase is TEEOSA school aid as projected under the current law. General Funds for TEEOSA school aid is projected to increase by 20.8% in FY14 and 8.7% in FY15. About 70% of the projected increase in TEEOSA can be attributed to the expiration of certain provisions of LB235 passed in the 2011 Session which lowered the aid amounts for the current biennium (FY11-12 and FY12-13).

## Child Welfare

The Appropriations Committee proposed budget includes General Funds of \$20.1 million in FY2011-12 and \$17 million in FY2012-13 to cover shortfalls in the child welfare system and additional staff to lower caseloads. The first year amount is financed with reallocation of unused funds in other budget program and results in no net increase in General Fund appropriations. The \$17 million amount in FY2012-13 however is a new General Fund appropriation. A more detailed description of this deficit can be found starting on page 24.

## Higher Education Construction Projects

As noted under the Cash Reserve Fund section, the Appropriations Committee included \$79.2 million of transfers from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) to finance four different University and State College construction projects. In addition, the committee proposal includes an annual General Fund appropriation of \$6.1 million per year for ten years for the design and construction of a facility to replace the existing Veterinary Diagnostic Center at the University of Nebraska Institute of Agriculture and Natural Resources School of Veterinary Medicine and Biomedical Sciences.

State Colleges - Chadron Armstrong Gym	6,700,000	NCCF
State Colleges - Peru Oak Bowl improvements	7,500,000	NCCF
University of Nebraska - UNK Allied Health	15,000,000	NCCF
University of Nebraska - UNMC Cancer Research tower	50,000,000	NCCF
University of Nebraska – IANR Veterinarian Diagnostic Center	6,093,000	General

# General Fund Financial Status

	Current Yr FY2010-11	Biennial Budget FY2011-12 FY2012-13		Est for Following Biennium FY2013-14 FY2014-15	
<b>1 Beginning Balance</b>					
2 Beginning Cash Balance	\$296,986,417	\$502,306,328	\$178,558,859	\$238,282,081	\$38,575,837
3 Cash Reserve Fund transfer-automatic	0	(145,155,092)	(51,901,000)	0	0
4 Carryover obligations from FY11	0	(230,644,959)	0	0	0
5 Lapse FY11 reappropriated funds	0	1,500,000	0	0	0
6 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	296,986,417	128,006,277	121,657,859	233,282,081	33,575,837
<b>8 Estimated Receipts</b>					
9 Net Receipts (Oct 2011NEFAB+Hist Avg)	3,493,743,977	3,643,000,000	3,780,000,000	3,870,000,000	4,020,000,000
10 Gen Fund transfer-out (prior law)	(120,725,000)	(144,600,000)	(113,300,000)	(118,800,000)	(118,800,000)
11 Gen Fund transfer-in (prior law)		in forecast	in forecast	0	0
12 Cash Reserve Fund transfers (prior law)	154,000,000	37,000,000	68,000,000	0	0
13 <b>Bills Enacted Into Law</b>	0	0	0	0	0
14 <b>Bills Passed</b>	0	0	0	0	0
15 General Fund Net Receipts	3,527,018,977	3,535,400,000	3,734,700,000	3,751,200,000	3,901,200,000
<b>16 Appropriations</b>					
17 Expenditures/Approp per 2011 Sessions	3,321,699,066	3,470,531,929	3,590,831,179	3,811,881,176	3,979,622,496
18 LB 968 Mainline Midbiennium adjustments	0	13,772,751	27,244,599	134,025,068	186,031,359
19 LB 1072 State Claims	0	542,738	0	0	0
20 General File amendments	0	0	0	0	0
21 Select File amendments	0	0	0	0	0
22 Vetoes-Mainline bills	0	0	0	0	0
23 Veto overrides-Mainline bills	0	0	0	0	0
24 <b>Bills Enacted Into Law</b>	0	0	0	0	0
25 <b>Bills Passed</b>	0	0	0	0	0
26 General Fund Appropriations	3,321,699,066	3,484,847,418	3,618,075,778	3,945,906,244	4,165,653,855
<b>27 Ending Balance</b>					
28 \$ Ending balance (Financial Status as Show n)	502,306,328	178,558,859	238,282,081	38,575,837	(230,878,018)
29 \$ Ending balance (at Minimum Reserve)	--	--	220,641,269	--	229,825,692
30 Difference = Variance from Minimum Reserve	--	--	<b>17,640,812</b>	--	<b>(460,703,710)</b>
31 Biennial Reserve (%)	--	--	3.2%	--	-2.8%
32 Annual Spending Grow th (w/o deficits)	2.4%	1.9%	4.3%	9.1%	5.6%
33 Two Year Average Grow th	-1.1%	--	3.1%	--	7.3%
34 Est. Revenue Grow th (rate/base adjusted)	9.4%	4.1%	3.8%	3.6%	3.6%
35 Two Year Average	2.3%	--	3.9%	--	3.6%

<b>CASH RESERVE FUND</b>	<b>FY2010-11</b>	<b>FY2011-12</b>	<b>FY2012-13</b>	<b>FY2013-14</b>	<b>FY2014-15</b>
Beginning Balance	467,201,626	313,201,626	434,058,718	341,208,718	341,208,718
Transfer amounts above forecasts (line 3)	0	145,155,092	51,901,000	0	0
To/from Gen Fund per current law	(154,000,000)	(37,000,000)	(68,000,000)	0	0
To/From Water Contingency Cash Fund	0	4,302,000	4,249,000	0	0
National mortgage settlement (estimated)	0	8,400,000	0	0	0
LB 131 To Affordable Housing Trust fund	0	0	(1,000,000)	0	0
LB 131 To Nebr Capital Construction Fund (NCCF)	0	0	(80,000,000)	0	0
Projected Ending Balance	313,201,626	434,058,718	341,208,718	341,208,718	341,208,718



# Chronology of the General Fund Financial Status

(Shows impact of individual Items and then the subsequent variance from the minimum reserve)

Millions of Dollars	Current Biennium			Following Biennium		
	FY12	FY13	3 Yr Total	FY14	FY15	5 Yr Total
FY11 Actual vs Est General Fund Net Receipts	0.0	0.0	62.7	0.0	0.0	62.7
FY11 Actual vs Est CRF transfers-automatic	(62.7)	0.0	(62.7)	0.0	0.0	(62.7)
FY11 Actual vs Est Accounting adjustment	0.0	0.0	(5.9)	0.0	0.0	(5.9)
Change in Minimum Reserve	0.0	(6.7)	(6.7)	0.0	6.9	0.2
<b>July 2011 Tax Rate Review Committee</b>			<b>(9.4)</b>			<b>(251.0)</b>
Revenue Forecasts (revised Oct 2011)	51.9	61.4	113.3	31.3	0.0	144.6
"Above certified" FY12 forecast to CRF	0.0	(51.9)	(51.9)	0.0	0.0	(51.9)
Lapse of FY10-11 appropriations	4.6	0.0	4.6	0.0	0.0	4.6
Exclude allocation for deficits	5.0	0.0	5.0	0.0	0.0	5.0
2012 Mid-biennium Budget Requests	(22.2)	(25.9)	(48.1)	(25.9)	(25.9)	(99.9)
TEEOSA School Aid (October 2011 est)	0.0	50.7	50.7	(48.6)	(97.3)	(95.1)
Change in Minimum Reserve	0.0	(1.8)	(1.8)	0.0	(1.1)	(3.1)
<b>Nov 2011 Tax Rate Review Committee</b>			<b>62.5</b>			<b>(346.7)</b>
Special session costs and environmental study	0.0	(2.1)	(2.1)	0.0	0.0	(2.1)
Revised requests; homestead, Gov Emerg program	7.6	5.2	12.8	5.2	5.2	23.2
Retirement - actuarially required contribution	0.0	(23.3)	(23.3)	0.0	0.0	(23.3)
TEEOSA School Aid revisions (Dec 2011 AFR)	0.0	(15.5)	(15.5)	(31.6)	(34.6)	(81.7)
Change in Minimum Reserve	0.0	0.0	0.0	0.0	0.7	0.7
<b>Start of 2012 Session</b>			<b>34.3</b>			<b>(429.9)</b>
Committee Prelim vs Request (as revised)	2.7	3.3	6.1	3.3	3.3	12.8
Actuarially required contribution, not necessary	0.0	23.3	23.3	0.0	0.0	23.3
Revise out year retirement est, Buck 2011 report	0.0	0.0	0.0	34.7	17.2	51.9
State Claims (approved claims, original LB 1072)	(0.5)	0.0	(0.5)	0.0	0.0	(0.5)
Change in Minimum Reserve	0.0	0.0	0.0	0.0	(0.8)	(0.8)
<b>Committee Preliminary Budget</b>			<b>63.2</b>			<b>(343.2)</b>
Revenue Forecasts (no NEFAB change, Feb 2012)	0.0	0.0	0.0	0.0	0.0	0.0
TEEOSA school aid revisions, to NDE Feb estimate	0.0	(7.6)	(7.6)	0.8	0.6	(6.2)
Child welfare shortfall (net of lapse)	0.0	(17.0)	(17.0)	(17.0)	(17.0)	(51.1)
Partial restoration of provider rate cut - Medicaid	0.0	(9.7)	(9.7)	(9.7)	(9.7)	(29.0)
IANR Veterinary Diagnostic Center (bond payment)	0.0	(6.1)	(6.1)	(6.1)	(6.1)	(18.3)
Developmental disability, waiting list aid (LB 901)	0.0	(4.0)	(4.0)	(4.0)	(4.0)	(12.0)
All Other appropriation changes	(0.4)	(0.7)	(1.1)	(0.6)	(0.6)	(2.3)
Change in Minimum Reserve	0.0	0.0	0.0	0.0	1.3	1.3
<b>Committee Budget to the Floor</b>			<b>17.6</b>			<b>(460.6)</b>

# Cash Reserve Fund

The Cash Reserve Fund unobligated balance at the end of this biennium is projected at \$413.8 million. This is based on all existing statutory transfers and assumes repayment of \$8.5 million transferred to the Water Contingency Fund in FY2007-08 (repayment in two installments shown in both FY12 and FY13).

Table 1 Cash Reserve Fund

	Actual FY2010-11	Estimated FY2011-12	Estimated FY2012-13	Estimated FY2013-14	Estimated FY2014-15
Beginning Balance	467,201,626	313,201,626	434,058,718	341,208,718	341,208,718
Excess of certified forecasts (line 3 in Status)	0	145,155,092	51,901,000	0	0
To/from Gen Fund, per current law	(154,000,000)	(37,000,000)	(68,000,000)	0	0
To/From Water Contingency Cash Fund	0	4,302,000	4,249,000	0	0
National mortgage settlement (estimated)	0	8,400,000	0	0	0
LB 131 To Affordable Housing Trust fund	0	0	(1,000,000)	0	0
LB 131 To Nebr Capital Construction Fund	0	0	(80,000,000)	0	0
Ending Balance	313,201,626	434,058,718	341,208,718	341,208,718	341,208,718

## Excess of Certified Forecasts

Shown on line 3 of the Financial Status, revenues in excess of "certified" forecasts are required by statute to be transferred from the General Fund to the Cash Reserve Fund. These would take place in July of the fiscal year following completion of that year. The \$145,155,092 transfer in FY12 reflects the amount the FY2010-11 actual receipts were above certified. The \$51.9 million in FY13 reflects the amount that the NEFAB forecast in October 2011 for FY11-12 exceeds the July certified level and is just an estimate not an actual amount.

## Transfers-To & From General Fund – Current Law

Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature. Transfers in FY2010-11 under existing law include LB 456-2009 (\$151,000,000) and LB317-2010 (3,000,000). The budget enacted in the 2011 Session utilized \$105 million of Cash Reserve Fund transfers to the General fund to assist in balancing the budget, \$37 million in FY11-12 and \$68 million in FY12-13.

## Transfers To & From Other Funds – Current Law

In the 2008 session, LB1094 provided for a \$9 million transfer to the Water Contingency Cash Fund for the purpose of paying water right holders who agreed to lease and forgo water use to assist in the management, protection and conservation of the water resources of river basins,

but remain unpaid due to litigation. Repayment by the NRD receiving said funds is required once the litigation is resolved no later than FY2012-13. The actual amount used was \$8.5 million and is being repaid over two years, \$4.3 million in FY11-12 and \$4.2 million in FY12-13.

## National Mortgage Settlement

In February 2012 state attorneys general from 49 states and the federal government reached agreement on a joint state-federal settlement with the country's five largest loan servicers, Ally/GMAC, Bank of America, Citi, JPMorgan Chase, and Wells Fargo. The agreement settles state and federal investigations into loan servicer law violations. Nebraska's share of the settlement is estimated at \$8.4 million and is scheduled to be credited to the Cash Reserve Fund.

## Appropriations Committee Proposal

The Appropriations Committee proposal includes two transfers. The first is a \$1 million transfer to the Affordable Housing Trust Fund, a portion of the amount to be credited from the National Mortgage Settlement. The second is an \$80 million transfer to the Nebraska Capital Construction Fund (NCCF) for five different capital construction projects as shown below. A description of these projects can be found starting on page 32.

State Colleges - Chadron Armstrong Gym	6,700,000
State Colleges - Peru Oak Bowl improvements	7,500,000
University of Nebraska - UNK Allied Health	15,000,000
University of Nebraska - UNMC Cancer Research tower	50,000,000
DAS - Centennial Mall project	800,000

Table 2 Cash Reserve Fund – Historical Balances

Fiscal Yr	Beginning Balance	Direct Deposit and Interest	Legislative Transfers	Cash Flow	Automatic Transfers	Ending Balance	Balance as % of revenues
FY1983-84	0	37,046,760	0	0	0	37,046,760	4.7%
FY1984-85	37,046,760	(1,472,551)	0	0	0	35,574,209	4.5%
FY1985-86	35,574,209	227,855	(13,500,000)	0	0	22,302,064	2.7%
FY1986-87	22,302,064	1,428,021	0	0	0	23,730,085	2.7%
FY1987-88	23,730,085	1,654,844	(7,700,000)	0	0	17,684,929	1.7%
FY1988-89	17,684,929	139,000	32,600,000	0	0	50,423,929	4.4%
FY1989-90	50,423,929	113,114	(10,500,000)	0	0	40,037,043	3.5%
FY1990-91	40,037,043	0	(8,100,000)	0	0	31,937,043	2.3%
FY1991-92	31,937,043	0	(5,000,000)	0	0	26,937,043	1.8%
FY1992-93	26,937,043	0	(9,500,000)	0	0	17,437,043	1.1%
FY1993-94	17,437,043	0	7,250,000	0	3,063,462	27,750,505	1.7%
FY1994-95	27,750,505	0	1,250,000	0	(8,518,701)	20,481,804	1.2%
FY1995-96	20,481,804	0	18,189,565	0	(20,481,804)	18,189,565	1.0%
FY1996-97	18,189,565	0	3,032,333	0	19,740,786	40,962,684	2.0%
FY1997-98	40,962,684	0	0	0	91,621,018	132,583,702	6.3%
FY1998-99	132,583,702	0	(98,500,000)	0	111,616,422	145,700,124	6.9%
FY1999-00	145,700,124	0	(24,500,000)	0	20,959,305	142,159,429	5.9%
FY2000-01	142,159,429	0	(49,500,000)	0	77,576,670	170,236,099	6.9%

Fiscal Yr	Beginning Balance	Direct Deposit and Interest	Legislative Transfers	Cash Flow	Automatic Transfers	Ending Balance	Balance as % of revenues
FY2001-02	170,236,099	0	(60,170,000)	0	0	110,066,099	4.7%
FY2002-03	110,066,099	66,476,446	(87,400,000)	(30,000,000)	0	59,142,545	2.4%
FY2003-04	59,142,545	59,463,461	(61,577,669)	30,000,000	0	87,028,337	3.2%
FY2004-05	87,028,337	8,170,556	(26,758,180)	0	108,727,007	177,167,720	5.8%
FY2005-06	177,167,720	0	(165,266,227)	0	261,715,297	273,616,790	8.2%
FY2006-07	273,616,790	0	(17,458,523)	0	259,929,524	516,087,791	15.1%
FY2007-08	516,087,791	0	(161,978,767)	0	191,436,773	545,545,797	15.6%
FY2008-09	545,545,797	0	(84,330,505)	0	116,976,571	578,191,863	17.2%
FY2009-10	578,191,863	0	(110,990,237)	0	0	467,201,626	14.6%
FY2010-11	467,201,626	0	(154,000,000)	0	0	313,201,626	8.9%
FY2011-12 est	313,201,626	8,400,000	(32,698,000)	0	145,155,092	434,058,718	11.9%
FY2012-13 est	434,058,718	0	(144,751,000)	0	51,901,000	341,208,718	9.0%
FY2013-14 est	341,208,718	0	0	0	0	341,208,718	8.8%
FY2014-15 est	341,208,718	0	0	0	0	341,208,718	8.5%

## Assumptions - Financial Status-Following Biennium

### Revenues

The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". The revenue estimates used for the following biennium (FY13-14 and FY14-15) in the current financial status are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This "smoothing" technique derives a revenue growth for the "out years" by calculating the level of revenues that would yield a five year average growth (FY10 to FY15) roughly equal to the historical average from FY81 to FY11 (5.0%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth.

Under this method, revenue growth for the two years would average 3.6%. Even with the low growth in the NEFAB forecasts, these out year growth numbers are low due to the 9.4% growth experienced in FY2010-11. The projected numbers for FY2013-14 and FY2014-15 also reflect initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year). Other methods yield revenue estimates relatively similar as described on page 15.

## Spending

For the “following biennium” (FY13-14 and FY14-15), the mainline budget numbers reflect the annualized impact of the current budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional. While the actual funding needs in these areas will not be known until the biennial budget process starts again next session, some level of funding for these items must be acknowledged and shown as likely funding commitments for planning purposes. Table 3 shows the individual items and assumption used in arriving at a projected budget.

**Table 3 Projected Budget Increases-Following Biennium**

(includes on-going impact of 2012 budget actions)

<i>Dollar Changes from FY13 Base Year</i>	Annual % Change			Projected Increases	
	FY14	FY15	2 Yr Avg	FY2013-14	FY2014-15
<b>FY2012-13 Base Appropriation</b>				<b>3,572,999,930</b>	<b>3,572,999,930</b>
TEEOSA School Aid (Gen Fund only)	20.8%	8.7%	14.8%	174,262,864	88,184,603
DHHS aid programs, eligibility & utilization	3.8%	3.8%	3.8%	41,290,683	83,855,716
DHHS aid programs, provider rates	3.0%	3.0%	3.0%	30,524,412	62,865,388
Employee Salary increases	2.5%	2.5%	2.5%	25,166,205	50,961,564
Employee Health Insurance	10.0%	10.0%	10.0%	19,130,155	36,122,550
DHHS aid programs, replace one-time funds	--	--	--	11,000,000	11,000,000
Agency operating cost increases	2.0%	2.0%	2.0%	5,707,762	11,529,679
Special Education reimbursement	2.5%	2.5%	2.5%	4,622,346	9,360,251
DHHS operations, replace one-time funds	--	--	--	6,400,000	6,400,000
Community Colleges	3.5%	3.5%	3.5%	3,036,531	6,179,340
Homestead Exemption	3.2%	3.2%	3.2%	2,331,000	4,731,930
Early Childhood (restore GF per current law)	--	--	--	3,365,962	3,365,962
Inmate per diem costs	6.0%	6.0%	6.0%	1,186,026	2,407,632
Aid to ESU's	2.5%	2.5%	2.5%	351,294	711,370
Capital Construction (to reaffirmations only)	--	--	--	(1,177,233)	(1,677,233)
Return county assessor to counties	--	--	--	(616,540)	(616,540)
Small Business Innovation Act (expires)	--	--	--	(200,000)	(200,000)
Defined benefit retirement plans	--	--	--	1,546,000	(1,770,000)
Federal Health Care Reform (ACA)	--	--	--	?	?
<b>Total General Fund Increases (Biennial Basis)</b>	<b>9.1%</b>	<b>5.6%</b>	<b>7.3%</b>	<b>327,830,467</b>	<b>547,578,077</b>
<b>Projected Appropriation per Financial Status</b>				<b>3,945,915,579</b>	<b>4,165,663,189</b>

Half of the total projected budget increase in the next biennium is TEEOSA school aid as projected under the current statute. General Funds for TEEOSA school aid is projected to increase by 20.8% in FY14 and 8.7% in FY15. About 70% of the projected increase in TEEOSA can be attributed to the expiration of certain provisions of LB235 passed in the 2011 Session which lowered the aid amounts for the current biennium (FY11-12 and FY12-13).

A large unknown for the following biennium is the costs that the state will incur due to federally enacted health care reform as contained in the Patient Protection and Affordable Care Act (PPACA). Most of the expanded coverage affecting the state become operative in 2014. At the present time there are no definitive estimates that can be incorporated into the projected status for the following biennium although there will very likely be some increased costs associated with this law. Milliman, Inc. was retained by the Nebraska Department of Health and Human Services to provide consulting services related to the financial review of the act as they relate to the provisions impacting the State's Medicaid program and budget. In their August 2010 report, the mid-range participation scenarios yield a projected increase in state costs of \$30 million in FY2013-14 and \$55 million in FY2014-15 excluding the estimates for pharmacy rebate losses which have subsequently been deleted. While there are many unknown variables regarding the costs of this law, the key assumption is the level of participation for those (1) newly eligible for expanded coverage, (2) previously eligible but not enrolled who obtain benefits to comply with the minimal essential coverage mandate (woodwork effect), and (3) those who are eligible but are not switching from existing health insurance coverage. No specific dollar amounts have been included in the out year projection as we have yet to conclude that these estimates are reasonable.

## ***AID TO LOCAL GOVERNMENTS***

TEEOSA State Aid to Schools (Sine Die Estimate) The estimates for FY14 and FY15 are based on the same methodology utilized for the November estimates required under current law for FY12-13 but with Fiscal Office assumptions and should be considered Fiscal Office estimates. They are based on the TEEOSA formula as revised by LB235 enacted in the 2011 Session. General Funds for TEEOSA school aid is projected to increase by 20.8% in FY14 and 8.7% in FY15. Of this 20.8% increase, the equivalent of a 14.2% increase directly relates to the expiration of certain provisions of LB235 passed in the 2011 Session which lowered the aid amounts for the current biennium (FY11-12 and FY12-13). This includes the local effort rate (LER) returning to \$1.00 from \$1.0395 and the cost growth factor going from .5% to 3.0% in FY14 and then 5.0% in FY15. The cost growth factor is used to take two year old actual data and inflate to "aid year" amounts. A more detailed explanation can be found on page 21.

Special Education: Increases for FY13-14 and FY14-15 reflect a 2.5% per year increase which is equal to the basic allowable growth rate under the K-12 school spending limitation.

Aid to Community Colleges A 3.5% per year annual increase is included for the following biennium budget reflecting increased state aid to support operations budget increases. This increase amounts to about a \$3.0 million per year increase.

Early Childhood program For the proposed biennial budget, the Appropriations Committee assumed passage of LB333 which shifted funding for several education programs from the

General Fund to the Education Innovation Fund (lottery). For the early childhood program, this shift was only for two years thus the general funds are restored starting in FY13-14.

Homestead Exemption A 3% per year annual increase is included for the following biennium budget reflecting some level of inflationary increases.

Aid to ESU's The amount of aid to ESU's is based on funding of a certain level of core services and technology infrastructure. Growth in aid is set at the same rate as the basic allowable growth rate under the K-12 school spending limitation (2.5% per year).

## **AID TO INDIVIDUALS**

Medicaid For the following biennium, a 7.5% per year increase is used. This approximates the average growth over the past 10 years. This reflects a 4.5% increase in eligibility and Utilization and a 3% increase in provider rates.

Public Assistance A basic growth rate of 6.0% per year is utilized for the various Public Assistance programs for the following biennium and includes a 3% increase in provider rates.. This approximates the average growth over the past 10 years. In addition, FY13-14 includes a \$11 million increase in General Funds to replace the one-time use of Emergency TANF funds in current biennial budget. This increases the FY13-14 increase to 10.7% and boosts the two year average growth to 8.2%

Children's Health Insurance (CHIP) For the following biennium, a 7.5% per year increase is used which is the same as Medicaid. However the growth in General Funds is closer to 10% as the General Fund would pick up all increases in this program because the \$5 million allocation from the Health Care Cash Fund is a fixed amount.

Developmental Disability Aid A 4% per year increase is included. This provides the equivalent of 2.5% per year for rate equity similar to the employee salary assumption and 1.5% for clients transitioning from K-12 programs. As this projected budget assumes no expanded programs, nothing is assumed for funding of the waiting list.

Behavioral Health Aid. This area includes substance abuse and mental health aid. The increases in the following biennium reflect a 3% increase to reflect some annual increase in provider rates.

## ***AGENCY OPERATIONS / CONSTRUCTION***

*Employee Salary Increases* Although salary increases will be the result of bargaining, some level of increase is factored in more for illustration than planning purposes. A 2.5% per year increase is included which approximates inflation and the current biennium funding.

*Employee Health Insurance* For planning purposes, a 10% per year increase in health insurance is included for the following biennium. This rate of growth is similar with the increases in the current proposed budget as well as the average growth over the past 5 to 10 years. Also for the state plan(excludes University and Colleges) there is an additional 5% increase in FY14 to offset subsidized low rates in FY13. There is projected to be a surplus in the insurance funds in FY12 based on existing rates and projected expenditures. This surplus is then available to offset a projected shortfall in FY13 (negative gap is about 5%) allowing the rates to remain the same over the biennium. However in FY14 the rates would need to be increased about 5% with no cost increases just to replace the one-time surplus funds that were used to to supplement the FY13 rates.

*Operations Inflation* Included in the projected status is an across the board 2% increase in agency non-personnel operating costs.

*Inmate Per Diem Costs* While some costs at the Dept of Correctional Services such as staffing are “fixed” within a range of inmate population, some costs change directly with each inmate. This includes items such as food, clothing, and medical care. A 3% per year increase is included to reflect both inflationary costs and an increase in the number of inmates.

*Defined Benefit Retirement plans* LB382 enacted in the 2011 Session addressed the projected shortfalls in defined benefit and cash balance retirement plans for the FY12/FY13 biennial budget. Original projections at that time were that the shortfall would grow into the following biennium. However, based on the latest actuary data, additional funding needs for the next biennium appear to be relatively small.

*LB1100 Depreciation Assessments* The statutory provisions of what are referred to as LB1100 depreciation assessments were eliminated in LB380 enacted in the 2011 session, therefore no additional funds are included.

*Capital Construction* General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the proposed FY12/FY13 biennial budget. These are dollar amounts needed to complete funding of previously approved projects.



# General Fund Revenues

## Revenue Forecasts

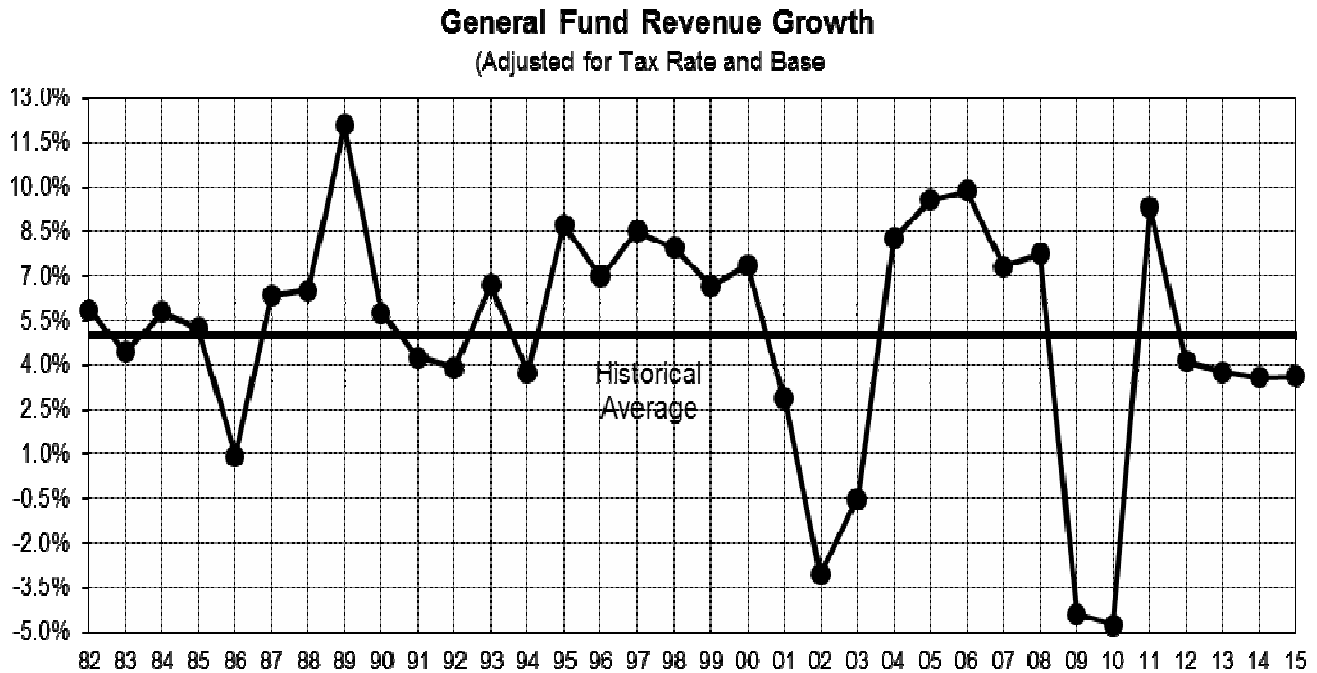
Revenue estimates for FY2011-12 and FY2012-13 are the February 2012 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 4.1% in FY11-12 and 3.8% in FY12-13, an average growth of 3.9%, below the 5% historical average. These forecasts were unchanged from the Boards' October 2011 forecasts.

The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY13-14 and FY14-15) in the current financial status are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This "smoothing" technique derives a revenue growth for the "out years" by calculating the level of revenues that would yield a five year average growth (FY10 to FY15) roughly equal to the historical average from FY81 to FY11 (5.0%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth.

Under this method, revenue growth for the two years would average 3.6%. Even with the low growth in the NEFAB forecasts, these out year growth numbers are low due to the 9.4% growth experienced in FY2010-11. The projected numbers for FY2013-14 and FY2014-15 also reflect initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year). This did not impact the calculated revenue growth in the "out years" as the growth calculations are all rate and base adjusted.

Table 4 - General Fund Revenue Forecasts

<i>Revenue Estimates Used in Financial Status</i>	Actual FY2010-11	NEFAB FY2011-12	NEFAB FY2012-13	LFO Prelim FY2013-14	LFO Prelim FY2014-15
<b><u>Actual/Forecast</u></b>					
Sales and Use Tax	1,372,784,033	1,428,000,000	1,485,000,000	1,465,000,000	1,512,000,000
Individual Income Tax	1,735,208,600	1,780,000,000	1,870,000,000	1,998,000,000	2,112,000,000
Corporate Income Tax	154,944,966	217,000,000	230,000,000	225,000,000	220,000,000
Miscellaneous receipts	236,717,493	218,000,000	195,000,000	182,000,000	176,000,000
Total Gen Fund Revenues	3,499,655,092	3,643,000,000	3,780,000,000	3,870,000,000	4,020,000,000
<b><u>Adjusted Growth</u></b>					
Total Gen Fund Revenues	9.3%	4.1%	3.8%	3.6%	3.6%
Five Yr Average	--	--	--	--	4.9%



### ***Other “Out Year” Forecasts***

As noted above, other alternative methods are available for purposes of deriving revenue estimates for the following biennium. In addition to the historical average methodology used in the financial status, both the Nebraska Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two “out years” using the same models and input from Global Insight and Moody’s, the national forecasting services used as input into the tax forecast models. While these forecasts work well for the 1 to 3 year forecasts, when extended further they have a tendency to flatten out and follow the 3 year trend into the 4<sup>th</sup> and 5<sup>th</sup> year. In other words, they have difficulty picking up changes in the trend. The historical average methodology, the method used since 1991 and used in the current financial status, utilizes a “smoothing” technique which derives a revenue growth for the “out years” by calculating the level of revenues that would yield a five year average growth (FY09 to FY13) roughly equal to the historical average from FY81 to FY11 (currently 5.0%).

As shown in Table 5, the preliminary estimates for the two “out years” arrived at using the historical average concept (as used in the Financial Status), are very similar to the Global Insight model averages. Forecasts using Moody’s are significantly higher than either the historical average method or Global Insight.

Table 5 - Comparison of "Out Year" Forecasts

Based on Feb 2012 Revenue Forecasts	Current Status	Average Global Insight	Average All Forecasts	High Est LFO-Moodys	Low Est LFO Global
<b><u>Dollar Forecast (thousands)</u></b>					
FY2013-14 Prelim	3,870,000	3,862,689	3,903,914	3,966,128	3,873,258
FY2014-15 Prelim	4,020,000	4,053,396	4,123,416	4,174,231	4,020,104
<b><u>Calculated Growth (adjusted)</u></b>					
FY2013-14 Prelim	3.6%	3.4%	4.4%	5.9%	4.0%
FY2014-15 Prelim	3.6%	4.6%	5.2%	4.9%	3.2%
Two Year Avg (Prelim)	3.6%	4.0%	4.8%	5.4%	3.6%
Five Year Avg	4.9%	5.0%	5.4%	5.6%	4.9%
<b><u>\$ Difference from Status</u></b>					
FY2013-14	0	(7,311)	33,914	96,128	3,258
FY2014-15	0	33,396	103,416	154,231	104
Cumulative Total	0	26,085	137,330	250,359	3,362

## General Fund Transfers-Out

General Fund Transfers-Out accounts for funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation but are not expended from the General Fund as such and therefore are shown under the revenue category as transfers-out from the General Fund and subsequently expended from the receiving fund.

*The Appropriations Committee proposed budget does not include any changes from those enacted during the 2012 legislative session*

Table 6 General Fund Transfers-Out

Excludes CRF Transfers	Actual	Current Biennium		Following Biennium	
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
Ethanol Credits (EPIC Fund)	(5,500,000)	(6,300,000)	0	0	0
Property Tax Credit Fund	(112,000,000)	(110,000,000)	(110,000,000)	(115,000,000)	(115,000,000)
Water Resources Cash Fund	(2,700,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
Cultural Preservation Endowment Fund	(500,000)	0	0	(500,000)	(500,000)
Indian Affairs, state assistance	(25,000)	0	0	0	0
Nebr Innovation Campus (through NCCF)	0	(25,000,000)	0	0	0
<i>General Fund Transfers-Out (current law)</i>	<i>(120,725,000)</i>	<i>(144,600,000)</i>	<i>(113,300,000)</i>	<i>(118,800,000)</i>	<i>(118,800,000)</i>
2012 Session Transfers-Out	0	0	0	0	0
<i>Total-General Fund Transfers-Out</i>	<i>(120,725,000)</i>	<i>(144,600,000)</i>	<i>(113,300,000)</i>	<i>(118,800,000)</i>	<i>(118,800,000)</i>

# General Fund Transfers-In

Cash funds are funds which contain earmarked revenue sources and monies in those funds can only be used for the purposes authorized by statute. In many instances (since the 2009 special session) an authorized use of monies in a cash fund is transfers to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as "Transfers in" and are included as revenues. The transfers shown below were enacted in the 2011 regular and special sessions are already incorporated into the "Net Receipts" figures of the NEFAB forecasts.

*The Appropriations Committee proposed budget does not include any changes from those enacted during the 2012 legislative session*

Table 7 General Fund Transfers-In

	Actual FY2010-11	Per 2011 Session FY2011-12	FY2012-13	Following Biennium FY2013-14 FY2014-15	
Securities Act Cash Fund	37,250,000	19,000,000	19,000,000	0	0
Tobacco Products Admin Cash Fund	7,500,000	7,000,000	7,000,000	0	0
Dept. of Insurance Cash Fund	11,500,000	6,000,000	6,000,000	0	0
Health and Human Services Cash Fund	2,559,140	3,400,000	0	0	0
Dept. of Motor Vehicles Cash Fund	328,407	1,000,000	1,000,000	0	0
Life Insurance Demutualization Trust Fund	0	1,000,000	0	0	0
Mutual Finance Assistance Fund	0	300,000	300,000	0	0
Local Civic, Cultural and Convention Center Fund	0	75,000	75,000	0	0
Motorcycle Safety Education Fund (MV Cash Fund)	0	197,500	0	0	0
<i>Transfers-In Already in forecast</i>	72,158,100	37,972,500	33,375,000	0	0
<i>2012 Transfers In</i>	0	0	0	0	0
<i>Total General Fund Transfers-In</i>	72,158,100	37,972,500	33,375,000	0	0

# General Fund Appropriations

The financial status shown in this section includes the Appropriations Committee budget recommendations for current year deficits (FY2011-12) and adjustments for FY2012-13, the second year of the biennial budget. A listing of the most significant General Fund adjustments is shown in Table 8. The amount of mid-biennium budget adjustments in the Committee budget increases FY2011-12 and FY2012-13 General Fund appropriations by a total of \$41.0 million over the two year period.

<b>FY2010-11</b>	Operations	State Aid	Construction	Total
<b>Total Per 2010 Session</b>	1,253,663,584	2,137,635,475	13,802,233	3,405,101,292
2011 Session Deficits	(2,580,549)	(24,621,817)	0	(27,202,366)
2011 Session State Claims	1,702,254	0	0	1,702,254
<b>Final Appropriation with deficits</b>	1,252,785,289	2,113,013,658	13,802,233	3,379,601,180

<b>FY2011-12</b>	Operations	State Aid	Construction	Total
<b>Total Per 2011 Session</b>	1,223,133,966	2,231,228,035	14,027,233	3,468,389,234
2011 Special Session Actions	2,142,695	0	0	2,142,695
<b>Total Per 2011 Special Session</b>	1,225,276,661	2,231,228,035	14,027,233	3,470,531,929
2012 Session-Committee Proposed	4,372,751	9,400,000	0	13,772,751
2012 Session-State Claims	0	0	0	0
2012 Session-Floor Actions	0	0	0	0
2012 Session-Governor Vetoes	0	0	0	0
2012 Session-Veto Overrides	0	0	0	0
2012 Session "A" bills	0	0	0	0
2012 Session - Deficits	4,372,751	9,400,000	0	13,772,751
<b>Final Appropriation with deficits</b>	1,229,649,412	2,240,628,035	14,027,233	3,484,304,680
Change over prior year (excluding deficits)				
Dollar	(28,386,923)	93,592,560	225,000	65,430,637
Percent	-2.3%	4.4%	1.6%	1.9%

<b>FY2012-13</b>	Operations	State Aid	Construction	Total
<b>Total Per 2011 Session</b>	1,238,989,707	2,337,239,239	14,602,233	3,590,831,179
2012 Session-Committee Proposed	13,896,187	7,178,412	6,170,000	27,244,599
2012 Session-Floor Actions	0	0	0	0
2012 Session-Mainline Governor Vetoes	0	0	0	0
2012 Session-Mainline Veto Overrides	0	0	0	0
2012 Session "A" bills	0	0	0	0
Post 2012 Session	0	0	0	0
2012 Session - Midbiennium Adjustments	13,896,187	7,178,412	6,170,000	27,244,599
<b>Total Per 2012 Session</b>	1,252,885,894	2,344,417,651	20,772,233	3,618,075,778
Change over prior year (excluding deficits)				
Dollar	27,609,233	113,189,616	6,745,000	147,543,849
Percent	2.3%	5.1%	48.1%	4.3%
Two Year Avg Growth (excluding deficits)	0.0%	4.7%	22.7%	3.1%

**Table 8 General Fund Budget Adjustments – 2012 Session**

		Appropriations Committee Proposed		
		FY2011-12	FY2012-13	Two Yr total
1	<b><i>SIGNIFICANT INCREASES:</i></b>			
3	Child Care Deficit	12,000,000	12,000,000	24,000,000
2	Child welfare shortfall *	1,500,000	17,017,346	18,517,346
4	Lower 2013 FMAP	0	12,429,338	12,429,338
5	Partial restoration of provider rate cut - Medicaid	0	9,660,143	9,660,143
6	Governors Emergency program	8,900,000	0	8,900,000
	University - IANR Veterinary Diagnostic Center (bond			
7	payment)	0	6,093,000	6,093,000
8	Developmental disability, waiting list aid (LB 901)	0	4,000,000	4,000,000
9	Child Support Incentive Federal Match Change	0	2,630,843	2,630,843
10	Increased OJS Staffing	225,000	905,000	1,130,000
11	Economic Assistance Caseload Increases	322,014	161,007	483,021
12	School and Patrol retirement plans, statutory contributions	0	361,408	361,408
13	Nurse visitation services (LB 1048)	0	250,000	250,000
		<u>          </u>	<u>          </u>	<u>          </u>
14	Subtotal-Increases listed	22,947,014	65,508,085	88,455,099
15	<b><i>SIGNIFICANT REDUCTIONS:</i></b>			
16	TEEOSA state aid, adjust to NDE current law estimate	0	(27,574,876)	(27,574,876)
17	Homestead Exemption	(4,200,000)	(5,200,000)	(9,400,000)
18	Revised program cost estimates, Medicaid	(3,000,000)	(3,000,000)	(6,000,000)
19	Revised program cost estimates (SCHIP)	(1,000,000)	(1,000,000)	(2,000,000)
20	Revised program cost est Norfolk Sex Offender Treatment	(750,000)	(750,000)	(1,500,000)
21	Revised program cost est fund shift), Veterans Homes	(500,000)	(500,000)	(1,000,000)
22	Revised program cost estimates, BSDC	0	(700,000)	(700,000)
		<u>          </u>	<u>          </u>	<u>          </u>
23	Subtotal-Reductions listed	(9,450,000)	(38,724,876)	(48,174,876)
24	<b><i>ALL OTHER (Net)</i></b>	275,737	461,390	737,127
36	<b><i>GENERAL FUND NEW APPROPRIATIONS</i></b>	13,772,751	27,244,599	41,017,350

\* FY2011-12 amount of \$1,500,000 offset by a lapse of FY2010-11 reappropriated funds

**Table 9 Summary of FY2012-13 General Fund Budget**

	w/o Deficits FY2010-11	w/o Deficits FY2011-12	Total Per 2011 Session FY2012-13	Committee 2012 Change FY2012-13	Revised Total FY2012-13	Change over Prior Yr		2 Yr Avg % Change	% of Total FY12-13
						FY12-13 (w/o deficits) \$	%		
<b><u>Agency Operations</u></b>									
University/Colleges	540,090,076	536,124,386	543,222,833	0	543,222,833	7,098,447	1.3%	0.3%	15.0%
Health & Human Services System	252,915,827	219,347,008	225,177,598	13,500,031	238,677,629	19,330,621	8.8%	-2.9%	6.6%
Correctional Services	142,575,132	156,102,931	157,059,844	0	157,059,844	956,913	0.6%	5.0%	4.3%
Courts	70,264,041	74,874,064	75,654,066	0	75,654,066	780,002	1.0%	3.8%	2.1%
State Patrol	55,891,491	53,690,860	54,253,448	0	54,253,448	562,588	1.0%	-1.5%	1.5%
Revenue	27,071,402	25,792,617	25,447,374	0	25,447,374	(345,243)	-1.3%	-3.0%	0.7%
Retirement Board	27,420,010	28,344,698	29,629,917	361,408	29,991,325	1,646,627	5.8%	4.6%	0.8%
Other 39 Agencies	137,435,605	131,000,097	128,544,627	34,748	128,579,375	(2,420,722)	-1.8%	-3.3%	3.6%
Total-GF Operations	1,253,663,584	1,225,276,661	1,238,989,707	13,896,187	1,252,885,894	27,609,233	2.3%	0.0%	34.6%
<b><u>State Aid to Individuals/Others</u></b>									
Medicaid	489,426,763	599,909,134	630,241,604	16,331,590	646,573,194	46,664,060	7.8%	14.9%	17.9%
Public Assistance	248,124,986	239,522,936	243,518,332	18,846,551	262,364,883	22,841,947	9.5%	2.8%	7.3%
Developmental disabilities aid	90,573,431	94,652,981	96,804,432	5,073,939	101,878,371	7,225,390	7.6%	6.1%	2.8%
Behavioral Health aid	74,721,481	74,810,767	74,952,023	181,196	75,133,219	322,452	0.4%	0.3%	2.1%
Childrens Health Insurance (CHIP)	11,634,438	9,932,192	13,036,419	(702,050)	12,334,369	2,402,177	24.2%	3.0%	0.3%
Aging Programs	7,999,438	7,999,438	7,999,438	0	7,999,438	0	0.0%	0.0%	0.2%
Higher Ed Student Aid programs	6,863,406	6,918,156	6,918,156	75,000	6,993,156	75,000	1.1%	0.9%	0.2%
Public Health Aid	4,807,372	4,790,612	4,790,612	0	4,790,612	0	0.0%	-0.2%	0.1%
Community health centers	3,867,394	3,767,394	3,767,394	0	3,767,394	0	0.0%	-1.3%	0.1%
Business Innovation Act (LB387)	0	7,000,000	7,000,000	156,396	7,156,396	156,396	2.2%	na	0.2%
All Other Aid to Individuals/Other	8,580,257	7,980,123	7,980,123	0	7,980,123	0	0.0%	-3.6%	0.2%
Total-GF Aid to Individuals/Other	946,598,966	1,057,283,733	1,097,008,533	39,962,622	1,136,971,155	79,687,422	7.5%	9.6%	31.4%
<b><u>State Aid to Local Govts</u></b>									
State Aid to Schools (TEEOSA)	796,734,560	804,689,087	864,654,919	(27,574,876)	837,080,043	32,390,956	4.0%	2.5%	23.1%
Special Education	184,893,842	184,893,842	184,893,842	0	184,893,842	0	0.0%	0.0%	5.1%
Aid to Community Colleges	86,758,025	86,758,025	87,870,147	0	87,870,147	1,112,122	1.3%	0.6%	2.4%
Homestead Exemption	65,000,000	72,300,000	77,700,000	(5,200,000)	72,500,000	200,000	0.3%	5.6%	2.0%
Aid to ESU's	14,791,327	14,051,761	14,051,761	0	14,051,761	0	0.0%	-2.5%	0.4%
Aid to Cities	10,964,566	0	0	0	0	0	0.0%	#NUM!	0.0%
Aid to Counties programs	9,659,932	0	0	0	0	0	0.0%	#NUM!	0.0%
High ability learner programs	2,175,673	0	0	0	0	0	0.0%	-100.0%	0.0%
Early Childhood programs	3,365,962	0	0	0	0	0	0.0%	-100.0%	0.0%
Other Aid to Local Govt	16,692,622	11,251,587	11,060,037	0	11,060,037	(191,550)	-1.7%	-18.6%	0.3%
Total-GF Aid to Local Govt	1,191,036,509	1,173,944,302	1,240,230,706	(32,774,876)	1,207,455,830	33,511,528	2.9%	0.7%	33.4%
<b><u>Capital Construction</u></b>	13,802,233	14,027,233	14,602,233	6,170,000	20,772,233	6,745,000	48.1%	22.7%	0.6%
<b><u>Total General Funds</u></b>	3,405,101,292	3,470,531,929	3,590,831,179	27,253,933	3,618,085,112	147,553,183	4.3%	3.1%	100.0%

# Significant General Fund Items

## TEEOSA School Aid (Dept. of Education)

The Appropriations Committee proposal includes TEEOSA aid funding at a total of \$852.1 million for FY2012-13. This is based on the current TEEOSA law and reflects the state aid calculated and presented by the Department of Education (NDE) in February 2012. This \$852.1 million aid level is \$27.3 million less than the \$879.4 million estimated at the end of the 2011 legislative session and funded in the originally enacted FY2012-13 budget. The following table shows the actual TEEOSA aid for the past three years, the amount to be funded in FY2012-13 under current law and estimated for the next two years also projected under current law.

	Actual FY2009-10	Actual FY2010-11	Actual FY2011-12	Current Law FY2012-13	Estimated FY2013-14	Estimated FY2014-15
General Funds	824,934,868	796,734,560	804,689,087	837,080,043	1,011,342,907	1,099,527,510
Insurance Premium Tax	15,247,109	13,200,000	17,151,812	15,000,000	15,375,000	15,759,375
ARRA	93,668,750	140,287,176	0	0	0	0
EDJOBS	0	58,610,740	0	0	0	0
<b>Total TEEOSA state aid</b>	<b>933,850,727</b>	<b>1,008,832,476</b>	<b>821,840,899</b>	<b>852,080,043</b>	<b>1,026,717,907</b>	<b>1,115,286,885</b>
<u>General Funds - Change over Prior Year</u>						
Dollar	(121,989)	(28,200,308)	7,954,527	32,390,956	174,262,864	88,184,603
Percent	0.0%	-3.4%	1.0%	4.0%	20.8%	8.7%
<u>All Funds - Change over Prior Year</u>						
Dollar	94,460,146	74,981,749	(186,991,577)	30,239,144	174,637,864	88,568,978
Percent	11.3%	8.0%	-18.5%	3.7%	20.5%	8.6%

The large growth in TEEOSA aid in FY2013-14 and FY2014-15 directly relates to the expiration of some of the provisions of LB235 enacted last session to lower the FY12 and FY13 aid amounts. This include having the local effort rate return to \$1.00 from the \$1.0395 level in FY12 and FY13, and the allowable growth rate returning to 2.5% versus the 0% and .5% in FY12 and FY13 and how that increases the cost growth factor. The cost growth factor is what takes the two year old actual data and inflates it to the aid year. The following table breaks down the projected increases in the two following years. Of the 20.5% increase projected in FY2013-14, the equivalent of 14% relates to the expiration of the LB235 components.

	Annual % Change		Change over FY13 base	
	FY2013-14	FY2014-15	FY2013-14	FY2014-15
Local Effort Rate (\$1.0395 back to \$1.00)	5.7%	0.1%	48,442,069	49,653,121
Cost growth factor from 0.5 to 3.0 in FY13-14	8.5%	0.2%	72,155,375	73,959,260
Cost growth factor from 3.0 to 5.0 in FY14-15	0.0%	5.8%	0	59,167,408
All Other	6.3%	2.6%	54,040,420	80,427,054
<b>Total Increase</b>	<b>20.5%</b>	<b>8.6%</b>	<b>174,637,864</b>	<b>263,206,843</b>



The following table shows the chronology of the TEEOSA estimates since Sine Die 2011. The amounts shown are total TEEOSA aid including amounts financed with General Funds and Insurance Premium Tax.

There are two pieces of information that are most important in determining TEEOSA aid, property valuations and two year prior actual revenue and spending data. At Sine Die 2011 neither was available and all data was estimated. Property valuations are not known until August and are then available at the statutory required October meeting to develop TEEOSA estimates. In October the FY12-13 estimate was \$829 million which was \$50 million lower than the aid number included in the budget as enacted in the 2011 session. This is the number the Governor included in his recommendation.

The other item, the two year prior actual data, is not available until December when the annual financial reports (AFR) are submitted by the schools and compiled by NDE. In December, the Legislative Fiscal Office updated the TEEOSA estimate using the annual financial report data that was not available at the time the previous estimate was made. This update indicated a total amount of TEEOSA aid at \$844 million which was \$15 million higher than the October revision and only \$35 million less than the Sine Die 2011 level. This is the number included in the Appropriations Committee preliminary report. Subsequently NDE calculated the \$852 million number using all the actual data and now included in the Committee proposal.

	All Funds FY2011-12	All Funds FY2012-13	All Funds FY2013-14	All Funds FY2014-15
<b>Sine Die 2011</b>	<b>821,840,899</b>	<b>879,356,145</b>	<b>947,109,070</b>	<b>983,664,102</b>
Valuation, 2011 from 2.5% to 4.26%	0	(24,144,253)	(24,388,397)	(25,607,816)
Valuation; 2012 (5.0% to 3%), 2013 (5.0% to 2.5%)	0	0	29,865,084	69,809,635
Change factor, yield from LER used in formula	0	5,906,435	12,765,980	13,085,129
Spending growth, FY11 3.0% to 1.3% (GFOE to 1.75%)	0	(46,718,203)	(48,362,430)	(50,536,667)
Spending growth, FY12 1.0% to 3.5%, FY13 stays at 2.5%	0	0	71,115,891	74,292,546
Revise system averaging adjustment	0	5,649,305	5,847,031	5,993,208
Revise formula NEEDS stabilization	0	(4,740,263)	(4,740,264)	(4,858,771)
Revise student growth adjustment	0	(4,947,523)	(5,120,686)	(5,248,703)
Revise new school adjustment	0	3,514,999	3,638,024	3,728,974
Change in NEEDS lost in basic funding calculation	0	5,532,122	5,725,747	5,868,890
Change in Learning Community, impact of non-equalization	0	(620,000)	(620,000)	(620,000)
Impact of Elementary Class Size Allowance expiring	0	0	(21,610,000)	(23,175,250)
Change in other receipts	0	4,099,999	4,230,499	4,365,178
Pre Oct Meeting (change in NEEDS)	0	5,605,485	5,512,057	5,767,897
Pre Oct Meeting (change "other receipts" mostly SPED)	0	412,360	15,003,883	24,783,492
Total Changes	0	(50,449,537)	48,862,419	97,647,742
<b>October 2011 Joint Meeting</b>	<b>821,840,899</b>	<b>828,906,608</b>	<b>995,971,489</b>	<b>1,081,311,844</b>
Actual FY11 AFR, higher disbursement growth (1.3% vs 2.5%)	0	37,659,568	38,977,653	39,952,094
Actual FY11 AFR, lower fed categorical	0	13,029,404	13,485,433	13,822,569
Actual FY11 AFR, lower adjustments to achieve GFOE	0	6,095,335	6,308,672	6,466,389

(Continued)	All Funds FY2011-12	All Funds FY2012-13	All Funds FY2013-14	All Funds FY2014-15
Change in NEEDS lost in basic funding calculation	0	2,000,000	2,070,000	2,121,750
Lower System Averaging adjustment	0	(32,000,000)	(1,000,000)	0
Lower NEEDS stabilization	0	(10,000,000)	(25,000,000)	(25,625,000)
Higher Local Choice adjustment	0	1,712,846	1,772,795	1,817,115
Higher cost growth factor inflation on GFOE	0	283,921	1,763,153	3,012,052
Higher poverty/LEP corrections	0	17,348	17,955	18,404
Actual FY11 AFR, lower "Other Receipts"	0	2,436,248	(1,199,780)	(1,201,219)
Change factor, yield from LER used in formula	0	(5,688,917)	(5,636,926)	(5,777,849)
Total Change	0	15,545,753	31,558,955	34,606,305
<b>December 2011 Update with AFR data</b>	<b>821,840,899</b>	<b>844,452,361</b>	<b>1,027,530,444</b>	<b>1,115,918,149</b>
Error, Voluntary Termination not previously excluded	0	(14,418,890)	0	0
Adjust total disbursements number	0	(950,636)	(983,908)	(1,008,506)
Change in NEEDS lost in basic funding calculation	0	7,608,280	7,874,570	8,071,434
Higher System Averaging adjustment	0	11,542,668	0	0
Higher NEEDS stabilization	0	3,627,292	3,627,292	3,717,974
All other items (to calculated aid)	0	253,156	(215,799)	(19,607)
Adjust out year yield factor for \$1 LER	0	0	(11,114,692)	(11,392,559)
Prior yr deficiencies/negative balances/other	0	(34,188)	0	0
Total Change	0	7,627,682	(812,537)	(631,263)
<b>February 2012 Update per NDE</b>	<b>821,840,899</b>	<b>852,080,043</b>	<b>1,026,717,907</b>	<b>1,115,286,886</b>
Change from Sine Die to October Joint Meeting		(50,449,537)	48,862,419	97,647,742
Change from October Joint Meeting to December revision		15,545,753	31,558,955	34,606,305
Change from December revision to Feb NDE release	--	7,627,682	(812,537)	(631,263)
Total Change since Sine Die 2011		(27,276,102)	79,608,837	131,622,784

## Homestead Exemption (Dept. of Revenue)

Based on the total certified amounts received from the counties the amount needed to cover the homestead exemption reimbursements is \$68,100,000 which is \$4,200,000 less than the \$72,300,000 current FY11-12 appropriation. Based on this actual experience, the FY12-13 amount was reduced by \$5,200,000 from \$77,700,000 to \$72,500,000.

The Department indicates that there were 1,481 few qualified applicants for the Homestead Exemption for the current year. Given the state of the national economy this reduction seems counter-intuitive, especially when coupled with the increase in Nebraska's population of individuals over the age of 65. However, for 2010, the total federal adjusted gross income (AGI) for Nebraska residents age 65 and older increased 10.3% over 2009, compared to a 3.7% increase for all Nebraska resident taxpayers over the same period. The increase income for the 65 and older age group would account for most of the reduction in the Homestead Exemption.

## Child Welfare Deficit (DHHS)

In FY2010-11 there was a substantial increase in child welfare costs as part of the privatization. Eight different contract amendments were financed by a reallocation of un-utilized funds from other aid programs within budget program 347, additional federal funds available to offset General funds, and reappropriations from the prior biennium. The contract amounts for FY2011-12 were substantially lower than the FY2010-11 actual spending level. Based on discussion with the two lead contractors last fall the lower funding levels would have been adequate if there was 15% reduction in children served which subsequently did not happen and led to the shortfall of funding.

In late February, the Dept of Health and Human Services (DHHS) sent a letter to the chairpersons of the Appropriations Committee and Health and Human Services Committee informing them that DHHS and KVC Nebraska had agreed that KVC would no longer provide case management and related services effective March 1. This letter further requested a significant increase in funding for the child welfare system for the remainder of FY2011-12 and FY2012-13. These requested increases included the following:

Staffing and caseload ratios. These funds would be for staffing of the Southeast Service Area and increase staffing in the Western, Central, and Northern Service Areas and for resource development. Staffing levels would be at the Child Welfare League of America (CWLA) standards of 1:16 children for out of home services and 1:17 families for in-home/family preservation. (\$4,832,075 FY2011-12, \$13,516,782 FY2012-13)

Nebraska Families Collaborative (NFC) Eastern Service Area. These funds include \$4.6 million for NFC to assume case management for the KVC families in the Eastern Service Area and an additional \$2.1 million for service costs. (\$6,790,592 FY2011-12)

State Costs, assume KVC contract in Southeast Service Area. This would be funds in addition to the remainder of the KVC contract amounts to contract for services in the Southeast Service Area. (\$2,472,974 FY2011-12)

Transition Costs to KVC These funds are divided into two areas. First is \$4.2 million identified by KVC as necessary to ensure payment to subcontractors. Second, \$1.8 million is included for transition costs and access to computer systems and equipment and satisfaction of any potential claim arising from immediate termination of services under the contract. (\$6,000,000 FY2011-12).

DHHS and NFC Case Management and Related Services, FY2012-13. DHHS indicated that calculations were prepared as to case management and contract funding needs for child welfare for FY2012-13. These calculations include an assumed 5% reduction in total number of

children, a shift of children from out-of-home to in-home placement, and a variety of other actions. To meet this projected need requires an additional \$6,200,564 in FY2012-13 above the amount currently budgeted.

With respect to financing, funding for the FY2011-12 deficit funding comes from reallocation of unused funds in several other DHHS budget programs. Financing the additional funds for FY2012-13 is \$2,700,000 federal funds and a new General Fund appropriation of \$17,017,346.

<u>Use of Funds</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>2 Yr Total</u>
Caseloads, Child Welfare League standard	4,832,075	13,516,782	18,348,857
NFC, assume KVC in ESA	6,790,592	0	6,790,592
Services, SESA	2,472,974	0	2,472,974
KVC transition - subcontractors	4,200,000	0	4,200,000
KVC transition - support	1,800,000	0	1,800,000
DHHS & NFC, case mgmt and service costs	0	6,200,564	6,200,564
Subtotal - Services	15,263,566	6,200,564	21,464,130
Total Use of Funds	20,095,641	19,717,346	39,812,987
<u>Source of Funds</u>	<u>FY2011-12</u>	<u>FY2012-13</u>	<u>2 Yr Total</u>
New General Funds	0	17,017,346	17,017,346
Federal Funds	0	2,700,000	2,700,000
Reallocate - Other programs	18,595,643	0	18,595,643
Lapse FY2010-11 reappropriation	1,500,000	0	1,500,000
Total Source of Funds	20,095,643	19,717,346	39,812,989

## **Child Care Deficit (DHHS)**

The Department requested increased appropriations in FY2012 and FY2013 for the Child Care Subsidy Program. DHHS has seen a steady growth in expenditures in the Child Care Program from FY09 to the current fiscal year. In FY 09, expenditures were \$75.5 million for 17,282 recipients. In FY 10, expenditures increased to \$85.3 million, up 13% for 18,576 recipients, an increase of 7.5%. FY 11 expenditures were up by 8.5% to \$92.6 million. Recipients increased to 19,580 in FY 11 or by 5.4%. For the first half of FY12, expenditures were \$51 million. The total budgeted amount for FY 12 is \$87.2 million. The projected shortfall of \$12 million was greater than the amount requested by the agency; part of this shortfall was anticipated to be made up by anticipated savings in other programs within the public assistance program. The Governor recommended and the Committee concurred in funding the entire \$12 million deficit.

## Reduced Medicaid Match Rate (DHHS)

The federal medical assistance percentage (FMAP) was reduced to 56.64% for FFY 2012, down from 58.44% in FFY 2011. The FMAP was expected to stay at this lower level through the FY12/FY13 biennium, but instead was reduced further to 55.76% for FFY2013. The base FMAP is also used in the calculation of the enhanced Children's Health Insurance Program (CHIP) match rate. The enhanced FMAP for CHIP was reduced to 69.65% for Federal Fiscal Year 2012, down from 70.91% in FFY2011. The enhanced FMAP was expected to stay the same at this lower level through the FY2012-FY2013 biennium, but instead was reduced further to 69.03% for FFY2013. The FMAP affects multiple programs as shown below.

Program	Type	FY2011-12	FY2012-13
33 Developmental disability service coordination	Oper	0	103,746
38 Behavioral health aid	Aid	0	181,196
344 Childrens Health Insurance (SCHIP)	Aid	0	297,950
347 Public Assistance	Aid	0	395,987
348 Medicaid	Aid	0	9,671,447
365 Mental Health operations	Oper	0	28,632
421 Beatrice State Develop Center (BSDC)	Oper	0	276,441
424 Developmental disability aid	Aid	0	1,473,939
Total GF impact of FMAP change		0	12,429,338

## Child Support Incentive Federal Match Change (DHHS)

Beginning October 1, 2010, the Federal Government no longer allows Child Support Incentive dollars to be used as state matching funds to generate federal dollars in Child Support. During FY11 and FY12, DHHS has spent down the incentive balance and will need additional general funds to maintain current expenditure levels. A \$1.8 million General Fund reduction was adopted during the November, 2009 Special Session for FY10 and FY11 and built into the base budget for the current biennium. A deficit request was made a year ago, but was not addressed as there was a possibility that federal action would allow continued use of incentive funds as state match. That federal action did not occur.

## Revised Program Costs, DHHS Programs (DHHS)

The Governors recommendation included reductions in five areas where an evaluation of year to date expenditures or other factors indicate excess appropriations in those programs. Actual year-to-date expenditure experience relates to the reductions in SCHIP and Medicaid. The reduction for the Beatrice State Developmental Center (BSDC) is based on the expectation that the census at the facility will continue to decline. The reduction for the Norfolk Sex Offender Treatment program relates to rebasing the program budget based on a census that has stabilized at a number closer to 70 significantly lower than planned. And for the Veterans

Homes, the availability of additional federal funds allows for the reduction of General Fund support without reducing the overall operating budgets of the four veterans' homes. The total savings in the Governors recommendation was \$7.5 million. The Appropriations Committee proposed budget also includes reductions but in most cases at a somewhat lower level totaling \$5.95 million as shown below.

	FY2011-12	FY2012-13
344 Children's Health Insurance SCHIP	(1,000,000)	(1,000,000)
348 Medicaid	(3,000,000)	(3,000,000)
421 Beatrice State Developmental Center BSDCO	0	(700,000)
421 Veterans Homes	(500,000)	(500,000)
870 Norfolk Sex Offender Treatment program	(750,000)	(750,000)
Total	(5,250,000)	(5,950,000)

## Partial Restoration of Medicaid Provider Rate Cut (DHHS)

In the 2011 legislative session, the Governor recommended a 5% cut in Medicaid health care provider rates in FY2011-12. Primary care codes were excluded from the reduction. A 4% reduction was included in the Appropriations Committee preliminary budget but ultimately lowered to a 2.5% in their final proposal and was enacted at the 2.5% level.

In light of an improved financial status and lower than projected Medicaid expenditures, the Appropriations Committee proposal includes \$9.7 million in FY2012-13 to restore the equivalent of 1.5% of this 2.5% cut.

## Medicaid Program Changes (DHHS)

In December 2011 the Dept. of Health and Human Services System sent a letter to senators informing them that the Department proposed submitting necessary State Plan Amendments and/or waivers and amending Medicaid regulations in order to implement a variety of cost saving measures. These included changes to several copay requirements, limiting home health care services to 240 hours, eliminating private duty nursing services, implementing a nursing level of care requirement for personal assistant services and limiting the number of hours, eliminating coverage of certain nutritional supplements, and limiting behavioral health therapy visits to 60 per year. The Governor's recommendation included \$3,382,913 General Fund savings with a January 1, 2013 implementation date of these changes.

**The Appropriations Committee proposal does not include any savings related to these proposed changes.**

## **Increased Staffing, Office of Juvenile Services (DHHS)**

Per the Department of Health and Human Services request, the committee proposal includes funding for additional 18 FTE at the two Youth Rehabilitation and Treatment Centers at Kearney and Geneva (YRTC-Geneva). This includes ten Youth Security Specialists and six Licensed Mental Health Providers at the YRTC-Kearney and one Therapeutic Recreational Specialist and one Registered Nurse at the YRTC-Geneva:

Many youth committed to OJS custody have behavioral health/sex offender treatment needs and additional staff who specialize in these areas are needed. Length of stay has remained stable at the YRTC-Kearney over the last six months however, the YRTC-Kearney has seen an increase in the census over the last several months. From June to October 2011 234 youth were committed to Kearney compared to 191 from January to May 2011. The average monthly census increased from 147 in FY2010-11 to 167 through November 2011. Geneva is stable with an average monthly census of 81 in FY 11 and 78 through November.

Direct care staff levels at YRTC-Kearney need to meet the 1:8 ratio to reflect a staffing pattern that is appropriate for intensive therapeutic programming. The average direct care staff to youth ratio is currently 1:17. Increased staffing levels should provide a safer environment for youth and staff by bringing the ratio of youth to staff lower to meet the acceptable national average for safety/security.

## **Developmental Disability Waiting List (DHHS)**

The Committee proposal includes an additional \$3,600,000 General Funds and \$4,059,574 Federal Funds in FY2012-13 for aid to persons with developmental disabilities. The funds are to be used to serve approximately 212 persons from the waiting list. There are currently about 1,769 persons waiting for services.

The Committee proposal also includes \$400,000 General Funds and \$400,000 Federal Funds for service coordination staff to provide assistance to persons being offered services.

## **Governors Emergency Program (Military Dept.)**

The Nebraska Emergency Management Agency (NEMA) requested an \$8.9 million supplemental appropriation to the Governor's Emergency Program. Since 2006, Nebraska has experienced the most active and costly disaster period on record. From 1991 through 2005, there were 13 federal emergency/disaster declarations for an average of less than 1 disaster declaration per year. In the last six years the state has experienced a total of 23 federal emergency/disaster declarations, or an average of 3.8 declarations per year. In dollar terms, the average yearly cost

of disasters from 1991 through 2005 was \$543,272 in contrast to a \$5,002,695 average from 2006 through 2011.

Even though there is a current balance of \$14.27 million dollars in Program 192 (as of Nov. 30, 2011), the obligations remaining for current open disasters total \$18.12 million. Based upon these estimates, there exists a \$3.85 million dollar shortfall in the Governor's Emergency Program. To take care of this shortfall and reestablish the \$5 million dollar base, an \$8.9 million dollar supplemental appropriation is requested.

## **Veterinary Diagnostic Center (University of Nebraska - IANR)**

The FY2012-13 recommendation includes funding for the design and construction of a Veterinary Diagnostic Center at the University of Nebraska Institute of Agriculture and Natural Resources. Funding for the project is subject to the approval of the Coordinating Commission for Postsecondary Education. The current Veterinary Diagnostic facility, built in 1975, has deficiencies due to problems involving ventilation, building design, risk of cross-contamination, lack of space and accessibility to people with disabilities. The total project cost is estimated at \$55,000,000 of which \$50,000,000 is from state funds and \$5,000,000 is from private or other. The project is to be debt financed through the University of Nebraska Facilities Corporation over a 10-year period. It is the intent of the Legislature that the annual debt service of \$6,093,000 be appropriated from the General Fund. The FY2012-13 recommendation includes the first annual debt service payment of \$6,093,000 General Funds. State funds may not be allotted until the private or other funds have been received by the Board of Regents.



# Total Appropriations – All Funds

Table 10 shows the total appropriation from all fund sources as enacted in the 2011 legislative session with the Appropriations Committee proposal for budget adjustments in the 2012 session.

Table 10 Total Appropriations - All Funds

<b>FY2010-11</b>	General	Cash	Federal	Rev/Other	Total
<b>Adjusted Per 2010 Session</b>	3,405,101,292	1,786,208,029	2,783,940,522	733,611,968	8,708,861,811
2011 Session Deficits	(27,202,366)	2,470,159	38,500,000	0	13,767,793
2011 Session State Claims	1,702,254	99,966	0	1,316,287	3,118,507
<b>Final Appropriation per 2011 Session</b>	<b>3,379,601,180</b>	<b>1,788,778,154</b>	<b>2,822,440,522</b>	<b>734,928,255</b>	<b>8,725,748,111</b>
<b>FY2011-12</b>	General	Cash	Federal	Rev/Other	Total
<b>Total Per 2011 Session</b>	3,468,389,234	1,848,428,337	2,636,058,658	740,656,170	8,693,532,399
Special Session adjustments	2,142,695	0	0	0	2,142,695
<b>Total Per 2011 Special Session</b>	<b>3,470,531,929</b>	<b>1,848,428,337</b>	<b>2,636,058,658</b>	<b>740,656,170</b>	<b>8,695,675,094</b>
2012 Session-Committee Proposed	13,772,751	4,336,560	(5,557,915)	600,000	13,151,396
2012 Session State Claims	0	0	0	0	0
2012 Session Floor Actions	0	0	0	0	0
2012 Session Vetoes	0	0	0	0	0
2012 Session Overrides	0	0	0	0	0
2012 Session "A" bills	0	0	0	0	0
<b>2012 Deficits</b>	<b>13,772,751</b>	<b>4,336,560</b>	<b>(5,557,915)</b>	<b>600,000</b>	<b>13,151,396</b>
<b>Final Total - 2012 Session</b>	<b>3,484,304,680</b>	<b>1,852,764,897</b>	<b>2,630,500,743</b>	<b>741,256,170</b>	<b>8,708,826,490</b>
Change over prior year (w without deficits)					
Dollar	65,430,637	62,220,308	(147,881,864)	7,044,202	(13,186,717)
Percent	1.9%	3.5%	-5.3%	1.0%	-0.2%
<b>FY2012-13</b>	General	Cash	Federal	Rev/Other	Total
<b>Total Per 2011 Session</b>	3,590,831,179	1,797,324,048	2,635,350,476	732,518,824	8,756,024,527
2012 Session-Committee Proposed	27,244,599	2,728,322	1,041,190	79,500,000	110,514,111
2012 Session Floor Actions	0	0	0	0	0
2012 Session Vetoes	0	0	0	0	0
2012 Session Overrides	0	0	0	0	0
2012 Session "A" bills	0	0	0	0	0
<b>2012 Session Midbiennium Actions</b>	<b>27,244,599</b>	<b>2,728,322</b>	<b>1,041,190</b>	<b>79,500,000</b>	<b>110,514,111</b>
<b>Total Per 2012 Session</b>	<b>3,618,075,778</b>	<b>1,800,052,370</b>	<b>2,636,391,666</b>	<b>812,018,824</b>	<b>8,866,538,638</b>
Change over prior year (w without deficits)					
Dollar	147,543,849	(48,375,967)	333,008	71,362,654	170,863,544
Percent	4.3%	-2.6%	0.0%	9.6%	2.0%

While a complete listing of all items is contained in Appendix A, the major cash and federal items are shown in Table 11 below.

WITH RESPECT TO CASH AND FEDERAL FUNDS, MOST OF THE ITEMS LISTED ARE RELATED TO A GENERAL FUND ISSUE DESCRIBED IN THE GENERAL FUND SECTION. For the largest cash fund item and the NCCF items a narrative description follows Table 11.

Table 11 Significant Cash and Federal Fund Budget Adjustments – 2012 Session

Major Items - Cash Funds	FY2011-12	FY2012-13	2 Yr Total
Convention Center Support Fund	2,417,420	0	2,417,420
Affordable housing funds from cash reserve (LB1017)	0	1,000,000	1,000,000
Major Oil Pipeline Siting Act	541,687	542,643	1,084,330
Early Childhood Training Center Cash Fund	400,000	400,000	800,000
Reorganization Incentive Cash Appropriation	212,958	212,958	425,916
Olympic Team Trial assistance (LB955)	250,000	0	250,000
All Other	514,495	572,721	1,087,216
<b>TOTAL CASH FUNDS</b>	<b>4,336,560</b>	<b>2,728,322</b>	<b>7,064,882</b>
Major Items - Federal Funds	FY2011-12	FY2012-13	2 Yr Total
Provider rate increase - Medicaid	0	12,472,424	12,472,424
Developmental disability, waiting list aid (LB 901)	0	4,059,574	4,059,574
Child welfare deficit, staffing / caseloads - Admin	0	2,700,000	2,700,000
Lower 2013 FMAP	0	(12,429,338)	(12,429,338)
Revised program cost estimates, Medicaid	(3,991,378)	(3,815,084)	(7,806,462)
Revised program cost estimates (SCHIP)	(2,330,003)	(2,245,699)	(4,575,702)
All Other	763,466	299,313	1,062,779
<b>TOTAL FEDERAL FUNDS</b>	<b>(5,557,915)</b>	<b>1,041,190</b>	<b>(4,516,725)</b>
Major Items – NCCF / Revolving	FY2011-12	FY2012-13	2 Yr Total
DHHS - Bridges Program cash flow (NCCF)	550,000	(550,000)	0
State Colleges - Chadron Armstrong Gym (NCCF)	0	6,700,000	6,700,000
State Colleges - Peru Oak Bowl improvements (NCCF)	0	7,500,000	7,500,000
University - UNK Allied Health (NCCF)	0	15,000,000	15,000,000
University - UNMC Cancer Research tower (NCCF)	0	50,000,000	50,000,000
DAS - Centennial Mall project (NCCF)	0	800,000	800,000
All Other (Revolving)	50,000	50,000	100,000
<b>TOTAL NCCF / REVOLVING FUNDS</b>	<b>600,000</b>	<b>79,500,000</b>	<b>80,100,000</b>

## **Convention Center Support Fund**

The Convention Center Facility Financing Assistance Act (as amended by LB551-2007) provides that sales tax revenue collected by retailers and operators doing business at an approved convention and meeting center facility, sports arena facility, or associated hotel be allocated to the Convention Center Support Fund. Of this amount, 70% goes back to the relevant political subdivision and 30% goes to the Local Civic, Cultural, and Convention Center Financing Fund. A total of \$3,453,457 was certified to be credited to the Convention Center Support Fund of which \$2,417,420 is remitted back to Omaha and \$1,036,037 transferred to the Local Civic, Cultural, and Convention Center Financing Fund.

## **Chadron State College – Armstrong Gymnasium**

For 2012-13, an appropriation of \$6,700,000 is recommended in order to undertake construction of an addition to and renovation of Armstrong Gymnasium at Chadron State College. The project has been approved by the Coordinating Commission for Postsecondary Education. The recommended appropriation would effectively be contingent upon an additional \$2,000,000 of private and other funds to be secured by the college to supplement state funds for the project. The existing structure was built in 1964 prior to substantial growth in women's athletics. No major renovation of the facility has been undertaken since its original construction. Heating and ventilation systems date to original construction and the building lacks air conditioning. Various space deficiencies of the current facility cited by the college include: an arena undersized to accommodate crowds at athletic events, commencement and other large gatherings; undersized weight and training rooms that result in unsafe and overcrowded conditions; inadequate office space for coaches and administrative support; and, locker rooms that are not compliant with current codes or ADA guidelines.

## **Peru State College – Oak Bowl**

An appropriation of \$7,500,000 for 2012-13 is recommended to undertake renovation of and improvements to the Oak Bowl at Peru State College. Of this amount, \$5,000,000 is recommended without specific limitation. The \$2,500,000 balance of the recommended appropriation would effectively be contingent upon an additional \$1,500,000 of private and other funds to be secured by the college to supplement state funds for the project. State funding for the project is subject to the approval of the Coordinating Commission for Postsecondary Education. The Oak Bowl (site of the college's football field) and its facilities were constructed in several phases beginning in 1900. Concrete stadium bleachers were constructed during the 1950s. Elements of proposed improvements to and renovation of the existing facility include: eliminating safety issues associated with steep inclines and hazardous drop-offs and eliminating accessibility barriers; improvements to the playing field; eliminating drainage problems throughout the facility including eliminating an open drainage ditch around

the perimeter of playing field; resolving inadequacies of existing stadium seating, restroom facilities, locker room facilities, press box and concession area.

## **UNMC College of Nursing and School of Allied Health Professions – Kearney Division**

The FY2012-13 recommendation includes funding for the design and construction of an addition to the Bruner Hall of Science at the University of Nebraska at Kearney. The funding for the project is subject to the approval of the Coordinating Commission for Postsecondary Education. The addition would allow expansion of the UNK-based UNMC nursing program as well as the establishment of a UNK-based UNMC allied health professions program. Allied health programs include physical therapy, physician assistant, clinical laboratory science, diagnostic medical sonography and radiography. The current nursing facility is outdated and has space deficiencies. The total cost for the project is estimated at \$18,000,000 of which \$15,000,000 is from state funds and \$3,000,000 is from private or other funds. The \$15,000,000 in state funds may not be allotted until the \$3,000,000 in private or other funds have been received by the Board of Regents.

## **UNMC Cancer Research Tower**

The FY2012-13 recommendation includes funding for the design and construction of a cancer research tower at the University of Nebraska Medical Center that includes 250,000 square feet and 98 new laboratories dedicated to cancer research. The funding for the project is subject to the approval of the Coordinating Commission for Postsecondary Education. The research tower is one part of a \$370,000,000 cancer center project that would also include an outpatient facility and an inpatient cancer treatment center. The total project cost for the cancer research tower is estimated at \$110,000,000 of which \$50,000,000 is from state funds and \$60,000,000 is from private or other funds. State funds may not be allotted in two phases until private or other funds have been received by the Board of Regents.

## **Centennial Mall Improvements**

An appropriation of \$800,000 for 2012-13 is recommended to aid and assist the City with planned Centennial Mall renovations and improvements. The Centennial Mall revitalization budget is estimated at just over \$8,046,000. This excludes \$1,500,000 planned to establish an endowment to support future repairs and maintenance of the mall. The \$800,000 recommended state funding would supplement local public funding to include \$3,500,000 committed by the City of Lincoln and \$500,000 committed by Lancaster County. The balance of funding for the project is planned to be supported by contributions from individuals, corporations, foundations and other sources.

## Appendix A

### Detailed Listing of All Budget Adjustments

	Fund	Current Biennium		Est for Following Biennium	
		FY2011-12	FY2012-13	FY2013-14	FY2014-15
<b>#03-Legislative Council</b>					
123 Cash fund authority, Lobby Registration Fund	Cash	0	20,000	20,000	20,000
<b>#05-Supreme Court</b>					
435 Increase in PSL, Probation (\$40,640 FY12, \$77,000 FY13)	PSL	YES	YES	YES	YES
570 Increase in PSL, Court Automation (\$35,100 FY12, \$61,575 FY13)	PSI	YES	YES	YES	YES
<b>#10-State Auditor</b>					
525 Additional Contracts	Cash	30,000	30,000	30,000	30,000
<b>#11-Attorney General</b>					
507 Funding to address SLEBEC retirement lawsuit	Gen	30,000	20,000	0	0
<b>#12-State Treasurer</b>					
665 Convention Center Support Fund	Cash	2,417,420	0	0	0
<b>#13-Dept of Education</b>					
25 Early Childhood Training Center Cash Fund	Cash	400,000	400,000	400,000	400,000
25 Poverty/Limited English plan reviews (LB1024)	Gen	75,000	75,000	75,000	75,000
25 Revolving Fund Appropriation	Rev	50,000	50,000	50,000	50,000
158 TEEOSA state aid, adjust to certified	Gen	0	(27,574,876)	79,302,594	131,308,884
158 Reorganization Incentive Cash Appropriation	Cash	212,958	212,958	212,958	212,958
351 Vocational Rehabilitation Services Cash Appropriation	Cash	200,000	0	0	0
614 PSL Increase - Professional Practices (\$990 FY12)	PSL	YES	0	0	0

		Fund	Current Biennium		Est for Following Biennium	
			FY2011-12	FY2012-13	FY2013-14	FY2014-15
<b>#14-Public Service Commission</b>						
686	Additional admin assistant, Nebr Telephone Assistance NTAP	Cash	0	51,792	51,792	51,792
54	Major Oil Pipeline Siting Act	Gen	10,225	0	0	0
54	Major Oil Pipeline Siting Act	Cash	541,687	542,643	542,643	542,643
<b>#16-Dept of Revenue</b>						
108	Homestead Exemption	Gen	(4,200,000)	(5,200,000)	(5,200,000)	(5,200,000)
<b>#24-Dept of Motor Vehicles</b>						
70	Commercial Drivers License (CDL) program manager position	Cash	0	64,574	64,574	64,574
<b>#25-HHS System</b>						
33	Child Support Incentive Federal Match Change	Gen	0	2,630,843	2,630,843	2,630,843
33	Economic Assistance Caseload Increases	Gen	322,014	161,007	161,007	161,007
33	Economic Assistance Caseload Increases	Fed	263,466	171,733	171,733	171,733
33	Continue transfer of funds for privatization of case management	Gen	0	0	0	0
33	Continue transfer of funds for privatization of case management	Fed	0	0	0	0
33	Targeted developmental disability service coordination	Gen	0	127,580	127,580	127,580
33	Targeted developmental disability service coordination	Fed	0	127,580	127,580	127,580
33	Developmental disability, waiting list service coordination (LB 901)	Gen	0	400,000	400,000	400,000
33	Developmental disability, waiting list service coordination (LB 901)	Fed	0	400,000	400,000	400,000
250	Increased OJS Staffing	Gen	225,000	905,000	905,000	905,000
178	Transfer Cash approp from Public Health to Prof. Licensure	Cash	96,512	96,512	96,512	96,512
179	Transfer Cash approp from Public Health to Prof. Licensure	Cash	(96,512)	(96,512)	(96,512)	(96,512)
344	Revised program cost estimates (SCHIP)	Gen	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
344	Revised program cost estimates (SCHIP)	Fed	(2,330,003)	(2,245,699)	(2,245,699)	(2,245,699)

			Current Biennium		Est for Following Biennium	
		Fund	FY2011-12	FY2012-13	FY2013-14	FY2014-15
344	Cash flow, health care cash fund monies to poison control	Cash	0	200,000	200,000	200,000
347	Child Care Deficit	Gen	12,000,000	12,000,000	12,000,000	12,000,000
347	Continue transfer of funds for privatization of case management	Gen	0	0	0	0
347	Continue transfer of funds for privatization of case management	Fed	0	0	0	0
347	Nurse visitation services (LB 1048)	Gen	0	250,000	250,000	250,000
348	Revised program cost estimates, Medicaid	Gen	(3,000,000)	(3,000,000)	(3,000,000)	(3,000,000)
348	Revised program cost estimates, Medicaid	Fed	(3,991,378)	(3,815,084)	(3,815,084)	(3,815,084)
348	Partial restoration of provider rate cut - Medicaid	Gen	0	9,660,143	9,660,143	9,660,143
348	Partial restoration of provider rate cut - Medicaid	Fed	0	12,472,424	12,472,424	12,472,424
421	Revised program cost estimates, BSDC	Gen	0	(700,000)	(700,000)	(700,000)
421	Revised program cost estimates, BSDC	Fed	0	(900,000)	(900,000)	(900,000)
421	Increase PSL, contracted staff to permanent employees, BSDC	PSL	YES	YES	YES	YES
424	Developmental disability, waiting list aid (LB 901)	Gen	0	3,600,000	3,600,000	3,600,000
348	Developmental disability, waiting list aid (LB 901)	Fed	0	4,059,574	4,059,574	4,059,574
502	Change distribution, aid to federally qualified health centers	Gen	0	(9,334)	(9,334)	(9,334)
519	Revised program cost estimates (fund shift), Veterans Homes	Gen	(500,000)	(500,000)	(500,000)	(500,000)
519	Revised program cost estimates (fund shift), Veterans Homes	Fed	500,000	500,000	500,000	500,000
870	Revised program cost estimates, Norfolk Sex Offender Treatment	Gen	(750,000)	(750,000)	(750,000)	(750,000)
33	Lower 2013 FMAP - Developmental disability service coordination	Gen	0	103,746	103,746	103,746
33	Lower 2013 FMAP - Developmental disability service coordination	Fed	0	(103,746)	(103,746)	(103,746)
38	Lower 2013 FMAP - Behavioral health aid	Gen	0	181,196	181,196	181,196
344	Lower 2013 FMAP - Childrens Health Insurance (SCHIP)	Gen	0	297,950	297,950	297,950
344	Lower 2013 FMAP - Childrens Health Insurance (SCHIP)	Fed	0	(297,950)	(297,950)	(297,950)
347	Lower 2013 FMAP - Public Assistance	Gen	0	395,987	395,987	395,987
347	Lower 2013 FMAP - Public Assistance	Fed	0	(395,987)	(395,987)	(395,987)
348	Lower 2013 FMAP - Medicaid	Gen	0	9,671,447	9,671,447	9,671,447
348	Lower 2013 FMAP - Medicaid	Fed	0	(11,326,582)	(11,326,582)	(11,326,582)

			Current Biennium		Est for Following Biennium	
		Fund	FY2011-12	FY2012-13	FY2013-14	FY2014-15
365	Lower 2013 FMAP - Mental Health operations	Gen	0	28,632	28,632	28,632
365	Lower 2013 FMAP - Mental Health operations	Fed	0	(28,632)	(28,632)	(28,632)
421	Lower 2013 FMAP - Beatrice State Develop Center (BSDC)	Gen	0	276,441	276,441	276,441
421	Lower 2013 FMAP - Beatrice State Develop Center (BSDC)	Fed	0	(276,441)	(276,441)	(276,441)
424	Lower 2013 FMAP - Developmental disability aid	Gen	0	1,473,939	1,473,939	1,473,939
33	Child welfare deficit, staffing / caseloads - Admin	Gen	4,800,000	10,816,782	10,816,782	10,816,782
33	Child welfare deficit, staffing / caseloads - Admin	Fed	0	2,700,000	2,700,000	2,700,000
347	Child welfare shortfall - Public Assistance	Gen	15,295,642	6,200,564	6,200,564	6,200,564
32	Child welfare shortfall, reallocate from prescription drug	Gen	LAPSE	0	0	0
38	Child welfare shortfall - reallocate from behavioral health aid	Gen	(3,700,000)	0	0	0
344	Child welfare shortfall - reallocated from SCHIP	Gen	(300,000)	0	0	0
348	Child welfare shortfall - reallocate from Medciaid	Gen	(14,595,642)	0	0	0

### ***#28-Dept of Veterans Affairs***

36	Increase FY 2012 Personal Service Limitation (\$36,800 FY12)	PSL	YES	0	0	0
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### ***#31-Military Dept***

192	Governors Emergency program	Gen	8,900,000	0	0	0
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### ***#33-Game and Parks Commission***

549	One-time operation funds, Lake Wanahoo recreation area.	Gen	51,000	0	0	0
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### ***#34-Library Commission***

252	Digital Talking Book Supplies	Gen	0	12,500	12,500	12,500
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### ***#37-Workers Compensation Court***

526	Judges FICA	Cash	13,115	19,868	19,868	19,868
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		Fund	Current Biennium		Est for Following Biennium	
			FY2011-12	FY2012-13	FY2013-14	FY2014-15
<b>#39-Brand Committee</b>						
75	Personal Vehicle Mileage	Cash	88,000	0	0	0
<b>#48-Postsecondary Coordinating Commission</b>						
640	Increase in cash fund spending authority	Cash	5,465	5,465	5,465	5,465
640	Request for Automation of ACE/ACE Plus	Gen	31,900	3,324	3,324	3,324
691	Access College Early Scholarship program, participation	Gen	0	75,000	75,000	75,000
<b>#54-Historical Society</b>						
43	DAS Copy Machine Replacement Base Rates	Gen	10,233	10,233	10,233	10,233
43	Historical Marker Repair	Gen	5,000	5,000	5,000	5,000
43	Historical Marker Repair	Cash	45,000	45,000	45,000	45,000
43	Utilities	Gen	30,239	30,239	30,239	30,239
258	Rent Increase, K Street facility	Gen	13,540	16,248	16,248	16,248
<b>#60-Ethanol Board</b>						
534	Harmonize timing of General Fund transfers to EPIC	Gen	YES	YES	YES	YES
<b>#65-Administrative Services</b>						
567	Authorize additional use of Health & Life Admin Fund	Cash	New Fund	New Fund	New Fund	New Fund
<b>#72-Dept of Economic Development</b>						
134	Reallocate, Rural Develop funds to Business Innovation grants	Gen	0	(156,396)	(156,396)	(156,396)
603	Reallocate, Rural Develop funds to Business Innovation grants	Gen	0	156,396	156,396	156,396
601	Affordable housing funds from cash reserve transfer (LB1017)	Cash	0	1,000,000	0	0
618	Olympic Team Trial assistance, Visitors Promotion Cash fund (LB955)	Cash	250,000	0	0	0

		Fund	Current Biennium		Est for Following Biennium	
			FY2011-12	FY2012-13	FY2013-14	FY2014-15
<b>#75-Investment Council</b>						
610	Eliminate obsolete language relate to Commission recapture	Cash	YES	YES	YES	YES
<b>#77-Commission of Industrial Relations</b>						
490	Commissioner Per Diems	Gen	18,600	18,600	18,600	18,600
<b>#78-Crime Commission</b>						
202	Shift federal funds within Crime Victims Reparations Prog	Fed	6,420	6,420	6,420	6,420
202	Shift federal funds within Crime Victims Reparations Prog	Fed	(6,420)	(6,420)	(6,420)	(6,420)
<b>#84-Dept of Environmental Quality</b>						
513	Staffing for Uranium Mining Oversight	Cash	0	106,582	106,582	106,582
<b>#85-Public Employees Retirement Board</b>						
41	OCIO Support Maintenance Cost Increase	Cash	19,550	19,550	19,550	19,550
41	Transfer NPERS Infrastructure to OCIO	Cash	27,140	9,890	9,890	9,890
41	WebSphere 7.0 Upgrade	Cash	86,225	0	0	0
515	School and Patrol retirement plans, statutory contributions	Gen	0	361,408	361,408	361,408
<b>Capital Construction Projects</b>						
900	DHHS - Bridges Program cash flow (NCCF)	Rev	550,000	(550,000)	(550,000)	(550,000)
900	DAS - Renovation of legislative space	Gen	0	77,000	0	0
900	University - IANR Veterinary Diagnostic Center (bond payment)	Gen	0	6,093,000	6,093,000	6,093,000
900	University - UNMC Cancer Research tower (NCCF)	Rev	0	50,000,000	0	0
900	University - UNK Allied Health (NCCF)	Rev	0	15,000,000	0	0

		Fund	Current Biennium		Est for Following Biennium	
			FY2011-12	FY2012-13	FY2013-14	FY2014-15
900	State Colleges - Chadron Armstrong Gym (NCCF)	Rev	0	6,700,000	0	0
900	State Colleges - Peru Oak Bowl improvements (NCCF)	Rev	0	7,500,000	0	0
900	DAS - Centennial Mall project (NCCF)	Rev	0	800,000	0	0
General Funds			13,772,751	27,244,599	134,025,069	186,031,359
Cash Funds			4,336,560	2,728,322	1,728,322	1,728,322
Federal Funds			(5,557,915)	1,041,190	1,041,190	1,041,190
Revolving Funds			600,000	79,500,000	(500,000)	(500,000)
Total			13,151,396	110,514,111	136,294,581	188,300,871

## Appendix B

### General Fund Appropriations by Agency

		FY2010-11 w/o deficits	FY2011-12			FY2012-13			Change over Prior Year (excludes deficits)			
			Per 2011 Session	2012 Deficits	Revised Per 2012 Session	Per 2011 Session	2012 Changes	Revised Per 2012 Session	FY12 \$ Change	FY12 % Change	FY13 \$ Change	FY13 % Change
#03 Legislative Council	Oper	17,550,553	17,871,857	0	17,871,857	17,977,091	0	17,977,091	321,304	1.8%	105,234	0.6%
#03 Legislative Council	Total	17,550,553	17,871,857	0	17,871,857	17,977,091	0	17,977,091	321,304	1.8%	105,234	0.6%
#05 Supreme Court	Oper	70,264,041	74,874,064	0	74,874,064	75,654,066	0	75,654,066	4,610,023	6.6%	780,002	1.0%
#05 Supreme Court	Total	70,264,041	74,874,064	0	74,874,064	75,654,066	0	75,654,066	4,610,023	6.6%	780,002	1.0%
#07 Governor	Oper	1,636,049	1,631,635	0	1,631,635	1,652,727	0	1,652,727	(4,414)	-0.3%	21,092	1.3%
#07 Governor	Total	1,636,049	1,631,635	0	1,631,635	1,652,727	0	1,652,727	(4,414)	-0.3%	21,092	1.3%
#08 Lt. Governor	Oper	143,285	143,423	0	143,423	143,610	0	143,610	138	0.1%	187	0.1%
#08 Lt. Governor	Total	143,285	143,423	0	143,423	143,610	0	143,610	138	0.1%	187	0.1%
#09 Secretary of State	Oper	448,368	442,212	0	442,212	444,708	0	444,708	(6,156)	-1.4%	2,496	0.6%
#09 Secretary of State	Total	448,368	442,212	0	442,212	444,708	0	444,708	(6,156)	-1.4%	2,496	0.6%
#10 State Auditor	Oper	2,343,098	2,147,685	0	2,147,685	2,184,391	0	2,184,391	(195,413)	-8.3%	36,706	1.7%
#10 State Auditor	Total	2,343,098	2,147,685	0	2,147,685	2,184,391	0	2,184,391	(195,413)	-8.3%	36,706	1.7%
#11 Attorney General	Oper	5,943,070	7,713,160	30,000	7,743,160	5,795,369	20,000	5,815,369	1,770,090	29.8%	(1,897,791)	-24.6%
#11 Attorney General	Total	5,943,070	7,713,160	30,000	7,743,160	5,795,369	20,000	5,815,369	1,770,090	29.8%	(1,897,791)	-24.6%
#12 State Treasurer	Aid	17,023,857	0	0	0	0	0	0	(17,023,857)	-100.0%	0	na
#12 State Treasurer	Oper	1,513,782	1,387,516	75,000	1,462,516	1,389,129	0	1,389,129	(126,266)	-8.3%	1,613	0.1%
#12 State Treasurer	Total	18,537,639	1,387,516	75,000	1,462,516	1,389,129	0	1,389,129	(17,150,123)	-92.5%	1,613	0.1%
#13 Education	Aid	1,006,343,095	1,008,042,169	0	1,008,042,169	1,068,008,001	(27,574,876)	1,040,433,125	1,699,074	0.2%	32,390,956	3.2%
#13 Education	Oper	17,662,993	15,972,467	0	15,972,467	16,097,774	75,000	16,172,774	(1,690,526)	-9.6%	200,307	1.3%
#13 Education	Total	1,024,006,088	1,024,014,636	0	1,024,014,636	1,084,105,775	(27,499,876)	1,056,605,899	8,548	0.0%	32,591,263	3.2%
#14 Public Service Comm	Oper	2,509,079	2,334,926	10,225	2,345,151	2,359,563	0	2,359,563	(174,153)	-6.9%	24,637	1.1%
#14 Public Service Comm	Total	2,509,079	2,334,926	10,225	2,345,151	2,359,563	0	2,359,563	(174,153)	-6.9%	24,637	1.1%
#15 Parole Board	Oper	799,188	806,321	0	806,321	819,249	0	819,249	7,133	0.9%	12,928	1.6%
#15 Parole Board	Total	799,188	806,321	0	806,321	819,249	0	819,249	7,133	0.9%	12,928	1.6%
#16 Revenue	Aid	66,396,500	72,300,000	(4,200,000)	68,100,000	77,700,000	(5,200,000)	72,500,000	5,903,500	8.9%	200,000	0.3%
#16 Revenue	Oper	27,071,402	25,792,617	0	25,792,617	25,447,374	0	25,447,374	(1,278,785)	-4.7%	(345,243)	-1.3%
#16 Revenue	Total	93,467,902	98,092,617	(4,200,000)	93,892,617	103,147,374	(5,200,000)	97,947,374	4,624,715	4.9%	(145,243)	-0.1%

		FY2010-11 w/o deficits	FY2011-12			FY2012-13			Change over Prior Year (excludes deficits)			
			Per 2011 Session	2012 Deficits	Revised Per 2012 Session	Per 2011 Session	2012 Changes	Revised Per 2012 Session	FY12	FY12	FY13	FY13
									\$ Change	% Change	\$ Change	% Change
#18 Agriculture	Oper	6,128,426	5,554,886	0	5,554,886	5,618,857	0	5,618,857	(573,540)	-9.4%	63,971	1.2%
#18 Agriculture	Total	6,128,426	5,554,886	0	5,554,886	5,618,857	0	5,618,857	(573,540)	-9.4%	63,971	1.2%
#21 Fire Marshal	Oper	4,293,454	3,934,637	0	3,934,637	3,991,920	0	3,991,920	(358,817)	-8.4%	57,283	1.5%
#21 Fire Marshal	Total	4,293,454	3,934,637	0	3,934,637	3,991,920	0	3,991,920	(358,817)	-8.4%	57,283	1.5%
#23 Labor	Oper	542,072	489,927	0	489,927	497,939	0	497,939	(52,145)	-9.6%	8,012	1.6%
#23 Labor	Total	542,072	489,927	0	489,927	497,939	0	497,939	(52,145)	-9.6%	8,012	1.6%
#25 HHS System	Aid	931,792,389	1,036,022,540	4,700,000	1,040,722,540	1,075,747,340	39,721,892	1,115,469,232	104,230,151	11.2%	79,446,692	7.7%
#25 HHS System	Oper	252,915,827	219,347,008	2,597,014	221,944,022	225,177,598	13,500,031	238,677,629	(33,568,819)	-13.3%	19,330,621	8.8%
#25 HHS System	Total	1,184,708,216	1,255,369,548	7,297,014	1,262,666,562	1,300,924,938	53,221,923	1,354,146,861	70,661,332	6.0%	98,777,313	7.9%
#27 Roads	Oper	2,429	0	0	0	0	0	0	(2,429)	-100.0%	0	na
#27 Roads	Total	2,429	0	0	0	0	0	0	(2,429)	-100.0%	0	na
#28 Veterans Affairs	Oper	1,115,761	1,108,586	0	1,108,586	1,127,666	0	1,127,666	(7,175)	-0.6%	19,080	1.7%
#28 Veterans Affairs	Total	1,115,761	1,108,586	0	1,108,586	1,127,666	0	1,127,666	(7,175)	-0.6%	19,080	1.7%
#29 Natural Resources	Aid	7,611,628	5,958,361	0	5,958,361	5,958,361	0	5,958,361	(1,653,267)	-21.7%	0	0.0%
#29 Natural Resources	Oper	9,304,414	10,286,686	0	10,286,686	10,397,171	0	10,397,171	982,272	10.6%	110,485	1.1%
#29 Natural Resources	Total	16,916,042	16,245,047	0	16,245,047	16,355,532	0	16,355,532	(670,995)	-4.0%	110,485	0.7%
#31 Military Dept	Aid	988,775	988,775	8,900,000	9,888,775	988,775	0	988,775	0	0.0%	0	0.0%
#31 Military Dept	Oper	3,695,668	3,653,446	0	3,653,446	3,687,973	0	3,687,973	(42,222)	-1.1%	34,527	0.9%
#31 Military Dept	Total	4,684,443	4,642,221	8,900,000	13,542,221	4,676,748	0	4,676,748	(42,222)	-0.9%	34,527	0.7%
#32 Ed Lands & Funds	Oper	335,310	305,465	0	305,465	310,575	0	310,575	(29,845)	-8.9%	5,110	1.7%
#32 Ed Lands & Funds	Total	335,310	305,465	0	305,465	310,575	0	310,575	(29,845)	-8.9%	5,110	1.7%
#33 Game & Parks	Aid	44,222	42,011	0	42,011	42,011	0	42,011	(2,211)	-5.0%	0	0.0%
#33 Game & Parks	Oper	11,507,092	10,709,153	51,000	10,760,153	10,833,605	0	10,833,605	(797,939)	-6.9%	124,452	1.2%
#33 Game & Parks	Total	11,551,314	10,751,164	51,000	10,802,164	10,875,616	0	10,875,616	(800,150)	-6.9%	124,452	1.2%
#34 Library Commission	Aid	1,131,378	1,043,240	0	1,043,240	1,043,240	0	1,043,240	(88,138)	-7.8%	0	0.0%
#34 Library Commission	Oper	2,489,223	2,324,875	0	2,324,875	2,390,260	12,500	2,402,760	(164,348)	-6.6%	77,885	3.4%
#34 Library Commission	Total	3,620,601	3,368,115	0	3,368,115	3,433,500	12,500	3,446,000	(252,486)	-7.0%	77,885	2.3%
#35 Liquor Control	Oper	957,770	962,331	0	962,331	973,825	0	973,825	4,561	0.5%	11,494	1.2%
#35 Liquor Control	Total	957,770	962,331	0	962,331	973,825	0	973,825	4,561	0.5%	11,494	1.2%
#46 Correctional Services	Aid	3,640,210	0	0	0	0	0	0	(3,640,210)	-100.0%	0	na
#46 Correctional Services	Oper	142,575,132	156,102,931	0	156,102,931	157,059,844	0	157,059,844	13,527,799	9.5%	956,913	0.6%
#46 Correctional Services	Total	146,215,342	156,102,931	0	156,102,931	157,059,844	0	157,059,844	9,887,589	6.8%	956,913	0.6%

		FY2010-11 w/o deficits	FY2011-12			FY2012-13			Change over Prior Year (excludes deficits)			
			Per 2011 Session	2012 Deficits	Revised Per 2012 Session	Per 2011 Session	2012 Changes	Revised Per 2012 Session	FY12	FY12	FY13	FY13
									\$ Change	% Change	\$ Change	% Change
#47 NETC	Oper	9,498,750	9,499,670	0	9,499,670	9,558,708	0	9,558,708	920	0.0%	59,038	0.6%
#47 NETC	Total	9,498,750	9,499,670	0	9,499,670	9,558,708	0	9,558,708	920	0.0%	59,038	0.6%
#48 Coordinating Comm	Aid	6,863,406	6,918,156	0	6,918,156	6,918,156	75,000	6,993,156	54,750	0.8%	75,000	1.1%
#48 Coordinating Comm	Oper	1,213,855	1,166,756	31,900	1,198,656	1,185,157	3,324	1,188,481	(47,099)	-3.9%	21,725	1.9%
#48 Coordinating Comm	Total	8,077,261	8,084,912	31,900	8,116,812	8,103,313	78,324	8,181,637	7,651	0.1%	96,725	1.2%
#50 State Colleges	Oper	45,369,972	44,846,037	0	44,846,037	45,450,893	0	45,450,893	(523,935)	-1.2%	604,856	1.3%
#50 State Colleges	Total	45,369,972	44,846,037	0	44,846,037	45,450,893	0	45,450,893	(523,935)	-1.2%	604,856	1.3%
#51 University of Nebraska	Oper	494,720,104	491,278,349	0	491,278,349	497,771,940	0	497,771,940	(3,441,755)	-0.7%	6,493,591	1.3%
#51 University of Nebraska	Total	494,720,104	491,278,349	0	491,278,349	497,771,940	0	497,771,940	(3,441,755)	-0.7%	6,493,591	1.3%
#54 Historical Society	Oper	4,194,912	3,797,693	59,012	3,856,705	3,853,605	61,720	3,915,325	(397,219)	-9.5%	117,632	3.1%
#54 Historical Society	Total	4,194,912	3,797,693	59,012	3,856,705	3,853,605	61,720	3,915,325	(397,219)	-9.5%	117,632	3.1%
#64 State Patrol	Oper	55,891,491	53,690,860	0	53,690,860	54,253,448	0	54,253,448	(2,200,631)	-3.9%	562,588	1.0%
#64 State Patrol	Total	55,891,491	53,690,860	0	53,690,860	54,253,448	0	54,253,448	(2,200,631)	-3.9%	562,588	1.0%
#65 Admin Services (DAS)	Oper	8,020,421	7,327,181	0	7,327,181	7,638,096	0	7,638,096	(693,240)	-8.6%	310,915	4.2%
#65 Admin Services (DAS)	Total	8,020,421	7,327,181	0	7,327,181	7,638,096	0	7,638,096	(693,240)	-8.6%	310,915	4.2%
#67 Equal Opportunity	Oper	1,276,113	1,152,618	0	1,152,618	1,178,277	0	1,178,277	(123,495)	-9.7%	25,659	2.2%
#67 Equal Opportunity	Total	1,276,113	1,152,618	0	1,152,618	1,178,277	0	1,178,277	(123,495)	-9.7%	25,659	2.2%
#68 Mexican-American	Oper	195,837	175,950	0	175,950	178,681	0	178,681	(19,887)	-10.2%	2,731	1.6%
#68 Mexican-American	Total	195,837	175,950	0	175,950	178,681	0	178,681	(19,887)	-10.2%	2,731	1.6%
#69 Arts Council	Aid	847,854	838,069	0	838,069	838,069	0	838,069	(9,785)	-1.2%	0	0.0%
#69 Arts Council	Oper	585,033	529,648	0	529,648	538,267	0	538,267	(55,385)	-9.5%	8,619	1.6%
#69 Arts Council	Total	1,432,887	1,367,717	0	1,367,717	1,376,336	0	1,376,336	(65,170)	-4.5%	8,619	0.6%
#70 Foster Care Review	Oper	1,357,694	1,355,920	0	1,355,920	1,379,348	0	1,379,348	(1,774)	-0.1%	23,428	1.7%
#70 Foster Care Review	Total	1,357,694	1,355,920	0	1,355,920	1,379,348	0	1,379,348	(1,774)	-0.1%	23,428	1.7%
#72 Economic Development	Aid	1,545,922	7,200,000	0	7,200,000	7,200,000	156,396	7,356,396	5,654,078	365.7%	156,396	2.2%
#72 Economic Development	Oper	4,754,074	4,457,423	0	4,457,423	4,507,955	(156,396)	4,351,559	(296,651)	-6.2%	(105,864)	-2.4%
#72 Economic Development	Total	6,299,996	11,657,423	0	11,657,423	11,707,955	0	11,707,955	5,357,427	85.0%	50,532	0.4%
#76 Indian Commission	Oper	223,535	179,486	0	179,486	167,410	0	167,410	(44,049)	-19.7%	(12,076)	-6.7%
#76 Indian Commission	Total	223,535	179,486	0	179,486	167,410	0	167,410	(44,049)	-19.7%	(12,076)	-6.7%
#77 Industrial Relations	Oper	309,981	281,161	18,600	299,761	284,108	18,600	302,708	(28,820)	-9.3%	21,547	7.7%
#77 Industrial Relations	Total	309,981	281,161	18,600	299,761	284,108	18,600	302,708	(28,820)	-9.3%	21,547	7.7%

		FY2010-11 w/o deficits	FY2011-12			FY2012-13			Change over Prior Year (excludes deficits)			
			Per 2011 Session	2012 Deficits	Revised Per 2012 Session	Per 2011 Session	2012 Changes	Revised Per 2012 Session	FY12 \$ Change	FY12 % Change	FY13 \$ Change	FY13 % Change
#78 Crime Commission	Aid	2,166,328	2,301,403	0	2,301,403	2,301,403	0	2,301,403	135,075	6.2%	0	0.0%
#78 Crime Commission	Oper	8,722,109	3,243,305	0	3,243,305	3,272,518	0	3,272,518	(5,478,804)	-62.8%	29,213	0.9%
#78 Crime Commission	Total	10,888,437	5,544,708	0	5,544,708	5,573,921	0	5,573,921	(5,343,729)	-49.1%	29,213	0.5%
#81 Blind & Visually Impaired	Aid	176,890	176,890	0	176,890	176,890	0	176,890	0	0.0%	0	0.0%
#81 Blind & Visually Impaired	Oper	835,295	837,324	0	837,324	846,113	0	846,113	2,029	0.2%	8,789	1.0%
#81 Blind & Visually Impaired	Total	1,012,185	1,014,214	0	1,014,214	1,023,003	0	1,023,003	2,029	0.2%	8,789	0.9%
#82 Deaf & Hard of Hearing	Oper	836,115	838,373	0	838,373	848,782	0	848,782	2,258	0.3%	10,409	1.2%
#82 Deaf & Hard of Hearing	Total	836,115	838,373	0	838,373	848,782	0	848,782	2,258	0.3%	10,409	1.2%
#83 Community Colleges	Aid	86,758,025	86,758,025	0	86,758,025	87,870,147	0	87,870,147	0	0.0%	1,112,122	1.3%
#83 Community Colleges	Total	86,758,025	86,758,025	0	86,758,025	87,870,147	0	87,870,147	0	0.0%	1,112,122	1.3%
#84 Environmental Quality	Aid	4,304,996	2,638,396	0	2,638,396	2,446,846	0	2,446,846	(1,666,600)	-38.7%	(191,550)	-7.3%
#84 Environmental Quality	Oper	3,264,821	5,279,921	0	5,279,921	3,323,012	0	3,323,012	2,015,100	61.7%	(1,956,909)	-37.1%
#84 Environmental Quality	Total	7,569,817	7,918,317	0	7,918,317	5,769,858	0	5,769,858	348,500	4.6%	(2,148,459)	-27.1%
#85 Retirement Board	Oper	27,420,010	28,344,698	0	28,344,698	29,629,917	361,408	29,991,325	924,688	3.4%	1,646,627	5.8%
#85 Retirement Board	Total	27,420,010	28,344,698	0	28,344,698	29,629,917	361,408	29,991,325	924,688	3.4%	1,646,627	5.8%
#87 Account/Disclosure	Oper	410,932	401,814	0	401,814	407,548	0	407,548	(9,118)	-2.2%	5,734	1.4%
#87 Account/Disclosure	Total	410,932	401,814	0	401,814	407,548	0	407,548	(9,118)	-2.2%	5,734	1.4%
#93 Tax Equal/Review Comm	Oper	815,044	694,660	0	694,660	683,640	0	683,640	(120,384)	-14.8%	(11,020)	-1.6%
#93 Tax Equal/Review Comm	Total	815,044	694,660	0	694,660	683,640	0	683,640	(120,384)	-14.8%	(11,020)	-1.6%
Capital Construction	Const	13,802,233	14,027,233	0	14,027,233	14,602,233	6,170,000	20,772,233	225,000	1.6%	6,745,000	48.1%
OPERATIONS		1,253,663,584	1,225,276,661	4,372,751	1,229,649,412	1,238,989,707	13,896,187	1,252,885,894	(28,386,923)	-2.3%	27,609,233	2.3%
STATE AID		2,137,635,475	2,231,228,035	9,400,000	2,240,628,035	2,337,239,239	7,178,412	2,344,417,651	93,592,560	4.4%	113,189,616	5.1%
CONSTRUCTION		13,802,233	14,027,233	0	14,027,233	14,602,233	6,170,000	20,772,233	225,000	1.6%	6,745,000	48.1%
TOTAL GENERAL FUNDS		3,405,101,292	3,470,531,929	13,772,751	3,484,304,680	3,590,831,179	27,244,599	3,618,075,778	65,430,637	1.9%	147,543,849	4.3%

## Appendix C

### General Fund Appropriations by State Aid Program

		FY2010-11 w/o Deficits	FY2011-12			FY2012-13			Change over Prior Year (exclude deficits)			
			Per 2011 Session	2012 Deficits	Revised 2012 Session	Per 2011 Sess	2012 Change	Revised 2012 Session	FY12 \$ Change	FY12 % Change	FY13 \$ Change	FY13 % Change
Treasurer	Aid to NRD's	1,436,069	0	0	0	0	0	0	(1,436,069)	-100.0%	0	na
Treasurer	Aid to Cities	10,964,566	0	0	0	0	0	0	(10,964,566)	-100.0%	0	na
Treasurer	Aid to Counties	4,623,222	0	0	0	0	0	0	(4,623,222)	-100.0%	0	na
Education	State Aid to Education (TEEOSA)	796,734,560	804,689,087	0	804,689,087	864,654,919	(27,574,876)	837,080,043	7,954,527	1.0%	32,390,956	4.0%
Education	Special Education	184,893,842	184,893,842	0	184,893,842	184,893,842	0	184,893,842	0	0.0%	0	0.0%
Education	Aid to ESU's	14,791,327	14,051,761	0	14,051,761	14,051,761	0	14,051,761	(739,566)	-5.0%	0	0.0%
Education	High ability learner programs	2,175,673	0	0	0	0	0	0	(2,175,673)	-100.0%	0	na
Education	Early Childhood program	3,365,962	0	0	0	0	0	0	(3,365,962)	-100.0%	0	na
Education	School Lunch	392,032	392,032	0	392,032	392,032	0	392,032	0	0.0%	0	0.0%
Education	Textbook loan program	465,500	465,500	0	465,500	465,500	0	465,500	0	0.0%	0	0.0%
Education	School Breakfast reimbursement	427,260	453,008	0	453,008	453,008	0	453,008	25,748	6.0%	0	0.0%
Education	Adult Education	214,664	214,664	0	214,664	214,664	0	214,664	0	0.0%	0	0.0%
Education	Learning Communities Aid	882,275	882,275	0	882,275	882,275	0	882,275	0	0.0%	0	0.0%
Education	Vocational Rehabilitation	2,000,000	2,000,000	0	2,000,000	2,000,000	0	2,000,000	0	0.0%	0	0.0%
Revenue	County Property Tax Relief	1,396,500	0	0	0	0	0	0	(1,396,500)	-100.0%	0	na
Revenue	Homestead Exemption	65,000,000	72,300,000	(4,200,000)	68,100,000	77,700,000	(5,200,000)	72,500,000	7,300,000	11.2%	200,000	0.3%
HHS System	Behavioral Health Aid	74,721,481	74,810,767	(3,700,000)	71,110,767	74,952,023	181,196	75,133,219	89,286	0.1%	322,452	0.4%
HHS System	Medical student assistance/RHOP	637,086	637,086	0	637,086	637,086	0	637,086	0	0.0%	0	0.0%
HHS System	Childrens Health Insurance	11,634,438	9,932,192	(1,300,000)	8,632,192	13,036,419	(702,050)	12,334,369	(1,702,246)	-14.6%	2,402,177	24.2%
HHS System	Public Assistance	248,124,986	239,522,936	27,295,642	266,818,578	243,518,332	18,846,551	262,364,883	(8,602,050)	-3.5%	22,841,947	9.5%
HHS System	Medicaid	489,426,763	599,909,134	(17,595,642)	582,313,492	630,241,604	16,331,590	646,573,194	110,482,371	22.6%	46,664,060	7.8%
HHS System	Community develop disabilities aid	90,573,431	94,652,981	0	94,652,981	96,804,432	5,073,939	101,878,371	4,079,550	4.5%	7,225,390	7.6%
HHS System	Community health centers	3,867,394	3,767,394	0	3,767,394	3,767,394	(9,334)	3,758,060	(100,000)	-2.6%	(9,334)	-0.2%
HHS System	Public Health Aid	4,807,372	4,790,612	0	4,790,612	4,790,612	0	4,790,612	(16,760)	-0.3%	0	0.0%
HHS System	Care Management	2,033,123	2,033,123	0	2,033,123	2,033,123	0	2,033,123	0	0.0%	0	0.0%
HHS System	Area agencies on aging	5,966,315	5,966,315	0	5,966,315	5,966,315	0	5,966,315	0	0.0%	0	0.0%
Nat Resources	Nebr Water Conservation Fund	2,318,036	2,318,036	0	2,318,036	2,318,036	0	2,318,036	0	0.0%	0	0.0%
Nat Resources	Resources Development Fund	3,140,325	3,140,325	0	3,140,325	3,140,325	0	3,140,325	0	0.0%	0	0.0%
Nat Resources	NRD Water Management grants	2,153,267	500,000	0	500,000	500,000	0	500,000	(1,653,267)	-76.8%	0	0.0%
Military Dept	Governors Emergency Fund	500,000	500,000	8,900,000	9,400,000	500,000	0	500,000	0	0.0%	0	0.0%
Military Dept	Guard tuition assistance	488,775	488,775	0	488,775	488,775	0	488,775	0	0.0%	0	0.0%



		FY2010-11 w/o Deficits	FY2011-12			FY2012-13			Change over Prior Year (exclude deficits)			
			Per 2011 Session	2012 Deficits	Revised 2012 Session	Per 2011 Sess	2012 Change	Revised 2012 Session	FY12 \$ Change	FY12 % Change	FY13 \$ Change	FY13 % Change
Game & Parks	Niobrara Council	44,222	42,011	0	42,011	42,011	0	42,011	(2,211)	-5.0%	0	0.0%
Library Comm	Local libraries	1,131,378	1,043,240	0	1,043,240	1,043,240	0	1,043,240	(88,138)	-7.8%	0	0.0%
Corrections	County jail cost reimbursement	3,640,210	0	0	0	0	0	0	(3,640,210)	-100.0%	0	na
Coord. Comm	Nebr Scholarship Program	6,418,156	6,418,156	0	6,418,156	6,418,156	0	6,418,156	0	0.0%	0	0.0%
Coord. Comm	Access College Early Scholarship	445,250	500,000	0	500,000	500,000	75,000	575,000	54,750	12.3%	75,000	15.0%
Arts Council	Aid to arts programs	661,654	595,489	0	595,489	595,489	0	595,489	(66,165)	-10.0%	661,654	595,489
Arts Council	Council on Humanities	186,200	167,580	0	167,580	167,580	0	167,580	(18,620)	-10.0%	186,200	167,580
Arts Council	Managing Mainstreet	0	75,000	0	75,000	75,000	0	75,000	75,000	na	0	75,000
Econ Develop	Managing Mainstreet	93,100	0	0	0	0	0	0	(93,100)	-100.0%	93,100	0
Econ Develop	Microenterprise Development Act	463,172	0	0	0	0	0	0	(463,172)	-100.0%	463,172	0
Econ Develop	Ag Opportunities/Value-Added grants	850,000	0	0	0	0	0	0	(850,000)	-100.0%	850,000	0
Econ Develop	Building Entrepreneurial Communities	139,650	0	0	0	0	0	0	(139,650)	-100.0%	139,650	0
Econ Develop	Business Innovation Act	0	7,000,000	0	7,000,000	7,000,000	156,396	7,156,396	7,000,000	na	0	7,000,000
Econ Develop	Small Business Innovation Act	0	200,000	0	200,000	200,000	0	200,000	200,000	na	0	200,000
Crime Comm	Juvenile services grants	587,812	587,812	0	587,812	587,812	0	587,812	0	0.0%	0	0.0%
Crime Comm	County Juvenile Services aid	1,492,500	1,477,575	0	1,477,575	1,477,575	0	1,477,575	(14,925)	-1.0%	0	0.0%
Crime Comm	Crimestoppers program	13,457	13,457	0	13,457	13,457	0	13,457	0	0.0%	0	0.0%
Crime Comm	Victim Witness assistance	52,559	52,559	0	52,559	52,559	0	52,559	0	0.0%	0	0.0%
Crime Comm	Crime Victims reparations	20,000	20,000	0	20,000	20,000	0	20,000	0	0.0%	0	0.0%
Crime Comm	Violence Prevention Grants	0	150,000	0	150,000	150,000	0	150,000	150,000	na	0	0.0%
Blind & Vis Imp	Blind rehabilitation	176,890	176,890	0	176,890	176,890	0	176,890	0	0.0%	0	0.0%
Comm Colleges	Aid to Community Colleges	86,758,025	86,758,025	0	86,758,025	87,870,147	0	87,870,147	0	0.0%	1,112,122	1.3%
Environ Cntrl	Superfund cleanup	1,980,000	813,400	0	813,400	621,850	0	621,850	(1,166,600)	-58.9%	(191,550)	-23.5%
Environ Cntrl	Storm Water Management grants	2,324,996	1,824,996	0	1,824,996	1,824,996	0	1,824,996	(500,000)	-21.5%	0	0.0%
Individuals/Other Local Government		946,598,966 1,191,036,509	1,057,283,733 1,173,944,302	4,700,000 4,700,000	1,061,983,733 1,178,644,302	1,097,008,533 1,240,230,706	39,953,288 (32,774,876)	1,136,961,821 1,207,455,830	110,684,767 (17,092,207)	11.7% -1.4%	79,678,088 33,511,528	7.5% 2.9%
Total General Fund State Aid		2,137,635,475	2,231,228,035	9,400,000	2,240,628,035	2,337,239,239	7,178,412	2,344,417,651	93,592,560	4.4%	113,189,616	5.1%