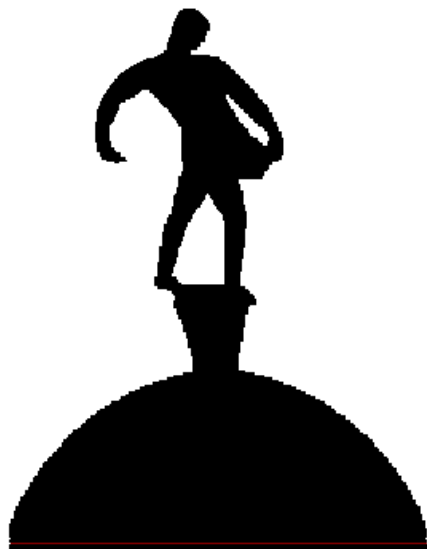


APPROPRIATIONS COMMITTEE

PRELIMINARY REPORT

**FY2013-14 / FY2014-15
BIENNIAL BUDGET**



NEBRASKA UNICAMERAL LEGISLATURE
ONE HUNDRED THIRD LEGISLATURE, FIRST SESSION
FEBRUARY 2013

MEMBERS OF THE APPROPRIATIONS COMMITTEE

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SUMMARY

This preliminary budget is the first of several stages in the budget process. It provides a starting point for discussion of the various budget actions suggested at this point in time. Subsequent to the hearings, the Appropriations Committee will formulate its' formal recommendation to the Legislature at which time floor debate and amendment will take place, followed by Governor vetoes and legislative overrides if any.

GENERAL FUND FINANCIAL STATUS

At Sine Die of the 2012 session, the projected financial status for the FY14/FY15 biennium reflected a \$619.4 million projected shortfall from the minimum reserve. At that point, FY14/FY15 was the "out year" in the five year financial status and there was no projection for FY16/FY17 biennium.

The financial status improved significantly in November 2012 when the TRR committee again met. The shortfall from the minimum reserve declined to \$195 million due to a variety of revenue and spending items. Original NEFAB forecasts for FY14 and FY15 were a combined \$238 million above the previously used preliminary LFO revenue estimates. Also the NEFAB increased their FY12-13 forecast by \$57.9 million however these amounts are shown as transferred to the Cash Reserve Fund as prescribed under current law for revenues above certified forecast. In addition to higher revenues, lower spending projections were used. Those projected appropriation levels used the latest estimates for TEEOSA school aid and information from the agency budget request. At that time, it was the best estimate of the costs of maintaining existing programs and services reflecting existing statute and policies. This provided a benchmark from which the policy makers could examine the changes to statute and policy choices that would be necessary to then actually balance the budget.

At that point there were several budget challenges in developing the FY14/FY15 biennial budget:

- (1) available revenues for FY14 and FY15 were \$129 million lower due to full implementation of bills enacted in the 2011 and 2012 legislative sessions; LB84 Build Nebraska Act (2011) and LB970 (2012) which provided for an income tax reduction. Although these bills were enacted in the FY12/FY13 biennium virtually all of the impact did not occur until the FY14/FY15 biennium,
- (2) TEEOSA school aid was projected to increase by 10.4% largely due to the expiration of several provisions of LB235 passed in the 2011 Session, 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.
- (3) defined benefit retirement plans had significant shortfalls projected for both FY14, and FY15 based on investment returns, and
- (4) additional costs for Medicaid and Children's Health Insurance (SCHIP) related to implementation of the federal Affordable Care Act (ACA) operative January 1, 2014.

The Appropriations Committee Preliminary Budget as set forth here, eliminated that \$195 million "shortfall" by a combination of cash fund transfers, lapse of prior year carryover appropriations, and lower than projected increases in the budget. The projected status for the FY14/FY15 biennium shows an ending balance of \$15.9 million above the minimum 3% reserve.

About 1/3 of the actions to balance are on the revenue side of which the bulk are transfers-in from several different cash funds. The other two-thirds of budget actions were on the spending side. *Of these spending actions the two largest items could be considered "cost avoidance". In the case of TEEOSA aid and costs for defined benefit retirement plans the preliminary budget assumes passage of legislation which would partially negate the increases that had previously been projected and incorporated into the financial status for the November meeting of the Tax Rate Review Committee.*

With respect to the following biennium in FY2015-16 and FY2016-17, the combination of 4.9% average spending growth and 5.6% revenue growth creates a positive structural balance (ie... difference between on-going revenue and on-going appropriations) resulting in a projected status with a projected ending balance about \$67 million above the minimum reserve.

GENERAL FUND REVENUE GROWTH

Revenue growth (adjusted for rate and base changes) is projected to be slightly under the 31 year historical average of 5.0%. Revenue estimates for FY2012-13, FY2013-14, and FY2014-15 are the October 2012 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Rate and base adjusted revenue growth implied by these current forecasts is 3.8% in FY12-13, 4.2% in FY13-14 and 4.9% in FY14-15. The two year average for FY14/FY15 is 4.5%.

While the rate and base adjusted revenue growth averages 4.5%, the unadjusted, "nominal" growth in revenues (or what's available to use in the financial status) has an average growth of only 3.3% reflecting the annualized impacts of LB84 Build Nebraska Act passed in 2011 and LB970 (2012) income tax reduction.

For the "following biennium", revenue growth is calculated at 5.6% per year using the historical average methodology. These calculated amounts are higher than preliminary, unofficial estimates prepared by the Nebraska Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) using Global Insight forecasting information but lower than those derived using Moody's.

The Nebraska Economic Forecast Advisory Board (NEFAB) is scheduled to meet February 28, 2013 and again in late April 2013 to review their existing forecasts. Changes in those forecasts could have a significant impact on the projected status as shown in this report.

GENERAL FUND SPENDING GROWTH

Budget growth in the Committee preliminary budget is 4.8% in FY14 and 4.8% in FY15 for a two year average of 4.8%. This is very close to the Governor's recommendation but significantly less than the pre-session estimate which had projected growth of 6.7% in FY13-14 and 4.6% in FY14-15 for an average of 5.6% over the biennium. Much of the decline in the projected spending growth is attributed to funding levels for both TEEOSA school aid and defined benefit retirement plans based on proposed legislation.

	Pre Session Est.		Governor		Committee Preliminary	
	<u>FY13-14</u>	<u>FY14-15</u>	<u>FY13-14</u>	<u>FY14-15</u>	<u>FY13-14</u>	<u>FY14-15</u>
Operations	6.0%	4.5%	3.2%	3.0%	2.6%	3.7%
State Aid to Individuals	5.8%	4.3%	7.8%	6.8%	7.5%	6.4%
State Aid to Local Govt	8.5%	4.9%	4.5%	4.6%	4.5%	4.6%
Construction	-6.0%	-2.6%	4.9%	2.6%	3.1%	-8.8%
Annual % Change	6.7%	4.6%	5.1%	4.7%	4.8%	4.8%

COMPARISON TO GOVERNORS RECOMMENDATION

The Governors proposed budget is higher than the Committee Preliminary budget by \$19.9 million over the biennium. This does not take into consideration \$16 million (\$8 million per year) left as an allocation for post hearing adjustments. The following table details most of the differences in appropriations

<u>Major Differences from Governor (Major Items)</u>	<u>FY2013-14</u>	<u>FY2014-15</u>	<u>Two Yr Total</u>
University of Nebraska	(7,895,030)	(17,791,899)	(25,686,929)
ACA Health Care reform	(4,000,000)	(8,300,000)	(12,300,000)
Develop Disability Rate methodology	(2,041,508)	(4,069,007)	(6,110,515)
Construction-Chemical dependency unit, HRC	0	(3,321,000)	(3,321,000)
State Colleges	(686,473)	(1,382,041)	(2,068,514)
Community Colleges	(424,545)	(941,449)	(1,365,994)
Retirement, K-12 School/Judges/Patrol	(157,804)	19,808,731	19,650,927
Develop Disability Waiting List	2,000,000	4,000,000	6,000,000
Early Childhood (shift back to Gen Fund)	698,100	708,328	1,406,428
Salary increases (State Agencies)	621,866	1,255,369	1,877,235
All Other not listed (net)	704,157	1,266,525	1,970,682
Total Difference, Committee vs Governor	(11,181,237)	(8,766,443)	(19,947,680)

CASH RESERVE FUND

The Cash Reserve Fund unobligated balance at the end of the current FY12/FY13 biennium is projected at \$384.1 million. This is based on all existing statutory transfers and assumes repayment of the remaining \$4.99 million transferred to the Water Contingency Fund in FY2007-08.

The balance is projected to increase to \$442 million in the FY14/FY15 biennium if revenues meet forecast levels. The current FY12-13 revenue forecast is \$57.9 million above the certified forecast and that amount would be transferred to the Cash Reserve Fund in FY13-14 under current law if the forecasted revenue level is achieved.

The Appropriations Committee Preliminary Budget does not utilize any Cash Reserve Fund monies. The Governors recommendation includes a \$47 million transfer to the Nebraska Capital Construction Fund (NCCF) for the purpose of replacing the Grand Island Veterans Home facilities. The Cash Reserve Fund would then be reimbursed by a transfer from the General Fund in the following biennium.

GENERAL FUND FINANCIAL STATUS

Table 1 shown below includes the projected General Fund Financial Status based on the Appropriations Committee Preliminary budget. Furthermore, for planning purposes, an estimated financial status is also constructed for the following biennium allowing the Legislature to see the future implications of budget actions already taken or being considered.

Table 1 – General Fund Financial Status per Committee Preliminary Budget

	Current Yr FY2012-13	Upcoming Biennium		Following Biennium	
		FY2013-14	FY2014-15	FY2015-16	FY2016-17
1 BEGINNING BALANCE					
2 Beginning Cash Balance	498,526,356	288,547,180	253,425,301	251,059,765	256,070,398
3 Cash Reserve transfers-automatic	(104,789,781)	(57,934,000)	0	0	0
4 Carryover obligations from FY 12	(267,812,760)	0	0	0	0
5 Lapse FY 12 / FY 13 reappropriations	5,046,613	0	0	0	0
6 Allocation for potential deficits	0	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	130,970,428	225,613,180	248,425,301	246,059,765	251,070,398
8 REVENUES					
9 Net Receipts (Oct 2012 NEFAB+Hist Avg)	3,825,000,000	3,922,000,000	4,080,000,000	4,343,000,000	4,593,000,000
10 General Fund transfers-out	(114,700,000)	(116,800,000)	(116,800,000)	(116,800,000)	(116,800,000)
11 General Fund transfers-in in forecast		37,200,000	37,200,000	0	0
12 Cash Reserve transfers (current law)	78,000,000	0	0	0	0
13 Cash Reserve transfers (new)	0	0	0	0	0
14 2013 Revenue Bills	0	0	0	0	0
15 General Fund Net Revenues	3,788,300,000	3,842,400,000	4,000,400,000	4,226,200,000	4,476,200,000
16 APPROPRIATIONS					
17 Appropriations (current law)	3,632,423,755	3,632,423,755	3,632,423,755	3,632,423,755	3,632,423,755
18 2013 Mainline Budget Actions - Projected	(2,223,316)	174,164,124	357,341,781	357,341,781	357,341,781
19 Projected budget increases, follow ing biennium	--	--	--	218,423,831	401,685,140
20 2013 State Claims	522,809	0	0	0	0
21 2013 "A" Bills	0	0	0	0	0
22 Allocation for Post Hearing adjustments	0	8,000,000	8,000,000	8,000,000	8,000,000
22 General Fund Appropriations	3,630,723,248	3,814,587,879	3,997,765,536	4,216,189,367	4,399,450,676
23 ENDING BALANCE					
24 Dollar ending balance (Financial Status as show n)	288,547,180	253,425,301	251,059,765	256,070,398	327,819,722
25 Dollar ending balance (at Minimum Reserve)			235,147,957		260,780,382
26 Excess (shortfall) from Minimum Reserve			15,911,808		67,039,340
27 Biennial Reserve (%)			3.2%		3.8%
General Fund Appropriations					
28 Annual % Change - Appropriations (w/o deficits)	4.7%	4.8%	4.8%	5.5%	4.4%
29 Tw o Year Average	3.3%	--	4.8%	--	4.9%
General Fund Revenues					
30 Est. Revenue Grow th (rate/base adjusted)	3.9%	4.2%	4.9%	5.6%	5.6%
31 Tw o Year Average	4.7%	--	4.5%	--	5.6%
32 Unadjusted change over prior year	3.5%	2.5%	4.0%	6.4%	5.8%
33 Tw o Year Average	4.6%	-	3.3%	-	6.1%
34 Structural Revenues vs Appropriations	79,576,752	27,812,121	2,634,464	10,010,633	76,749,324

Chronology of the Financial Status

At Sine Die 2012, the projected financial status for the FY14/FY15 biennium reflected a \$619.4 million projected shortfall from the minimum reserve. At that point, FY14/FY15 was the "out year" in the five year financial status and there was no projection for FY16/FY17 biennium. At the July 2012 meeting of the Tax Rate Review Committee (TRR), the General Fund financial status declined slightly to \$624.4 million below the minimum reserve. FY2011-12 revenues were \$52.9 million above forecast but under current law revenues above the certified forecast are transferred to the Cash Reserve Fund.

Impact on Variance from Min Reserve (Millions of Dollars)	July 2012 TRR Committee			
	FY13	FY14	FY15	Total
Carryover obligations from FY10-11	0.0	0.0	0.0	0.2
FY12 Actual vs Est General Fund Net Receipts	0.0	0.0	0.0	52.9
FY12 Actual vs Est CRF transfers-automatic	(52.9)	0.0	0.0	(52.9)
FY12 Actual vs Est Accounting adjustment	0.0	0.0	0.0	(5.0)
Total Change – July 2012 TRR Committee				(4.6)

The financial status improved significantly in November 2012 when the TRR committee again met. The shortfall from the minimum reserve declined from \$624.4million to \$195 million due to a variety of revenue and spending items. Original NEFAB forecasts for FY14 and FY15 were a combined \$238 million above the previously used preliminary LFO revenue estimates. Also the NEFAB increased their FY12-13 forecast by \$57.9 million however these amounts are shown as transferred to the Cash Reserve Fund as prescribed under current law for revenues above certified forecast.

In addition to higher revenues, lower spending projections were used. Those projected appropriation levels used the latest estimates for TEEOSA school aid and information from the agency budget request.

Impact on Variance from Min Reserve (Millions of Dollars)	November 2012 TRR Committee			
	FY13	FY14	FY15	Total
Revenue Forecasts (revised / original Oct 2012)	57.9	97.7	140.2	295.8
"Above certified" FY13 forecast to CRF	0.0	(57.9)	0.0	(57.9)
Change in Minimum Reserve	0.0	0.0	(6.7)	(6.7)
Subtotal-Revenue	57.9	39.7	133.4	231.1
Revised TEEOSA aid estimates (Oct 2012 Joint Meeting)	0.0	87.3	114.5	201.8
Public Assistance+Child Welfare (8.2% to adjusted request)	0.0	23.1	39.2	62.3
Medicaid (7.5% to adjusted request)	0.0	3.4	21.7	25.1
Health Insurance increase (10% to 5% and Higher Ed request)	0.0	9.6	16.3	25.9
Operations cost increases (est to 24/7 facility request)	0.0	4.6	10.0	14.6
Replace onetime cash, fund shifts (HHS)	0.0	6.4	6.4	12.8
Behavioral health (3% to 0% request)	0.0	2.0	4.3	6.3
Defined benefit retirement funding (est to request)	0.0	(30.8)	(55.8)	(86.6)
Health Care Reform	0.0	(12.3)	(26.7)	(39.0)
Inmate per diem costs (6% vs request)	0.0	(3.6)	(3.6)	(7.3)
Homestead exemption (3% to request)	0.0	(1.8)	(2.3)	(4.1)
Revised estimate of budget increases, all other	0.0	(1.8)	(1.7)	(3.5)
Developmental Disability aid (3% to transition only)	0.0	(1.2)	(2.0)	(3.2)
FY13 Transfers-Out (EPIC cancelled per GAO email 11/8/12)	1.0	0.0	0.0	1.0
Deficit requests vs \$5M	(7.8)	0.0	0.0	(7.8)
Subtotal-Appropriations	(6.8)	84.8	120.3	198.3
Total Change – November TRR Committee	51.1	124.6	253.7	429.4

The Appropriations Committee Preliminary Budget herein eliminated that "shortfall" by a combination of cash fund transfers, lapse of prior year carryover appropriations, and lower than projected increases in the budget. The projected status for the FY14/FY15 biennium shows an ending balance of \$15.9 million above the minimum 3% reserve.

About 1/3 of the actions to balance are on the revenue side of which the bulk are transfers-in from several different cash funds. The other two-thirds of budget actions were on the spending side. Of these spending actions the two largest items could be considered "cost avoidance". In the case of TEEOSA aid and costs for defined benefit retirement plans the preliminary budget assumes passage of legislation which would partially negate the increases that had previously been projected and incorporated into the financial status for the November meeting of the Tax Rate Review Committee.

Impact on Variance from Min Reserve (Millions of Dollars)	Committee Prelim Budget			
	FY11	FY12	FY13	Total
General Fund transfers-in (not in pre-session)	0.0	37.2	37.2	74.4
General Fund transfers-out (interest in Prop Tax Credits)	0.0	2.0	2.0	4.0
Lapse reappropriations	5.0	0.0	0.0	5.0
Change in Minimum Reserve	0.0	0.0	(2.9)	(2.9)
Subtotal - Revenue	5.0	39.2	36.3	80.6
Aid to K-12 Schools (TEEOSA), to 5% per year	0.0	45.3	57.2	102.6
Retirement contributions, pre-session vs \$21M	0.0	38.1	39.0	77.1
General Increases (University+State Colleges)	0.0	7.7	13.1	20.8
Employee Health Insurance	0.0	4.3	8.8	13.1
Homestead Exemption	0.0	5.1	4.6	9.7
Medicaid (w/o ACA, provider rate)	0.0	2.0	2.0	4.0
Early Childhood Aid, back to GF	0.0	1.7	1.7	3.4
ACA Health Care Reform (oper+aid)	0.0	(7.5)	(13.5)	(21.0)
DHHS provider rate increase	0.0	(14.6)	(29.7)	(44.4)
Special Education	0.0	(4.8)	(10.1)	(14.9)
Developmental Disability aid	0.0	(4.8)	(9.6)	(14.4)
Restore staffing,housing units (Corrections)	0.0	(2.8)	(2.8)	(5.5)
All Other appropriation changes	1.3	(1.2)	1.1	1.2
Deficits and Claims vs Nov TRR	14.5	0.0	0.0	14.5
Allocation for Post Hearing adjustments	0.0	(8.0)	(8.0)	(16.0)
Subtotal - Appropriations	15.8	60.5	54.0	130.3
Total Change – Appropriations Committee Prelim Budget	20.9	99.7	90.3	210.9

Table 2 Chronology of the Financial Status

(millions of dollars)	FY14 / FY15 Biennium	FY16 / FY17 Biennium
Variance from Minimum Reserve: Sine Die 2012 Session	(619.7)	NA
General Fund Net Receipts (Actual vs Est FY12)	52.9	--
Above certified FY12 receipts to Cash Reserve Fund	(52.9)	--
Accounting adjustment	(5.0)	--
Recalculate minimum reserve and accounting adjustment	2.2	--
Variance from Minimum Reserve: TRR July 2012	(624.3)	NA
Revised/initial revenue forecasts FY13, FY14 and FY15	295.8	--
Above certified est FY13 receipts to Cash Reserve Fund	(57.9)	--
Recalculate minimum 3% reserve	(6.9)	--
Variance from Minimum Reserve: NEFAB Oct 2012	(393.4)	NA
Revised estimate of FY13 deficits (vs \$5 million allocation)	(7.8)	--
Revised estimate of FY14/FY15 projected budget (2 yr total)	205.3	--
Recalculate minimum 3% reserve / cancelled transfer	1.0	--
Variance from Minimum Reserve: TRR Nov 2012	(195.0)	(206.9)
Lapse reappropriations	5.0	5.0
Deficits and Claims vs Nov TRR	14.5	14.5
General Fund transfers-in (not in pre-session)	74.4	74.4
General Fund transfers-out (interest in Prop Tax Credits)	4.0	8.0
Aid to K-12 Schools (TEEOSA), to 5% per year	102.6	132.6
Retirement contributions, pre-session vs \$21M	77.1	155.2
General Increases (University+State Colleges)	20.8	47.0
Employee Health Insurance	13.1	36.9
Homestead Exemption	9.7	18.9
Medicaid (w/o ACA, provider rate)	4.0	(5.5)
Early Childhood Aid, back to GF	3.4	6.8
Child Welfare aid	0.0	14.3
ACA Health Care Reform (oper+aid)	(21.0)	(29.6)
DHHS provider rate increase	(44.4)	(103.8)
Special Education	(14.9)	(35.0)
Allocation for Post Hearing adjustments	(16.0)	(32.0)
Restore staffing, housing units (Corrections)	(5.5)	(11.0)
Developmental Disability aid	(14.4)	(33.5)
All Other appropriation changes (with placeholder)	1.2	17.1
Change in Minimum Reserve	(2.9)	(6.3)
Committee Preliminary Budget	15.9	67.0

CASH RESERVE FUND

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the ending General Fund balance for a biennium) and was created as a separate and distinct fund to cover cash flow needs within a month or several month period. The Cash Reserve Fund also serves as a "rainy day fund" in that revenues in excess of a "certified forecast" are transferred from the General Fund to Cash Reserve fund at the end of a fiscal year. As the certified forecast is basically the revenue estimate at Sine Die when the budget is finalized, these transfers sequester revenues in excess of that which is needed to balance the budget. The Cash Reserve Fund unobligated balance at the end of of the current FY12/FY13 biennium is projected at \$384.1 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.

The **Appropriations Committee Preliminary Budget** does not utilize any Cash Reserve Fund monies. The Governor recommended using \$47 million to replace the facilities at the Grand Island Veterans Home with a subsequent reimbursement of that amount from the General Fund. This issue will be addressed during the budget hearings.

Table 3 - Cash Reserve Fund Cash Flow

	Estimated FY2012-13	Estimated FY2013-14	Estimated FY2014-15	Estimated FY2015-16	Estimated FY2016-17
Beginning Balance	428,878,372	384,120,027	442,054,027	442,054,027	442,054,027
Excess of certified forecasts (line 3 in Status)	104,789,781	57,934,000	0	0	0
To Gen Fund per current law	(78,000,000)	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	(80,000,000)	0	0	0	0
To Affordable Housing Trust fund	(1,000,000)	0	0	0	0
Repayment of Water Contingency transfer	4,990,198	0	0	0	0
EPIC cash flow transfers (LB379-2011)	4,461,676	0	0	0	0
Ending Balance	384,120,027	442,054,027	442,054,027	442,054,027	442,054,027

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 \$104,789,781 transfer in FY13 reflects the amount the FY2011-12 actual receipts were above certified. This was \$53 million above what was estimated at Sine Die 2012.

The \$57.9 million in FY14 reflects the amount that the NEFAB forecast in October 2012 for FY12-13 exceeds the July certified level and is just an estimate not an actual amount.

Transfers To / From General Fund

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 FY2012-13 under existing law include LB 379-2011 (\$68,000,000) and LB131-2012 (\$10,000,000) to assist in balancing the budgets in those respective sessions..

<u>Transfers to/from the General Fund</u>	<u>FY2012-13</u>	<u>FY2013-14</u>	<u>FY2014-15</u>	<u>FY2015-16</u>	<u>FY2016-17</u>
To GF, LB 379-2011)	(68,000,000)	0	0	0	0
To GF, LB131-2012	(10,000,000)	0	0	0	0
Net Transfers to/From General Fund	(78,000,000)	0	0	0	0

Transfers To/From Other Funds

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, \$3.6 million in FY12 and \$4.99 million in FY13.

Also LB379-2011 allowed transfers to be made to the Ethanol Production Incentive (EPIC) Fund for cash flow purposes. A total of \$4,461,676 was borrowed in FY2011-12 with repayment shown in FY2012-13.

In the 2012 session there were two transfers made to other funds. The first is a \$1 million transfer to the Affordable Housing Trust Fund which followed from notice of an 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.

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
	<hr/>
Transfers to NCCF	80,000,000

GENERAL FUND REVENUES

General Fund Revenue Forecasts

Revenue Forecasts - Current Biennium (FY13, FY14 and FY15)

Revenue estimates for FY2012-13, FY2013-14 and FY2014-15 are the October 2012 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Revenue growth implied by the forecasts for the FY14/FY15 biennium average 4.5% (3.9% in FY13-14 and 4.9% in FY14-15). When including the 3.9% growth in FY12-13 forecast, this provides an average growth of about 4.3% over the three years that affect the financial status for the upcoming biennium.

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) and LB970 (2012) which provided for a phased-in income tax reduction. This does not impact the calculated adjusted revenue growth as the growth calculations are all rate and base adjusted. However it does affect the amount of funds collected and available which is reflected in the nominal growth calculations.

Legislation	FY2012-13	FY2013-14	FY2014-15
Build Nebraska Act, highway system (LB84-2011)	0	(58,727,000)	(73,552,000)
Change income tax brackets and rates (LB970-2012)	(7,863,000)	(33,706,000)	(55,608,000)
Total General Fund Impact	(7,863,000)	(92,433,000)	(129,160,000)

THE FORECAST BOARD WILL MEET ON THURSDAY FEBRUARY 28, 2013 AND AGAIN IN LATE APRIL 2013 TO REVIEW THE CURRENT FORECASTS. CHANGES TO THESE FORECASTS WILL RESULT IN CHANGES TO THE PROJECTED FINANCIAL STATUS AS NOTED IN THIS REPORT

Revenue Forecasts - Following Biennium (FY16 and FY17)

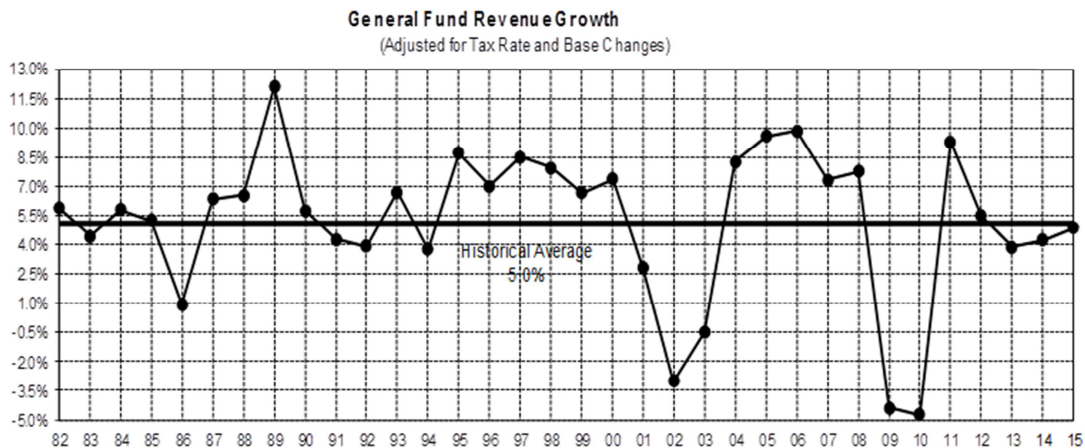
The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY15-16 and FY16-17) in the current financial status are prepared by the 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 (FY12 to FY17) roughly equal to the historical average from FY81 to FY12 (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 5.6%. This is slightly above the 31 year average reflecting the slightly below average growth inherent in the NEFAB forecasts, for FY13 to FY15.

Table 4 General Fund Revenue Forecasts

	NEFAB FY2012-13	NEFAB FY2013-14	NEFAB FY2014-15	LFO Prelim FY2015-16	LFO Prelim FY2016-17
Actual/Forecast					
Sales and Use Tax	1,480,000,000	1,490,000,000	1,550,000,000	1,628,000,000	1,707,000,000
Individual Income Tax	1,915,000,000	2,010,000,000	2,095,000,000	2,262,000,000	2,442,000,000
Corporate Income Tax	240,000,000	255,000,000	270,000,000	276,000,000	280,000,000
Miscellaneous receipts	190,000,000	167,000,000	165,000,000	177,000,000	164,000,000
Total	3,825,000,000	3,922,000,000	4,080,000,000	4,343,000,000	4,593,000,000
Adjusted Growth					
Sales and Use Tax	3.3%	4.6%	4.8%	4.5%	4.4%
Individual Income Tax	5.4%	4.1%	4.4%	7.4%	7.4%
Corporate Income Tax	-4.1%	6.3%	7.4%	2.6%	2.0%
Miscellaneous receipts	3.2%	-1.1%	7.1%	0.1%	0.2%
Total General Fund Receipts	3.9%	4.2%	4.9%	5.6%	5.6%
Two Yr Average	4.7%	--	4.5%	--	5.6%
Five Yr Average	1.8%	--	5.5%	--	5.0%
Unadjusted (nominal) Change					
Total General Fund Receipts	3.5%	2.5%	4.0%	6.4%	5.8%
Two Yr Average	4.6%	--	3.3%	--	6.1%



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 4th and 5th 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), show a variety of forecasts which vary substantially. The estimate using the historical average method is close to the average of all the preliminary, unofficial estimates. However they are substantially above estimates using the Global Insight input and substantially under the estimates using Moody's input.

Table 5 Comparison of "Out Year" Forecasts

Based on October 2012 Revenue Forecasts	Current Status Hist Avg	Average (Global Insight)	Average (All Forecasts)	High Est NDR-Moodys	Low Est LFO-Global
<u>Dollar Forecast (thousands)</u>					
FY2015-16 Prelim	4,343,000	4,253,468	4,349,090	4,458,927	4,201,788
FY2016-17 Prelim	4,593,000	4,437,804	4,557,693	4,690,588	4,365,911
<u>Calculated Growth*</u>					
FY2015-16 Prelim	5.6%	3.6%	5.7%	8.1%	2.5%
FY2016-17 Prelim	5.6%	4.3%	4.7%	5.1%	3.9%
Two Year Average	5.6%	4.0%	5.2%	6.6%	3.2%
Five Year Average	4.8%	4.2%	4.7%	5.2%	3.9%
<u>\$ Difference from Status</u>					
FY2015-16 Prelim	0	(89,532)	6,090	115,927	(141,212)
FY2016-17 Prelim	0	(155,197)	(35,307)	97,588	(227,089)
Cumulative Total	0	(244,729)	(29,217)	213,515	(368,301)
* all are calculated based on the NEFAB FY13-14 and FY14-15 forecasts					

General Fund Transfers-Out

This area tabulates 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 as such and thus are shown under the revenue category (see line 10 on the Financial Status).

Table 6 - General Fund Transfers Out

Excludes CRF Transfers	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Ethanol Credits (EPIC Fund)	cancelled	0	0	0	0
Property Tax Credit Fund	(110,000,000)	(113,000,000)	(113,000,000)	(113,000,000)	(113,000,000)
Water Resources Cash Fund	(4,700,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
Cultural Preservation Endowment	0	(500,000)	(500,000)	(500,000)	(500,000)
<i>Total-General Fund Transfers-Out</i>	<u>(114,700,000)</u>	<u>(116,800,000)</u>	<u>(116,800,000)</u>	<u>(116,800,000)</u>	<u>(116,800,000)</u>

Ethanol Production Incentive (EPIC)

LB90-2005 \$2.5 million per year from FY2005-06 through FY2011-12. The end date of the EPIC program is December 31, 2012. In 2011 LB 378 provided an additional \$3.8 million for FY2011-12 for a total of \$6.3 million. In 2012 LB969 reduced the EPIC fund transfer from \$3.8 million to "up to \$1,000,000" in FY2011-12 though this authority was extended into FY12-13. As this amount was not used in FY11-12 the potential use of the \$1,000,000 transfer was extended into FY2012-13. In November 2012 the State Budget Administrator determined that the transfer was not needed and the projected transfer was removed from the projected budget.

Property Tax Credit Cash Fund

Under this program transfers are made to the Property Tax Credit Cash Fund at the discretion of the Legislature. Based on the amount of funds available, monies are then allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as

credit to each tax payer again based on their proportionate value. Enacted in 2007, the amount available for credits was \$105 million in FY07-08, an \$115 million in FY08-09, FY09-10, and FY10-11.

The current budget and Committee Preliminary budget provides for \$115 million of credits each year. This \$115 million credit level is financed by a combination of General Fund transfers (\$110 million in FY2012-13 and \$113 million in FY2013-14 and FY2014-15) and interest that will be earned on the fund balance from the time of transfer to the time of reimbursement payment to the counties.

Water Resources Cash Fund

These transfers were originally enacted by LB 701 (2007) for the purpose of (1) aiding compliance efforts regarding the reduction of consumptive uses of water dealing with those natural resources districts which are deemed over or fully appropriated or are bound by an interstate compact or decree; and (2) for a statewide assessment of short- and long-term water management activities and funding needs that are statutorily required. The bill included actual transfers of \$2.7 million in both FY07-08 and FY08-09 and intent language for a \$2,700,000 General Fund transfer to occur annually from FY2009-10 through FY2018-19. LB229 enacted during the 2011 Session increased this transfer amount from \$2.7 million to \$3.3 million per year with no change in the FY2018-19 sunset.

Nebraska Cultural Preservation Endowment Fund

The Cultural Preservation Endowment Fund was originally created in 1998 with a transfer of \$5 million from the General Fund. LB 1165 (2008) provided for an additional \$5 million for the endowment fund through a \$1 million transfer from the Cash Reserve Fund and intent language that \$2 million shall be transferred from the General Fund to the Nebraska Cultural Preservation Endowment Fund in both FY2009-10 and FY2010-11. The enacted budget spread that \$4 million over a four year period, \$500,000 in FY10 and FY11 and \$1.5 million in FY12 and FY13. LB1063 (2010) changed the statutory transfers from two \$1.5 million transfers to the Fund in both FY11-12 and FY12-13. to two transfers of \$500,000 and then extending the \$500,000 transfers for three more years, FY13-14, FY14-15, and FY15-16. LB485 enacted in the 2011 Session deleted the FY12 and FY13 transfers, and then extended the \$500,000 annual transfers to FY16-17 and FY17-18

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 for FY2012-13 were enacted in the 2011 and 2012 legislative sessions and already incorporated into the "Net Receipts" figures of the NEFAB forecasts

All the transfers shown for FY2013-14 and FY2014-15 are new transfers included in the Appropriations Committee Preliminary Budget.

Table 7 General Fund Transfers In

	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Securities Act Cash Fund	19,000,000	21,000,000	21,000,000	0	0
Tobacco Products Admin Cash Fund	7,000,000	10,000,000	10,000,000	0	0
Dept of Insurance Cash Fund	6,000,000	6,000,000	6,000,000	0	0
Dept of Motor Vehicles Cash Fund	1,000,000	0	0	0	0
Dept of Motor Vehicles Ignition Interlock Fund	0	200,000	200,000	0	0
Mutual Finance Assistance Fund	300,000	0	0	0	0
Local Civic, Cultural, and Convention Center Fund	75,000	0	0	0	0
<i>Total General Fund Transfers-In</i>	33,375,000	37,200,000	37,200,000	0	0

GENERAL FUND APPROPRIATIONS

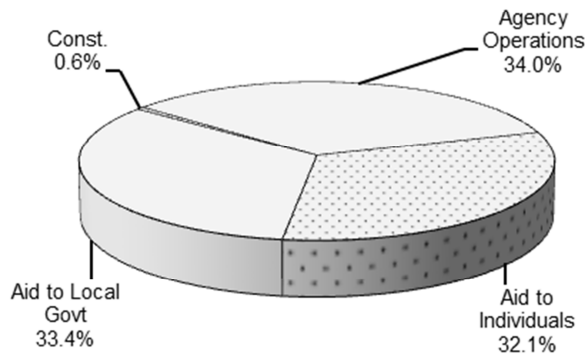
Table 8 shows a summary of the current FY2012-13 General Fund appropriations (excluding deficits) and the Committee Preliminary Recommendation for FY2013-14 and FY2014-15

Table 9 (page 17) provides a one-page summary of the most significant increases and reductions while Table 10 and Table 11 (starting on page 18) contain a listing of proposed appropriations by agency and individual aid programs. A complete listing of individual issues starts on Page 23

Table 8 - Committee Preliminary Budget – General Funds

	w/o Deficits FY2012-13	Committee Prelim to Date		Change over Prior Yr		Change over Prior Yr	
		FY2013-14	FY2014-15	FY13-14 (w/o deficits)	FY14-15 (w/o deficits)	\$	%
				\$	%	\$	%
Agency Operations							
University/Colleges	543,449,583	556,018,081	571,416,276	12,568,498	2.3%	15,398,195	2.8%
Health & Human Services System	236,425,259	246,132,582	249,439,717	9,707,323	4.1%	3,307,135	1.3%
Correctional Services	156,840,269	166,798,868	170,604,827	9,958,599	6.3%	3,805,959	2.3%
Courts	84,265,483	86,395,423	87,655,406	2,129,940	2.5%	1,259,983	1.5%
State Patrol	54,253,448	55,401,379	55,954,821	1,147,931	2.1%	553,442	1.0%
Revenue	25,642,530	25,307,221	25,726,926	(335,309)	-1.3%	419,705	1.7%
Retirement Board	29,991,325	24,246,240	44,980,010	(5,745,085)	-19.2%	20,733,770	85.5%
Other 39 Agencies	128,743,065	132,680,004	135,476,212	3,936,939	3.1%	2,796,208	2.1%
Total-GF Operations	1,259,610,962	1,292,979,798	1,341,254,195	33,368,836	2.6%	48,274,397	3.7%
State Aid to Individuals/Others							
Medicaid	644,573,194	715,023,680	777,599,298	70,450,486	10.9%	62,575,618	8.8%
Child Welfare Aid	153,774,584	153,244,885	153,318,740	(529,699)	-0.3%	73,855	0.0%
Public Assistance	108,524,785	113,099,868	113,188,309	4,575,083	4.2%	88,441	0.1%
Developmental disabilities aid	101,878,371	111,746,629	121,330,588	9,868,258	9.7%	9,583,959	8.6%
Behavioral Health aid	75,133,219	70,759,664	72,257,168	(4,373,555)	-5.8%	1,497,504	2.1%
Childrens Health Insurance (CHIP)	13,107,750	17,638,937	22,256,831	4,531,187	34.6%	4,617,894	26.2%
Aging Programs	7,999,438	8,179,427	8,363,465	179,989	2.3%	184,038	2.3%
Higher Ed Student Aid programs	6,993,156	7,058,156	7,103,156	65,000	0.9%	45,000	0.6%
Public Health Aid	4,790,612	5,640,612	5,640,612	850,000	17.7%	0	0.0%
Community health centers	3,758,060	3,758,060	3,758,060	0	0.0%	0	0.0%
Business Innovation Act (LB387)	7,156,396	6,760,000	6,760,000	(396,396)	-5.5%	0	0.0%
All Other Aid to Individuals/Other	7,980,123	8,303,123	8,362,373	323,000	4.0%	59,250	0.7%
Total-GF Aid to Individuals/Other	1,135,669,688	1,221,213,041	1,299,938,600	85,543,353	7.5%	78,725,559	6.4%
State Aid to Local Govts							
State Aid to Schools (TEEOSA)	836,867,085	878,684,045	920,018,247	41,816,960	5.0%	41,334,202	4.7%
Special Education	193,893,842	203,588,534	213,767,961	9,694,692	5.0%	10,179,427	5.0%
Aid to Community Colleges	87,870,147	90,945,602	94,128,698	3,075,455	3.5%	3,183,096	3.5%
Homestead Exemption	72,500,000	71,600,000	74,900,000	(900,000)	-1.2%	3,300,000	4.6%
Aid to ESU's	14,051,761	14,051,761	14,051,761	0	0.0%	0	0.0%
Early Childhood programs	0	1,665,962	1,665,962	1,665,962	#DIV/0!	0	0.0%
Other Aid to Local Govt	11,188,037	10,438,112	10,502,112	(749,925)	-6.7%	64,000	0.6%
Total-GF Aid to Local Govt	1,216,370,872	1,270,974,016	1,329,034,741	54,603,144	4.5%	58,060,725	4.6%
Capital Construction							
	20,772,233	21,421,024	19,538,000	648,791	3.1%	(1,883,024)	-8.8%
Total General Funds							
	3,632,423,755	3,806,587,879	3,989,765,536	174,164,124	4.8%	183,177,657	4.8%

By Major Category FY2013-14

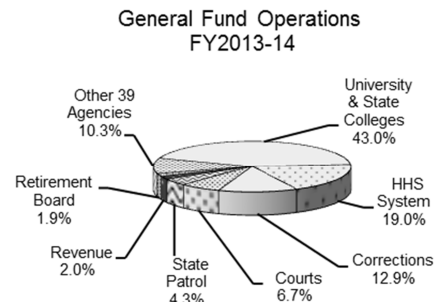


The numbers in the Committee Preliminary Budget are the net result of almost 200 individual issues which reflect both increases to and reductions from the current year appropriation.

A complete listing of individual issues starts on page 23. The following highlights some major changes in each category.

Agency Operations

This area accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc... In the FY2011-12 proposed budget, 35.3% of all General Fund appropriations are for agency operations. Although there are 47 state agencies that receive General Fund appropriations higher education (University of Nebraska and State Colleges) and the six largest agencies (Health and Human Services, Corrections, Courts, State Patrol, Revenue, and Retirement Board) account for 89% of state operations. Most of the General Funds for the Retirement Board are actually state contributions for the K-12 School employee retirement plan.



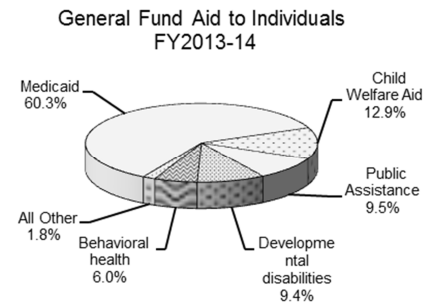
General Funds for agency operations shows a net \$33.4 million increase (2.6%) in FY13-14 and a \$48.3 million increase (3.7%) in FY14-15. The most significant increases in operations in FY13-14 are \$9.2 million for a 2.25% salary increase for state employees, \$11.2 million for a 2.25% increase in support for the University of Nebraska, and \$7.3 million for administrative costs related to implementation of the Affordable Care Act (ACA) health care reform. This includes computer costs and staffing to cover a projected increase in the number of Medicaid and Children’s Health Insurance clients who are eligible under current law but not participating at the present time. Other major operations include \$4.8 million for inmate per diem costs (food, medical) and \$2.75 million to restore a previous budget cut and reopen additional correctional housing.

The larger increase in FY14-15 is attributed to a net \$15 million increase in state contributions to the defined benefit retirement plans. This includes a \$5.7 million reduction with the sunset of a current statutory COLA contribution and a \$20 million increase in state contributions for schools (contribution increase of 1% to 2% of salaries) and a flat \$1 million allocation for the state patrol plan. These funding amounts assumed passage of legislation. In the absence of legislation, an even larger increase would be required to cover the actuarial shortfall in these plans.

State Aid to Individuals / Others

This area has the largest overall growth in the budget with a net increase of \$85.5 million (7.5%) overall growth in the FY2013-14. This includes a \$28.6 million increase for Medicaid eligibility and utilization, \$18.3 million to offset a lower federal Medicaid match rate, \$14.6 million for a 2.25% DHHS provider rate increase, and \$12.5 million for projected higher participation in Medicaid and Children's Health Insurance (SCHIP) under the Affordable Care Act (ACA) health care reform, and \$4.2 million for child care rates.

Increased funding is also provided for the developmental disability program including funds for new clients transitioning from high school (\$1,400,000 FY14 and \$2.8 million FY15), funds to help reduce the waiting list (\$1,946,650 FY14 and \$3,893,300 FY15) and funding to start implementing a new rate methodology (\$5,400,000 FY14 and \$10,900,000 FY15).



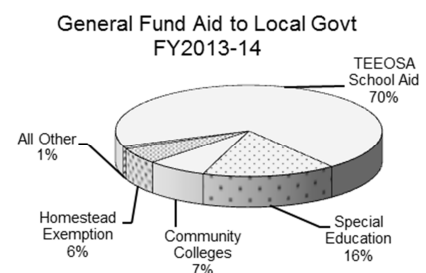
State Aid to Local Governments

Aid to local governments receives a \$54.6 million (4.5%) increase in FY2013-14 and another \$58 million (4.6%) increase in FY2014-15.

Significant increases in FY2013-14 include TEEOSA school aid (\$41.8 million, 4.5%), Special Education (\$9.7 million, 5.0%) and Community College aid (\$3.1 million, 3.5%).

This level of funding for TEEOSA assumes passage of legislation to reduce TEEOSA to this 5% level. Under current law TEEOSA aid would increase by 10% in FY13-14 mostly due to the expiration of several provisions of LB235 (2011) specifically 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.

FY2013-14 funding also includes \$1,665,962 to partially restore General Funds for early childhood aid. For the last two years the program was funded at \$3,365,962 with Education Innovation Fund (lottery proceeds). Although current law calls for this to return to General Funds, the committee preliminary budget assumes legislation to continue using \$1.7 million of lottery funds.



Capital Construction

The Committee Preliminary recommendation reflects minimal change in construction compared to the current FY12-13 level.

Table 9 Significant Increases and Reductions
(numbers are \$ changes compared to the FY13 Base)

Amounts shown are \$ change from FY13 base year	Committee Preliminary			% of Total Increase
	FY2013-14	FY2014-15	Two Yr total	
1 <u>SIGNIFICANT INCREASES:</u>				
2 TEEOSA Aid to Schools (General Funds only)	41,816,960	83,151,162	124,968,122	23.5%
3 Medicaid (other than FMAP, ACA, match shift)	39,700,646	80,685,589	120,386,235	22.7%
4 ACA Health Care Reform (op & aid)	19,777,499	40,230,912	60,008,411	11.3%
5 Federal Medicaid Match rate (op & aid)	18,885,855	24,836,753	43,722,608	8.2%
6 General Increase (University+Colleges)	12,568,497	27,976,060	40,544,557	7.6%
7 Special Education	9,694,692	19,874,119	29,568,811	5.6%
8 Salaries+Health Insurance (Agencies)	9,198,242	18,597,901	27,796,143	5.2%
9 Developmental Disability aid (other than FMAP)	7,562,025	16,401,830	23,963,855	4.5%
10 Inmate per diem costs (Corrections)	4,820,496	6,036,322	10,856,818	2.0%
11 Community Colleges	3,075,455	6,258,551	9,334,006	1.8%
12 Retirement, K-12 School/Judges/Patrol/Cash Balance	(5,745,085)	14,988,685	9,243,600	1.7%
13 Public Assistance (other than FMAP)	4,236,019	4,236,019	8,472,038	1.6%
14 Early Childhood program (shift back to Gen Fund)	1,665,962	1,665,962	3,331,924	0.6%
15 Restore staffing,housing units (Corrections)	2,750,000	2,750,000	5,500,000	1.0%
16 Behavioral health aid (other than FMAP, match shift)	1,389,908	2,811,089	4,200,997	0.8%
17 Childrens Health Insurance (other than FMAP & ACA)	1,468,391	2,442,154	3,910,545	0.7%
18 General Operating inflation (State Agencies)	764,753	1,135,123	1,899,876	0.4%
19 Reallocation of Early Childhood funds per LB495 (Education)	806,236	816,464	1,622,700	0.3%
20 Homestead Exemption (net)	(900,000)	2,400,000	1,500,000	0.3%
21 Child Welfare aid (other than FMAP)	42,855	43,102	85,957	0.0%
22 Subtotal-Increases Listed	173,579,406	357,337,797	530,917,203	99.9%
23 <u>SIGNIFICANT REDUCTIONS:</u>				
24 Funds shifts (DHHS)	(1,000,000)	(1,000,000)	(2,000,000)	-0.4%
25 Continued phaseout of county assessor takeover (Revenue)	(616,540)	(616,540)	(1,233,080)	-0.2%
26 Capital Construction	648,791	(1,234,233)	(585,442)	-0.1%
27 Subtotal-Reductions Listed	(967,749)	(2,850,773)	(3,818,522)	-0.7%
28 <u>OTHER NOT LISTED (NET)</u>	1,552,467	2,854,757	4,407,224	0.8%
29 <u>TOTAL GENERAL FUND CHANGE</u>	174,164,124	357,341,781	531,505,905	100.0%

Table 10 General Fund Appropriations by Agency
Appropriations Committee Preliminary Budget

Agency	Type	w/o deficits FY2012-13	Committee Preliminary Budget		Change over Prior Year			
			Preliminary FY2013-14	Preliminary FY2014-15	FY2013-14		FY2014-15	
					\$	%	\$	%
#03 Legislative Council	Oper	18,070,091	18,473,313	18,862,277	403,222	2.2%	388,964	2.1%
#03 Legislative Council	Total	18,070,091	18,473,313	18,862,277	403,222	2.2%	388,964	2.1%
#05 Supreme Court	Oper	84,265,483	86,395,423	87,655,406	2,129,940	2.5%	1,259,983	1.5%
#05 Supreme Court	Total	84,265,483	86,395,423	87,655,406	2,129,940	2.5%	1,259,983	1.5%
#07 Governor	Oper	1,652,727	1,649,146	1,879,549	(3,581)	-0.2%	230,403	14.0%
#07 Governor	Total	1,652,727	1,649,146	1,879,549	(3,581)	-0.2%	230,403	14.0%
#08 Lt. Governor	Oper	143,610	143,828	144,051	218	0.2%	223	0.2%
#08 Lt. Governor	Total	143,610	143,828	144,051	218	0.2%	223	0.2%
#09 Secretary of State	Oper	444,708	515,669	1,446,302	70,961	16.0%	930,633	180.5%
#09 Secretary of State	Total	444,708	515,669	1,446,302	70,961	16.0%	930,633	180.5%
#10 State Auditor	Oper	2,184,391	2,239,680	2,263,617	55,289	2.5%	23,937	1.1%
#10 State Auditor	Total	2,184,391	2,239,680	2,263,617	55,289	2.5%	23,937	1.1%
#11 Attorney General	Oper	5,815,369	5,884,596	5,638,473	69,227	1.2%	(246,123)	-4.2%
#11 Attorney General	Total	5,815,369	5,884,596	5,638,473	69,227	1.2%	(246,123)	-4.2%
#12 State Treasurer	Aid	0	0	0	0	na	0	na
#12 State Treasurer	Oper	1,389,129	1,297,426	1,301,283	(91,703)	-6.6%	3,857	0.3%
#12 State Treasurer	Total	1,389,129	1,297,426	1,301,283	(91,703)	-6.6%	3,857	0.3%
#13 Education	Aid	1,049,348,167	1,102,345,506	1,153,910,385	52,997,339	5.1%	51,564,879	4.7%
#13 Education	Oper	16,184,774	17,496,111	17,753,290	1,311,337	8.1%	257,179	1.5%
#13 Education	Total	1,065,532,941	1,119,841,617	1,171,663,675	54,308,676	5.1%	51,822,058	4.6%
#14 Public Service Comm	Oper	2,359,563	2,525,222	2,512,537	165,659	7.0%	(12,685)	-0.5%
#14 Public Service Comm	Total	2,359,563	2,525,222	2,512,537	165,659	7.0%	(12,685)	-0.5%
#15 Parole Board	Oper	819,249	834,771	850,640	15,522	1.9%	15,869	1.9%
#15 Parole Board	Total	819,249	834,771	850,640	15,522	1.9%	15,869	1.9%
#16 Revenue	Aid	72,500,000	71,600,000	74,900,000	(900,000)	-1.2%	3,300,000	4.6%
#16 Revenue	Oper	25,642,530	25,307,221	25,726,926	(335,309)	-1.3%	419,705	1.7%
#16 Revenue	Total	98,142,530	96,907,221	100,626,926	(1,235,309)	-1.3%	3,719,705	3.8%
#18 Agriculture	Oper	5,618,857	5,911,576	5,922,021	292,719	5.2%	10,445	0.2%
#18 Agriculture	Total	5,618,857	5,911,576	5,922,021	292,719	5.2%	10,445	0.2%
#21 Fire Marshal	Oper	3,991,920	4,031,558	4,093,785	39,638	1.0%	62,227	1.5%
#21 Fire Marshal	Total	3,991,920	4,031,558	4,093,785	39,638	1.0%	62,227	1.5%
#23 Labor	Oper	497,939	503,467	509,118	5,528	1.1%	5,651	1.1%
#23 Labor	Total	497,939	503,467	509,118	5,528	1.1%	5,651	1.1%
#25 HHS System	Aid	1,114,177,099	1,199,728,848	1,278,350,157	85,551,749	7.7%	78,621,309	6.6%
#25 HHS System	Oper	236,425,259	246,132,582	249,439,717	9,707,323	4.1%	3,307,135	1.3%
#25 HHS System	Total	1,350,602,358	1,445,861,430	1,527,789,874	95,259,072	7.1%	81,928,444	5.7%
#28 Veterans Affairs	Oper	1,127,666	1,101,608	1,119,758	(26,058)	-2.3%	18,150	1.6%
#28 Veterans Affairs	Total	1,127,666	1,101,608	1,119,758	(26,058)	-2.3%	18,150	1.6%
#29 Natural Resources	Aid	5,958,361	5,808,361	5,808,361	(150,000)	-2.5%	0	0.0%
#29 Natural Resources	Oper	10,397,171	10,676,038	10,807,768	278,867	2.7%	131,730	1.2%
#29 Natural Resources	Total	16,355,532	16,484,399	16,616,129	128,867	0.8%	131,730	0.8%
#31 Military Dept	Aid	988,775	988,775	988,775	0	0.0%	0	0.0%
#31 Military Dept	Oper	3,687,973	3,784,520	3,976,279	96,547	2.6%	191,759	5.1%
#31 Military Dept	Total	4,676,748	4,773,295	4,965,054	96,547	2.1%	191,759	4.0%

Agency	Type	Committee Preliminary Budget			Change over Prior Year			
		w/o deficits FY2012-13	Preliminary FY2013-14	Preliminary FY2014-15	FY2013-14		FY2014-15	
					\$	%	\$	%
#32 Ed Lands & Funds	Oper	310,575	315,838	321,217	5,263	1.7%	5,379	1.7%
#32 Ed Lands & Funds	Total	310,575	315,838	321,217	5,263	1.7%	5,379	1.7%
#33 Game & Parks	Aid	42,011	42,011	42,011	0	0.0%	0	0.0%
#33 Game & Parks	Oper	10,833,605	11,034,425	11,148,845	200,820	1.9%	114,420	1.0%
#33 Game & Parks	Total	10,875,616	11,076,436	11,190,856	200,820	1.8%	114,420	1.0%
#34 Library Commission	Aid	1,043,240	1,051,240	1,059,240	8,000	0.8%	8,000	0.8%
#34 Library Commission	Oper	2,402,760	2,484,662	2,569,572	81,902	3.4%	84,910	3.4%
#34 Library Commission	Total	3,446,000	3,535,902	3,628,812	89,902	2.6%	92,910	2.6%
#35 Liquor Control	Oper	973,825	1,033,269	1,046,759	59,444	6.1%	13,490	1.3%
#35 Liquor Control	Total	973,825	1,033,269	1,046,759	59,444	6.1%	13,490	1.3%
#46 Correctional Services	Oper	156,840,269	166,798,868	170,604,827	9,958,599	6.3%	3,805,959	2.3%
#46 Correctional Services	Total	156,840,269	166,798,868	170,604,827	9,958,599	6.3%	3,805,959	2.3%
#47 NETC	Oper	9,558,708	9,691,304	9,811,315	132,596	1.4%	120,011	1.2%
#47 NETC	Total	9,558,708	9,691,304	9,811,315	132,596	1.4%	120,011	1.2%
#48 Coordinating Comm	Aid	6,993,156	7,058,156	7,103,156	65,000	0.9%	45,000	0.6%
#48 Coordinating Comm	Oper	1,188,481	1,216,244	1,228,007	27,763	2.3%	11,763	1.0%
#48 Coordinating Comm	Total	8,181,637	8,274,400	8,331,163	92,763	1.1%	56,763	0.7%
#50 State Colleges	Oper	45,450,893	46,814,420	48,218,852	1,363,527	3.0%	1,404,432	3.0%
#50 State Colleges	Total	45,450,893	46,814,420	48,218,852	1,363,527	3.0%	1,404,432	3.0%
#51 University of Nebraska	Oper	497,998,690	509,203,661	523,197,424	11,204,971	2.3%	13,993,763	2.7%
#51 University of Nebraska	Total	497,998,690	509,203,661	523,197,424	11,204,971	2.3%	13,993,763	2.7%
#54 Historical Society	Oper	3,915,325	4,033,316	4,101,737	117,991	3.0%	68,421	1.7%
#54 Historical Society	Total	3,915,325	4,033,316	4,101,737	117,991	3.0%	68,421	1.7%
#64 State Patrol	Oper	54,253,448	55,401,379	55,954,821	1,147,931	2.1%	553,442	1.0%
#64 State Patrol	Total	54,253,448	55,401,379	55,954,821	1,147,931	2.1%	553,442	1.0%
#65 Admin Services (DAS)	Oper	7,638,096	7,731,281	7,821,743	93,185	1.2%	90,462	1.2%
#65 Admin Services (DAS)	Total	7,638,096	7,731,281	7,821,743	93,185	1.2%	90,462	1.2%
#67 Equal Opportunity	Oper	1,178,277	1,130,769	1,149,102	(47,508)	-4.0%	18,333	1.6%
#67 Equal Opportunity	Total	1,178,277	1,130,769	1,149,102	(47,508)	-4.0%	18,333	1.6%
#68 Latino American Comm.	Oper	178,681	187,679	190,981	8,998	5.0%	3,302	1.8%
#68 Latino American Comm.	Total	178,681	187,679	190,981	8,998	5.0%	3,302	1.8%
#69 Arts Council	Aid	838,069	903,069	903,069	65,000	7.8%	0	0.0%
#69 Arts Council	Oper	538,267	550,931	564,132	12,664	2.4%	13,201	2.4%
#70 Foster Care Review	Oper	1,379,348	1,449,213	1,470,221	69,865	5.1%	21,008	1.4%
#70 Foster Care Review	Total	1,379,348	1,449,213	1,470,221	69,865	5.1%	21,008	1.4%
#72 Economic Development	Aid	7,356,396	6,960,000	6,960,000	(396,396)	-5.4%	0	0.0%
#72 Economic Development	Oper	4,101,559	4,548,356	4,599,875	446,797	10.9%	51,519	1.1%
#72 Economic Development	Total	11,457,955	11,508,356	11,559,875	50,401	0.4%	51,519	0.4%
#76 Indian Commission	Oper	167,410	104,339	107,253	(63,071)	-37.7%	2,914	2.8%
#76 Indian Commission	Total	167,410	104,339	107,253	(63,071)	-37.7%	2,914	2.8%
#77 Industrial Relations	Oper	302,708	309,579	313,047	6,871	2.3%	3,468	1.1%
#77 Industrial Relations	Total	302,708	309,579	313,047	6,871	2.3%	3,468	1.1%
#78 Crime Commission	Aid	2,301,403	2,501,403	2,501,403	200,000	8.7%	0	0.0%
#78 Crime Commission	Oper	3,331,208	3,338,381	3,376,099	7,173	0.2%	37,718	1.1%
#78 Crime Commission	Total	5,632,611	5,839,784	5,877,502	207,173	3.7%	37,718	0.6%
#81 Blind & Visually Impaired	Aid	176,890	176,890	176,890	0	0.0%	0	0.0%
#81 Blind & Visually Impaired	Oper	846,113	857,480	869,100	11,367	1.3%	11,620	1.4%
#81 Blind & Visually Impaired	Total	1,023,003	1,034,370	1,045,990	11,367	1.1%	11,620	1.1%

Agency	Type	w/o deficits FY2012-13	Committee Preliminary Budget		Change over Prior Year			
			Preliminary FY2013-14	Preliminary FY2014-15	FY2013-14		FY2014-15	
					\$	%	\$	%
#82 Deaf & Hard of Hearing	Oper	848,782	861,653	874,808	12,871	1.5%	13,155	1.5%
#82 Deaf & Hard of Hearing	Total	848,782	861,653	874,808	12,871	1.5%	13,155	1.5%
#83 Community Colleges	Aid	87,870,147	90,945,602	94,128,698	3,075,455	3.5%	3,183,096	3.5%
#83 Community Colleges	Total	87,870,147	90,945,602	94,128,698	3,075,455	3.5%	3,183,096	3.5%
#84 Environmental Quality	Aid	2,446,846	2,077,196	2,141,196	(369,650)	-15.1%	64,000	3.1%
#84 Environmental Quality	Oper	3,323,012	3,362,055	3,393,198	39,043	1.2%	31,143	0.9%
#84 Environmental Quality	Total	5,769,858	5,439,251	5,534,394	(330,607)	-5.7%	95,143	1.7%
#85 Retirement Board	Oper	29,991,325	24,246,240	44,980,010	(5,745,085)	-19.2%	20,733,770	85.5%
#85 Retirement Board	Total	29,991,325	24,246,240	44,980,010	(5,745,085)	-19.2%	20,733,770	85.5%
#87 Account/Disclosure	Oper	407,548	414,692	468,402	7,144	1.8%	53,710	13.0%
#87 Account/Disclosure	Total	407,548	414,692	468,402	7,144	1.8%	53,710	13.0%
#91 Tourism Commission	Oper	250,000	250,000	250,000	0	0.0%	0	0.0%
#91 Tourism Commission	Total	250,000	250,000	250,000	0	0.0%	0	0.0%
#93 Tax Equal/Review	Oper	683,640	706,009	720,051	22,369	3.3%	14,042	2.0%
#93 Tax Equal/Review	Total	683,640	706,009	720,051	22,369	3.3%	14,042	2.0%
Construction-Total	Total	20,772,233	21,421,024	19,538,000	648,791	3.1%	(1,883,024)	-8.8%
OPERATIONS		1,259,610,962	1,292,979,798	1,341,254,195	33,368,836	2.6%	48,274,397	3.7%
STATE AID		2,352,040,560	2,492,187,057	2,628,973,341	140,146,497	6.0%	136,786,284	5.5%
CONSTRUCTION		20,772,233	21,421,024	19,538,000	648,791	3.1%	(1,883,024)	-8.8%
TOTAL GENERAL FUNDS		3,632,423,755	3,806,587,879	3,989,765,536	174,164,124	4.8%	183,177,657	4.8%

Table 11 General Fund Appropriations by Individual Aid Program
Appropriations Committee Preliminary Budget

Agency	Aid Program	w/o Deficits FY2012-13	Preliminary FY2013-14	Preliminary FY2014-15	Change over Prior Year				
					FY2013-14		FY2014-15		
					\$ Chnge	% Chnge	\$ Chnge	% Chnge	
#13	Education	State Aid to Education (TEEOSA)	836,867,085	878,684,045	920,018,247	41,816,960	5.0%	41,334,202	4.7%
#13	Education	Special Education	193,893,842	203,588,534	213,767,961	9,694,692	5.0%	10,179,427	5.0%
#13	Education	Aid to ESU's	14,051,761	14,051,761	14,051,761	0	0.0%	0	0.0%
#13	Education	High ability learner programs	0	0	0	0	na	0	na
#13	Education	Early Childhood grant program	0	1,665,962	1,665,962	1,665,962	na	0	0.0%
#13	Education	School Lunch	392,032	392,032	392,032	0	0.0%	0	0.0%
#13	Education	Textbook loan program	465,500	465,500	465,500	0	0.0%	0	0.0%
#13	Education	School Breakfast reimbursement	453,008	453,008	453,008	0	0.0%	0	0.0%
#13	Education	Adult Education	214,664	214,664	214,664	0	0.0%	0	0.0%
#13	Education	Learning Communities Aid	882,275	650,000	650,000	(232,275)	-26.3%	0	0.0%
#13	Education	Summer Food Service grants	128,000	130,000	130,000	2,000	1.6%	0	0.0%
#13	Education	Vocational Rehabilitation	2,000,000	2,050,000	2,101,250	50,000	2.5%	51,250	2.5%
#16	Revenue	Homestead Exemption	72,500,000	71,600,000	74,900,000	(900,000)	-1.2%	3,300,000	4.6%
#25	HHS System	Behavioral Health Aid	75,133,219	70,759,664	72,257,168	(4,373,555)	-5.8%	1,497,504	2.1%
#25	HHS System	Medical student assistance/RHOP	637,086	637,086	637,086	0	0.0%	0	0.0%
#25	HHS System	Childrens Health Insurance	13,107,750	17,638,937	22,256,831	4,531,187	34.6%	4,617,894	26.2%
#25	HHS System	Public Assistance	108,524,785	113,099,868	113,188,309	4,575,083	4.2%	88,441	0.1%
#25	HHS System	Medicaid	644,573,194	715,023,680	777,599,298	70,450,486	10.9%	62,575,618	8.8%
#25	HHS System	Child Welfare Aid	153,774,584	153,244,885	153,318,740	(529,699)	-0.3%	73,855	0.0%
#25	HHS System	Community developmental disabilities	101,878,371	111,746,629	121,330,588	9,868,258	9.7%	9,583,959	8.6%
#25	HHS System	Community health centers	3,758,060	3,758,060	3,758,060	0	0.0%	0	0.0%
#25	HHS System	Health Aid	4,790,612	5,640,612	5,640,612	850,000	17.7%	0	0.0%
#25	HHS System	Care Management	2,033,123	2,078,869	2,125,644	45,746	2.3%	46,775	2.3%
#25	HHS System	Area agencies on aging	5,966,315	6,100,558	6,237,821	134,243	2.3%	137,263	2.3%
#29	Nat Resources	Nebr Water Conservation Fund	2,318,036	2,318,036	2,318,036	0	0.0%	0	0.0%
#29	Nat Resources	Resources Development Fund	3,140,325	3,140,325	3,140,325	0	0.0%	0	0.0%
#29	Nat Resources	NRD Water Management grants	500,000	350,000	350,000	(150,000)	-30.0%	0	0.0%
#31	Military Dept	Governors Emergency Program	500,000	500,000	500,000	0	0.0%	0	0.0%
#31	Military Dept	Guard tuition assistance	488,775	488,775	488,775	0	0.0%	0	0.0%
#33	Game & Parks	Niobrara Council	42,011	42,011	42,011	0	0.0%	0	0.0%
#34	Library Comm	Local libraries	1,043,240	1,051,240	1,059,240	8,000	0.8%	8,000	0.8%
#48	Coord. Comm	Nebr Scholarship Program	6,418,156	6,418,156	6,418,156	0	0.0%	0	0.0%
#48	Coord. Comm	Access College Early Scholarship	575,000	640,000	685,000	65,000	11.3%	45,000	7.0%

			Change over Prior Year						
Agency	Aid Program	w/o Deficits FY2012-13	Preliminary FY2013-14	Preliminary FY2014-15	FY2013-14		FY2014-15		
					\$ Chnge	% Chnge	\$ Chnge	% Chnge	
#69	Arts Council	Aid to arts programs	595,489	635,489	635,489	40,000	6.7%	0	0.0%
#69	Arts Council	Council on Humanities	167,580	192,580	192,580	25,000	14.9%	0	0.0%
#69	Arts Council	Managing Mainstreet	75,000	75,000	75,000	0	0.0%	0	0.0%
#72	Econ Develop	Business Innovation Act	7,156,396	6,760,000	6,760,000	(396,396)	-5.5%	0	0.0%
#72	Econ Develop	Small Business Innovation Act	200,000	200,000	200,000	0	0.0%	0	0.0%
#78	Crime Comm	Juvenile services grants	587,812	587,812	587,812	0	0.0%	0	0.0%
#78	Crime Comm	County Juvenile Services aid	1,477,575	1,477,575	1,477,575	0	0.0%	0	0.0%
#78	Crime Comm	Crimestoppers program	13,457	13,457	13,457	0	0.0%	0	0.0%
#78	Crime Comm	Victim Witness assistance	52,559	52,559	52,559	0	0.0%	0	0.0%
#78	Crime Comm	Crime Victims reparations	20,000	20,000	20,000	0	0.0%	0	0.0%
#78	Crime Comm	Violence Prevention Grants	150,000	350,000	350,000	200,000	133.3%	0	0.0%
#81	Blind & Vis Imp	Blind rehabilitation	176,890	176,890	176,890	0	0.0%	0	0.0%
#83	Comm Colleges	Aid to Community Colleges	87,870,147	90,945,602	94,128,698	3,075,455	3.5%	3,183,096	3.5%
#84	Environ Qlty	Superfund cleanup	621,850	252,200	316,200	(369,650)	-59.4%	64,000	25.4%
#84	Environ Qlty	Storm Water Management grants	1,824,996	1,824,996	1,824,996	0	0.0%	0	0.0%
Total State Aid			2,352,040,560	2,492,187,057	2,628,973,341	140,146,497	6.0%	136,786,284	5.5%

Detailed List – Specific General Fund Adjustments

(Appropriations Committee Preliminary Budget – Amounts are \$ change from FY13 Base)

Ag	Prog	IssueType	Type	FY2013-14	FY2014-15
3	Legislative Council	0 Pay Advancement	Oper	34,086	102,261
3	Legislative Council	122 Annualize elimination of AA position for 2 day committees	Oper	(21,198)	(21,198)
3	Legislative Council	129 Replace admin assistant position with a Research Analyst	Oper	5,160	10,320
3	Legislative Council	129 Restore past budget cut, performance auditor position	Oper	75,651	75,651
3	Legislative Council	501 Increased organization dues (Prog 501)	Oper	1,547	2,356
5	Supreme Court	3 FICA Maximum Wage Rate Increase	Oper	2,214	4,557
5	Supreme Court	3 Annualize LB862A, 2012, Judges' Salary Increase	Oper	20,276	20,276
5	Supreme Court	4 FICA Maximum Wage Rate Increase	Oper	1,897	3,906
5	Supreme Court	4 Annualize LB862A, 2012, Judges' Salary Increase	Oper	16,511	16,511
5	Supreme Court	5 Retired Judges Base Appropriation Increase (Prog. 05).	Oper	25,000	25,000
5	Supreme Court	6 FICA Maximum Wage Rate Increase	Oper	21,186	43,617
5	Supreme Court	6 Annualize LB862A, 2012, Judges' Salary Increase	Oper	179,516	179,516
5	Supreme Court	7 Annualize LB862A, 2012, Judges' Salary Increase	Oper	151,202	151,202
5	Supreme Court	7 FICA Maximum Wage Rate Increase	Oper	18,340	37,758
5	Supreme Court	52 Interpreter Coordinator Positions (Prog. 52).	Oper	90,000	95,000
5	Supreme Court	67 Annualize LB66A, 2012, Change DNA Collection Provisions	Oper	(95,000)	(95,000)
5	Supreme Court	420 Problem-Solving Court Positions (Prog. 420).	Oper	145,000	145,000
5	Supreme Court	435 Juvenile Pilot Project Budget Adjustments (Prog. 435)	Oper	200,000	400,000
5	Supreme Court	435 Probation Community-Based Programs (Prog. 435).	Oper	302,448	312,143
7	Governor	18 Replace use of carryover funds, Travel Expenses (prog. 018)	Oper	4,620	4,620
7	Governor	18 Replace use of carryover funds, Operations Expenses	Oper	18,161	18,161
7	Governor	18 Replace use of carryover funds, Health Insurance Expenses	Oper	7,214	49,403
7	Governor	21 Carryover reappropriation utilized in-lieu of appropriation.	Oper	(60,700)	0
7	Governor	21 Replace use of carryover funds, of Operations Expenses	Oper	0	14,500
7	Governor	125 Provide for Transition Expenses (prog. 125)	Oper	0	85,288
9	Secretary of State	9 Health Insurance and benefits (prog. 009)	Oper	1,662	1,662
9	Secretary of State	45 Replace HAVA funding (prog. 045)	Oper	64,387	990,000
10	State Auditor	506 DAS Rate Changes (prog. 506)	Oper	2,199	2,199
10	State Auditor	506 NASACT Agreement (prog. 506)	Oper	15,000	0
11	Attorney General	496 Interstate Water Litigation (prog. 496)	Oper	350,000	0
11	Attorney General	507 Transfer Consumer Protection Division to Cash Funds	Oper	(382,392)	(382,392)
12	State Treasurer	24 AS Assessment minor changes	Oper	(196)	(196)
12	State Treasurer	24 Reduced Staffing (prog. 024)	Oper	(69,083)	(69,083)
12	State Treasurer	24 Reduce Postage and Printing Expenses (prog. 024)	Oper	(10,020)	(19,038)
12	State Treasurer	659 Base reduction, redirect to transparency website expense	Oper	(25,000)	(25,000)
13	Education	25 Shift admin funds from op to aid, summer food service	Oper	(2,000)	(2,000)
13	Education	25 Increased funding for Assessment/Reporting (prog. 25).	Oper	400,000	400,000
13	Education	25 Shift salary of 1.0 FTE administrator to federal funds (prog. 25).	Oper	(133,896)	(133,896)
13	Education	25 Early Childhood education grants, assume provisions of LB495	Oper	806,236	816,464
13	Education	158 Early Childhood grants, restore General Funds	Aid	3,365,962	3,365,962
13	Education	158 Shift admin funds from op to aid, summer food service	Aid	2,000	2,000
13	Education	158 Increase aid for special education by 5% each fiscal year	Aid	9,694,692	19,874,119
13	Education	158 State aid for TEEOSA (prog. 158).	Aid	41,816,960	83,151,162

Ag	Prog	Issue Type	Type	FY2013-14	FY2014-15	
13	Education	158	Early Childhood education grants, assume provisions of LB495	Aid	(1,700,000)	(1,700,000)
13	Education	158	Reduce Learning Community aid	Aid	(232,275)	(232,275)
13	Education	351	Increase vocational rehab to match federal funds.	Aid	50,000	101,250
13	Education	351	Increase vocational rehab to match federal funds	Oper	14,567	29,634
13	Education	402	Provider increase, services for visually impaired students	Oper	54,437	110,507
14	Public Service Comm	14	Requested reduction for benefits.	Oper	(1,865)	(1,865)
14	Public Service Comm	16	Commissioner's Expenses (prog. 016)	Oper	1,460	4,110
14	Public Service Comm	54	Replace Analyst Prior to Retirement (prog. 054)	Oper	(3,538)	(21,556)
14	Public Service Comm	54	Operating and Travel Expenses (prog. various)	Oper	(290)	3,255
14	Public Service Comm	54	Rent Expenses (prog. Various)	Oper	2,877	5,777
14	Public Service Comm	54	Lump-Sum Retirement (prog. 054)	Oper	15,273	0
14	Public Service Comm	54	Reallocation of Staff (prog. Various)	Oper	19,978	21,446
14	Public Service Comm	54	Railroad Track Inspection Program (prog. 054)	Oper	102,683	82,998
16	Revenue	102	Annualize LB 1128 (2012), New Markets Job Growth. (Prog, 102)	Oper	(98,375)	(98,375)
16	Revenue	102	Annualize LB 1091 (2012), Prepaid wireless surcharge. (Prog. 102)	Oper	(49,930)	(49,930)
16	Revenue	102	Annualize LB 209, add Accounting Clerk II position. (Prog. 102)	Oper	35,365	35,365
16	Revenue	108	Appropriation for Homestead Exemption. (Prog. 108)	Aid	(900,000)	2,400,000
16	Revenue	112	Annualize LB 121 (2009), resumption of assessment function	Oper	(616,540)	(616,540)
18	Agriculture	78	Travel expenses for inspection staff. (Prog. 078)	Oper	2,410	2,410
18	Agriculture	78	Equipment replacement. (Prog. 078)	Oper	60,000	60,000
18	Agriculture	78	Paperless inspections. (Prog. 078)	Oper	137,287	68,224
21	Fire Marshal	193	Limit Office Clerk General Fund Reliance by 50% (prog. 193)	Oper	(21,236)	(21,236)
25	DHHS	33	ACA Implementation	Oper	4,964,999	5,018,412
25	DHHS	33	ACA Implementation (information technology)	Oper	2,312,500	2,312,500
25	DHHS	33	FMAP Decrease	Oper	118,268	156,430
25	DHHS	33	DD New Graduates, service coordination	Oper	106,684	247,496
25	DHHS	33	Move MRO Match	Oper	181,000	25,000
25	DHHS	33	Move Nebraska Advocacy Service Contract	Oper	0	0
25	DHHS	33	Medicaid Managed Care Expansion	Oper	275,000	150,000
25	DHHS	33	Nebraska Health Information Initiative	Oper	500,000	500,000
25	DHHS	33	Reduce temporary staff in Medicaid claims (Program 033)	Oper	(127,941)	(255,882)
25	DHHS	33	DD Waiting List, service coordination	Oper	53,350	106,700
25	DHHS	38	FMAP Decrease (Behavioral Health)	Aid	236,537	312,860
25	DHHS	38	Provider Rate Increase - 2.25% (Behavioral Health)	Aid	1,389,908	2,811,089
25	DHHS	38	Move Behavioral Health MRO Match	Aid	(6,000,000)	(6,000,000)
25	DHHS	250	Inflation for 24 Hour Facilities	Oper	63,595	129,470
25	DHHS	344	ACA Implementation	Aid	2,600,000	6,100,000
25	DHHS	344	FMAP Decrease (SCHIP)	Aid	462,796	606,927
25	DHHS	344	Provider Rate Increase - 2.25% (SCHIP)	Aid	350,570	713,080
25	DHHS	344	Medicaid-CHIP Utilization	Aid	1,117,821	1,729,074
25	DHHS	347	FMAP Decrease (Public Assistance)	Aid	339,064	427,505
25	DHHS	347	Child Care Market Basket Study	Aid	4,236,019	4,236,019
25	DHHS	348	ACA Implementation	Aid	9,900,000	26,800,000
25	DHHS	348	FMAP Decrease (Medicaid)	Aid	14,849,840	19,540,515
25	DHHS	348	Provider Rate Increase - 2.25% (Medicaid)	Aid	12,703,090	25,840,441
25	DHHS	348	Medicaid-CHIP Utilization	Aid	28,605,056	56,461,936
25	DHHS	348	Move Behavioral Health MRO Match	Aid	6,000,000	6,000,000
25	DHHS	348	Behavioral Health Managed Care- 3% Savings	Aid	(1,607,500)	(1,616,788)
25	DHHS	353	Eliminate funding for completed study (Prog 353)	Oper	(100,000)	(100,000)
25	DHHS	353	Sunset of the Childrens Commission per LB821-2012 (Prog 353)	Oper	0	(101,400)

Ag	Prog	Issue Type	Type	FY2013-14	FY2014-15
25	DHHS	354 FMAP Decrease (Child Welfare Aid)	Aid	277,446	351,054
25	DHHS	354 Child Care Market Basket Study	Aid	42,855	43,102
25	DHHS	354 Public Health Transfer Admin of State General Fund	Aid	(850,000)	(850,000)
25	DHHS	365 FMAP Decrease	Oper	59,134	78,215
25	DHHS	365 Inflation for 24 Hour Facilities	Oper	131,305	252,942
25	DHHS	421 FMAP Decrease	Oper	236,537	312,860
25	DHHS	421 Inflation for 24 Hour Facilities	Oper	66,542	130,651
25	DHHS	421 Change fund mix for the Bridges Program (prog. 421).	Oper	(800,000)	(800,000)
25	DHHS	421 Reduce contracted services at BSDC (priority 30 of 32, prog. 421).	Oper	(325,000)	(325,000)
25	DHHS	424 FMAP Decrease (Developmental Disability aid)	Aid	2,306,233	3,050,387
25	DHHS	424 DD New Graduates	Aid	1,400,000	2,800,000
25	DHHS	424 DD New Rate Methodology	Aid	5,400,000	10,900,000
25	DHHS	424 IRS Ruling Impacting DD EFH Rates	Aid	(1,184,625)	(1,191,470)
25	DHHS	424 DD Waiting List	Aid	1,946,650	3,893,300
25	DHHS	514 Public Health Transfer Admin of State General Fund	Aid	850,000	850,000
25	DHHS	519 Inflation for 24 Hour Facilities	Oper	99,005	187,390
25	DHHS	519 Fund source shift per request (prog. 519).	Oper	(1,000,000)	(1,000,000)
25	DHHS	559 Provider Rate Increase - 2.25% (Aging-Care Mgmt)	Aid	45,746	92,521
25	DHHS	571 Provider Rate Increase - 2.25% (Aging-Aid to Areas)	Aid	134,243	271,506
25	DHHS	870 Inflation for 24 Hour Facilities	Oper	29,306	59,670
25	DHHS	870 Revised Program Cost Estimate	Oper	(250,000)	(250,000)
28	Vet Affairs	36 Reduce the salary base to equal est expenditures	Oper	(18,000)	(18,000)
28	Vet Affairs	37 Shift some cemetery operations to cash fund revenues	Oper	(19,000)	(19,000)
29	Natural Resources	311 Reallocation of funding for climate services data	Aid	(150,000)	(150,000)
29	Natural Resources	334 Provide funding for contract with UNL for climate data	Oper	150,000	150,000
31	Military Dept	544 Additional funding to reduce maintenance backlog	Oper	100,000	200,000
31	Military Dept	545 Reduction in funds budgeted for IT related expenditures.	Oper	(47,122)	0
33	Game and Parks	336 Agency efficiency review and reorganization (Prog 336)	Oper	(61,307)	(61,307)
33	Game and Parks	336 Conservation Officer vacancies, equipment, g supplies (Prog 336).	Oper	29,370	4,315
33	Game and Parks	337 Agency efficiency review and reorganization (Program 337).	Oper	61,307	61,307
33	Game and Parks	549 Vehicle/equip replacement, inflationary increases (Program 549).	Oper	35,000	35,000
34	Library Commission	252 Office space lease expense. (Priority 2 of 3 - Prog. 252)	Oper	31,376	64,636
34	Library Commission	302 NebraskaAccess database subscription fee increases. (Prog. 302)	Aid	8,000	16,000
35	Liquor Control	73 One staff position as the determined by the agency. (Prog. 73)	Oper	47,399	47,399
46	Corrections	200 Reduce contractual services (Prog. 200).	Oper	(52,245)	(52,245)
46	Corrections	200 Facility infrastructure and maintenance (Prog. 200).	Oper	0	300,000
46	Corrections	200 Increase in utilities and radio system (Prog. 200).	Oper	200,000	200,000
46	Corrections	200 Restore prior funding cut, housing units (Prog. 200)	Oper	2,750,000	2,750,000
46	Corrections	200 Increased inmate per diem costs (Prog. 200).	Oper	4,820,496	6,036,322
47	NETC	533 TV Closed Captioning (Program 533)	Oper	32,500	50,000
48	Postsecond Coord	640 Provide funds for staff computers. (Prog 640)	Oper	8,217	0
48	Postsecond Coord	691 Additional funds, Access College Early Scholarship (Prog 691)	Aid	65,000	110,000
50	State Colleges	48 General Increase (3.0% / 3.0%)	Oper	1,363,527	2,767,959
51	University of Nebr	515 General Increase (2.25% / 2.75%)	Oper	11,204,971	25,198,734

Ag	Prog	Issue Type	Type	FY2013-14	FY2014-15
54	Historical Society	648 Historical Marker Repair (prog. 648)	Oper	5,000	5,000
54	Historical Society	648 Nebraska Highway Archeology Program (prog. 648)	Oper	30,000	30,000
54	Historical Society	648 Utilities (prog. 648)	Oper	25,388	34,928
64	State Patrol	100 Communications center consolidation (Prog. 100).	Oper	(203,912)	(247,938)
64	State Patrol	100 DROP Retirement Program (Prog. 100).	Oper	53,262	(201,372)
64	State Patrol	100 Crime Lab - Increased Rent Costs (Prog. 100).	Oper	40,000	40,000
64	State Patrol	100 Higher gasoline prices (Prog. 100).	Oper	175,000	175,000
64	State Patrol	100 Vehicle replacements (Prog. 100).	Oper	250,000	250,000
65	Admin Services	608 Additional Hours for Staff Assistant (Program 608)	Oper	1,484	1,484
67	Equal Opportunity	59 Eliminate funding for one-time projects (Program 59)	Oper	(24,654)	(24,654)
67	Equal Opportunity	59 Relocation of the Scottsbluff office (Program 59)	Oper	(3,452)	(3,452)
67	Equal Opportunity	59 Change fund source from Gen to Fed, one intake staff	Oper	(37,337)	(37,337)
68	Latino-American	537 Funding for "Families as Educators" Program	Oper	5,766	5,766
69	Arts Council	327 Increased funding, School Bus Arts Grants program.	Aid	15,000	15,000
69	Arts Council	327 Increased funding, Nebraska Humanities Council.	Aid	25,000	25,000
69	Arts Council	327 Increased funding, Artists in Schools & Communities	Aid	25,000	25,000
70	Foster Care	116 Restore One Review Specialist Positions (Prog 116)	Oper	48,580	47,830
72	Economic Develop	603 Reallocate funds, Business Innovation Act aid to operations	Aid	(156,396)	(156,396)
72	Economic Develop	603 Reallocate funding out of state aid and into operations.	Aid	(240,000)	(240,000)
72	Economic Develop	603 Small Business Innovation Act, end of pilot program	Oper	(200,000)	(200,000)
72	Economic Develop	603 Reallocate funds, Business Innovation Act aid to operations	Oper	156,396	156,396
72	Economic Develop	603 Increased funding, Entrepreneur Acceleration System	Oper	100,000	100,000
72	Economic Develop	603 Reallocation of state aid into operations.	Oper	240,000	240,000
72	Economic Develop	603 Allocate funding for GROW Nebraska	Oper	100,000	100,000
76	Indian Commission	584 Reduce the cash fund authority (Prog. 584)	Oper	(72,922)	(72,922)
76	Indian Commission	584 Additional hours for SOS assistance	Oper	7,000	7,000
77	Industrial Relations	531 Administration (prog. 531)	Oper	3,000	3,000
78	Crime Commission	198 Annualize LB1145-2012, task force & training, human trafficking	Oper	(46,230)	(46,230)
78	Crime Commission	204 General Funds to replace use of cash (Prog. 204).	Aid	200,000	200,000
83	Community Colleges	151 General Increase (3.5% / 3.5%)	Aid	3,075,455	6,258,551
84	Environ Quality	513 Superfund adjustments. (Prog. 513)	Aid	(369,650)	(305,650)
85	Retirement	515 Sunset of annual level dollar COLA payments	Oper	(5,921,699)	(6,895,000)
85	Retirement	515 Increase funding for existing law state contribution	Oper	176,614	883,685
85	Retirement	515 State contributions (1% of pay schools, lump sum Patrol)	Oper	0	21,000,000
87	Account/Disclosure	94 Miscellaneous issues (prog. 094)	Oper	90	90
87	Account/Disclosure	94 Replace use of cash funds (prog. 094)	Oper	0	46,500
93	TERC	115 Increase in postage expense. (Prog. 115)	Oper	2,000	2,000
93	TERC	115 Increased costs, personal vehicle mileage. (Prog. 115)	Oper	2,000	2,000
93	TERC	115 Increased costs, board and lodging. (Prog. 115)	Oper	3,000	3,000

Ag	Prog	Issue Type	Type	FY2013-14	FY2014-15
All	Agencies	--- FY14 / FY15 Salary Increases	Oper	9,198,242	18,597,901
All	Agencies	--- FY14 / FY15 Health Insurance Increases	Oper	0	0
All	Agencies	--- DAS Accounting / NIS charges	Oper	(55,202)	(55,202)
All	Agencies	--- DAS Transportation Services Bureau (TSB) Rates	Oper	0	0
All	Agencies	--- DAS Workers Compensation Assessment	Oper	96,726	96,726
All	Agencies	--- DAS Vehicle Liability Assessment	Oper	(4,918)	(4,918)
All	Agencies	--- DAS Building Rent charges	Oper	40,761	45,597
All	Agencies	--- DAS All Other rates	Oper	133,489	133,989
99	Construction	--- Difference between FY13 base and Committee Prelim	Const	648,791	(1,234,233)
Total Adjustments (Operations)			Oper	33,368,836	81,643,233
Total Adjustments (State Aid)			Aid	140,146,497	276,932,781
Total Adjustments (Construction)			Const	648,791	(1,234,233)
Total General Fund Budget Adjustments			Total	174,164,124	357,341,781

COMPARISON TO GOVERNORS RECOMMENDATION

	Committee Preliminary			Governors Recommendation		
	Current Yr	Biennial Budget		Current Yr	Biennial Budget	
	FY2012-13	FY2013-14	FY2014-15	FY2012-13	FY2013-14	FY2014-15
1 BEGINNING BALANCE						
2 Beginning Cash Balance	498,526,356	288,547,180	253,425,301	498,526,356	284,832,420	249,829,304
3 Cash Reserve transfers-automatic	(104,789,781)	(57,934,000)	0	(104,789,781)	(57,934,000)	0
4	(267,812,760)	0	0	(267,812,760)	0	0
5 Lapse FY 13 reappropriations	5,046,613	0	0	5,046,613	0	0
6 Allocation for potential deficits	0	(5,000,000)	(5,000,000)	0	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	130,970,428	225,613,180	248,425,301	130,970,428	221,898,420	244,829,304
8 REVENUES						
9 Net Receipts (Oct 2012 NEFAB+Hist Avg)	3,825,000,000	3,922,000,000	4,080,000,000	3,825,000,000	3,922,000,000	4,080,000,000
10 General Fund transfers-out	(114,700,000)	(116,800,000)	(116,800,000)	(114,700,000)	(116,300,000)	(116,300,000)
11 General Fund transfers-in	in forecast	37,200,000	37,200,000	in forecast	40,000,000	40,000,000
12 Cash Reserve transfers (current law)	78,000,000	0	0	78,000,000	0	0
13 Cash Reserve transfers (new)	0	0	0	0	0	0
14 2013 Revenue Bills	0	0	0	0	0	0
15 General Fund Net Revenues	3,788,300,000	3,842,400,000	4,000,400,000	3,788,300,000	3,845,700,000	4,003,700,000
16 APPROPRIATIONS						
17 Appropriations (current law)	3,632,423,755	3,632,423,755	3,632,423,755	3,632,423,755	3,632,423,755	3,632,423,755
18 2013 Mainline Budget Actions	(2,223,316)	174,164,124	357,341,781	1,491,444	185,345,361	366,108,224
19 Projected increases, following biennium	--	--	--	--	--	--
20 2013 State Claims	522,809	0	0	522,809	0	0
21 2013 "A" Bills	0	0	0	0	0	0
22 Allocation for Post Hearing adjustments	0	8,000,000	8,000,000	0	0	0
23 General Fund Appropriations	3,630,723,248	3,814,587,879	3,997,765,536	3,634,438,008	3,817,769,116	3,998,531,979
24 ENDING BALANCE						
25 Dollar ending balance (Financial Status as of)	288,547,180	253,425,301	251,059,765	284,832,420	249,829,304	249,997,325
26 Dollar ending balance (at Minimum Reserve)			235,147,957			235,231,993
27 Excess (shortfall) from Minimum Reserve			15,911,808			14,765,332
28 Biennial Reserve (%)			3.2%			3.2%
General Fund Appropriations						
29 Annual % Change - Appropriations (w/o debt)	4.7%	4.8%	4.8%	4.7%	5.1%	4.7%
30 Two Year Average	--	--	4.8%	--	--	4.9%

CASH RESERVE FUND	FY2012-13	FY2013-14	FY2014-15	FY2012-13	FY2013-14	FY2014-15
Beginning Balance	428,878,372	384,120,027	442,054,027	428,878,372	384,120,027	395,038,568
Excess of certified forecasts (line 3 in Status)	104,789,781	57,934,000	0	104,789,781	57,934,000	0
To/from Gen Fund per current law	(78,000,000)	0	0	(78,000,000)	0	0
To/From Water Contingency Cash Fund	4,990,198	0	0	4,990,198	0	0
To Affordable Housing Trust fund	(1,000,000)	0	0	(1,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(80,000,000)	0	0	(80,000,000)	0	0
EPIC cash flow transfers (LB379-2011)	4,461,676	0	0	4,461,676	0	0
2013 To General Fund	0	0	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	0	0	0	0	(47,015,459)	0
Projected Unobligated Ending Balance	384,120,027	442,054,027	442,054,027	384,120,027	395,038,568	395,038,568

Over the two-year biennial budget, there is only a \$1.2 million difference between the variance from the minimum reserve under the Committee preliminary budget (+\$15.9 million) and the Governor (+\$14.7 million). Excluding the allocation for post hearing adjustments the dollar difference is +\$17.2 million.

Over the two years, the largest differences are the Committee Preliminary Budget is lower than the Governor for higher education (\$29 million) and estimated costs related to implementation of the Affordable Care Act (\$12.3 million) and \$20 million higher than the Governor in the states contributions towards the shortfall in the defined benefit retirement plans.

General Fund Appropriations

<u>General Fund Appropriations</u>	<u>Committee FY2013-14</u>	<u>Committee FY2014-15</u>	<u>Governor FY2013-14</u>	<u>Governor FY2014-15</u>
Operations	1,292,979,798	1,341,254,195	1,300,292,292	1,338,811,142
Aid to Individuals	1,221,213,041	1,299,938,600	1,224,289,239	1,307,387,647
Aid to Local Govt	1,270,974,016	1,329,034,741	1,271,396,561	1,329,974,190
Construction	21,421,024	19,538,000	21,791,024	22,359,000
Total	3,806,587,879	3,989,765,536	3,817,769,116	3,998,531,979

<u>Differences from Governor (Operations/Aid)</u>	<u>FY2013-14</u>	<u>FY2014-15</u>	<u>Two Yr Total</u>
Operations	(7,312,494)	2,443,053	(4,869,441)
Aid to Individuals	(3,076,198)	(7,449,047)	(10,525,245)
Aid to Local Govt	(422,545)	(939,449)	(1,361,994)
Construction	(370,000)	(2,821,000)	(3,191,000)
Total	(11,181,237)	(8,766,443)	(19,947,680)

<u>Differences from Governor (Major Items)</u>	<u>FY2013-14</u>	<u>FY2014-15</u>	<u>Two Yr Total</u>
University of Nebraska	(7,895,030)	(17,791,899)	(25,686,929)
ACA Health Care reform	(4,000,000)	(8,300,000)	(12,300,000)
Develop Disability Rate methodology	(2,041,508)	(4,069,007)	(6,110,515)
Construction-Chemical dependency unit, HRC	0	(3,321,000)	(3,321,000)
State Colleges	(686,473)	(1,382,041)	(2,068,514)
Community Colleges	(424,545)	(941,449)	(1,365,994)
Retirement, K-12 School/Judges/Patrol	(157,804)	19,808,731	19,650,927
Develop Disability Waiting List	2,000,000	4,000,000	6,000,000
Early Childhood (shift back to Gen Fund)	698,100	708,328	1,406,428
Salary increases (State Agencies)	621,866	1,255,369	1,877,235
All Other not listed (net)	704,157	1,266,525	1,970,682
Total Difference, Committee vs Governor	(11,181,237)	(8,766,443)	(19,947,680)

General Fund Transfers-In (2 Yr Total)	Committee	Governor	Difference
Securities Act Cash Fund	48,000,000	42,000,000	(6,000,000)
Tobacco Products Admin Cash Fund	20,000,000	20,000,000	0
Dept of Insurance Cash Fund	12,000,000	12,000,000	0
Dept of Motor Vehicles Ignition Interlock Fund	0	400,000	400,000
General Fund Transfers In	80,000,000	74,400,000	(5,600,000)

General Fund Transfers-Out (2 Yr Total)	Committee	Governor	Difference
Property Tax Credit Fund	226,000,000	226,000,000	0
Water Resources Cash Fund	6,600,000	6,600,000	0
Cultural Preservation Endowment Fund	1,000,000	0	1,000,000
General Fund Transfers In	233,600,000	232,600,000	(1,000,000)

General Fund Deficits (FY2012-13)	Committee	Governor	Difference
Courts-excesss appropriation, delayed pilot project	0	(2,000,000)	2,000,000
Secretary of State-Health Insurance and Benefits	1,607	1,607	0
Treasurer-Long Term Care Savings, excess approprrtion	(25,000)	(25,000)	0
Education-TEEOSA Aid; revised Insurance tax	1,464,531	1,464,531	0
Revenue-Homestead exemption deficit	(5,000,000)	(5,000,000)	0
Aeronautics-Aircraft purchase	0	2,164,760	(2,164,760)
DHHS-Access Nebraska communications costs	0	3,300,000	(3,300,000)
Military Dept- Governor's Emergency Fund balance	5,250,000	5,500,000	(250,000)
Corrections-Increased Inmate Population Costs	5,113,211	5,113,211	0
Hist Society-Utilities	18,999	18,999	0
DAS-Increase Personal Services and Limitation	1,677	0	1,677
Employee health insurance premium savings	(9,048,341)	(9,048,341)	0
General Fund FY13 Deficit Appropriations	(2,223,316)	1,491,444	(3,714,760)
LAPSE FY2011-12 REPPROPRIATIONS	(5,046,613)	(5,046,613)	0

Cash Reserve Fund Transfers (2 Yr Total)	Committee	Governor	Difference
To NCCF (for veterans home facilities)	0	47,015,459	47,015,459

STATUTORY CHANGES REQUIRED

New Bill Introduction, Rule 5

Rule 5 of the "Rules of the Nebraska Unicameral Legislature" authorizes the Appropriations Committee to introduce new bills in conjunction with the issuance of their Preliminary Report. The intent of the rule is to give the committee the opportunity to review budget requests, develop an initial recommendation and then proceed to hearing on proposed funding levels while other standing committees can hear the new bills that enable the recommendation.

THE SPECIFICS OF THE COMMITTEE PRELIMINARY BUDGET DO NOT REQUIRE INTRODUCTION OF NEW BILLS

Any statutory changes required to carry out the Appropriations Committee Preliminary Budget could be accomplished with bills already introduced as noted below.

Appropriations Committee Preliminary Budget

The Committee Preliminary budget takes into consideration other bills already introduced by individual senators or committees and funding levels have been adjusted in anticipation of the passage of these bills. In most cases the Committee Preliminary recommendation would require amendment to the original bills.

These bills (or similar bills contained within the relevant standing committee) are as follows:

LB 407 Change provisions, state aid to schools

LB 495 Change provisions relating to the Education Innovation Fund and early childhood grant reporting

LB 305 Change provisions relating to State Patrol retirement

LB 553 Change provisions relating to school employee retirement

Governor Recommendation

The Governors Recommendation would require statutory changes relating to both TEEOSA school aid and defined benefit retirement plans however no specific bills were identified.

Mainline Appropriations Bills

The following bills are the standard appropriations bills as introduced by the Governor that authorize the bulk of state government expenditures. They are listed here for information only.

LB 194 Provide for deficit appropriations (Speaker Adams, at the request of the Governor)

LB 195 Appropriate funds for state government expenses (Speaker Adams, at the request of the Governor)

LB 196 Appropriations for legislative salaries (Speaker Adams, at the request of the Governor)

LB 197 Appropriate funds, salaries of constitutional officers (Speaker Adams, at the request of the Governor)

LB 198 Provide appropriations for capital construction (Speaker Adams, at the request of the Governor)

LB 199 Create and transfer funds (Speaker Adams, at the request of the Governor)

LB 200 Cash Reserve Fund transfers (Speaker Adams, at the request of the Governor)