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in the minds of some at least some additional fringe benefits perhaps which was not a part of the salary survey, recognizing that there was no way that we could probably make up all the difference in one session of that disparity, but also recognizing that if we did not begin to do it this session disparity will grow and become a more serious problem for us to address next year and in future years. Essentially, what we are proposing to you is this, is that any agency in which we recommended and the Legislature adopted funds that provided money for new and expanded programs, if the dollar amount of those new and expanded programs exceed the cut in the veto for salaries, then we recommend that the agency not be overridden, and that as an alternative then that that agency rather than using the money for new and expanded programs use it for current operations and for employees currently on board. There are, for example, agencies where there were additional people, not many, but a few, additional people authorized in the appropriation. The suggestion would be, for example, that the additional people not be hired, but rather that amount of funds be used for more adequate compensation for those currently employed. If there was not adequate money for the salary after doing that, then our next position was that we would require the agency to absorb up to 1.4 percent of that 3 percent within their existing operational budget, either through vacancy savings or reduced operating costs. And I think it is interesting to note that at the hearing that was held for the salary policy, there was a number of state employees who came forth at that time with the suggestion that they thought it was appropriate to reduce operating costs and use those funds for the more adequate compensation for salaries, and that they would be very anxious to help reduce those operating costs with that kind of motivation. So we arbitrarily said, you can keep 1.4 percent...you have to absorb 1.4 percent if new and expanded programs do not fund it. The only agencies then that we are suggesting for over....to be overridden are included in the packet and it is by a program-by-program basis, and those programs where the cost for the salary exceeded 1½ percent to the 3 percent to have the necessary funds are the ones that we recommend. As indicated by the total sheet we have to take these up a bill at a time. The total impact of what we are suggesting is approximately a 3.1 million override of General Fund that we will not...will not override 5.6 million of General Fund, that we would override almost 639,000 of cash funds, that we would not override 523,000 of cash funds, and we are suggesting override of a million one hundred and three thousand, almost one hundred and four thousand of federal funds and not override approximately

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