

## LEGISLATIVE BILL 12

Approved by the Governor August 15, 2002

Introduced by Speaker Bromm, 23; Wehrbein, 2; at the request of the Governor

AN ACT relating to the state budget; to amend sections 81-132, 81-1113, 81-2227, and 85-1416, Reissue Revised Statutes of Nebraska, and section 2-15,106, Revised Statutes Supplement, 2000; to change filing dates; to harmonize provisions; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 2-15,106, Revised Statutes Supplement, 2000, is amended to read:

2-15,106. On or before September 15 of for each odd-numbered year and on or before the date provided in section 81-132 for each even-numbered year, the director shall submit an annual report and plan of work for the state water planning and review process to the Legislature and Governor. The report shall include a listing of expenditures for the past fiscal year, a summary and analysis of work completed in the past fiscal year, funding requirements for the next fiscal year, and a projection and analysis of work to be completed and estimated funding requirements for such work for the next succeeding four years. The explanation of future funding requirements shall include an explanation of the proposed use of such funds and the anticipated results of the expenditure of such funds. The report shall, to the extent possible, identify such information as it affects each agency or other recipient of program funds. The explanation of future funding requirements shall be in a form suitable for providing an explanation of that portion of the budget request pertaining to the state water planning and review process.

Sec. 2. Section 81-132, Reissue Revised Statutes of Nebraska, is amended to read:

81-132. ~~It shall be the duty of all~~ All departments, offices, and institutions of the state government requesting appropriations ~~to shall file in the office of the Director of Administrative Services on or before September 15 of each even-numbered year~~ the budget forms ~~which were~~ furnished them by the director under the provisions of sections 81-1113 and ~~section~~ 81-1113.01. The budget forms required by this section shall be filed on or before September 15 of each even-numbered year, except that in 2002, the budget administrator of the budget division of the Department of Administrative Services may extend the filing deadline for budget forms to a date no later than October 15, 2002. The ~~7~~ ~~which~~ forms shall show their total estimated requirements for the next biennium for each unit of their organization and activity classified as to object of expenditure. With such forms, each department, office, institution, and expending agency shall file a report showing all money received by such department, office, institution, or expending agency together with the estimated receipts for the coming biennium. Such estimates shall be accompanied by a statement in writing giving facts and explanations of reasons for each item of increased appropriation requested.

Sec. 3. Section 81-1113, Reissue Revised Statutes of Nebraska, is amended to read:

81-1113. The budget division shall prepare the executive budget in accordance with the wishes and policies of the Governor. The budget division shall have the following duties, powers, and responsibilities:

(1) Shall prescribe the forms and procedures to be employed by all departments and agencies of the state in compiling and submitting their individual budget requests and shall set up a budget calendar which shall provide for (a) the date, not later than July 15 of each even-numbered year, for distribution of instructions, (b) the date by which time requests for appropriations by each agency shall be submitted, and (c) the period during which such public hearings as the Governor may elect shall be held for each department and agency. The budget request shall be submitted ~~no later than on or before September 15 of~~ on or before September 15 of each even-numbered year no later than the date provided in section 81-132, shall include the intended receipts and expenditures by programs, subprograms, and activities and such additional information as the administrator may deem appropriate for each fiscal year, shall be made upon a biennial basis, and shall include actual receipts and actual expenditures for each fiscal year of the most recently completed biennium and the first year of the current biennium and estimates for the second year of the current biennium and each year of the next ensuing biennium;

(2) Shall work with each governmental department and agency in developing performance standards for each program, subprogram, and activity to measure and evaluate present as well as projected levels of expenditures;

(3) Shall, following passage of legislative appropriations, be responsible for the administration of the approved budget through budgetary allotments;

(4) Shall be responsible for a monthly budgetary report for each department and agency showing comparisons between actual expenditures and allotments which report shall be subject to review by the director and budget administrator;

(5) Shall be responsible for the authorization of employee positions. Such authorizations shall be based on the following:

(a) A requirement that a sufficient budget program appropriation and salary limitation exist to fully fund all authorized positions;

(b) A requirement that permanent full-time positions which have been vacant for ninety days or more be reviewed and reauthorized prior to being filled. If requested by the budget division, the personnel division of the Department of Administrative Services shall review such vacant position to determine the proper classification for the position;

(c) A requirement that authorized positions accurately reflect legislative intent contained in legislative appropriation and intent bills; and

(d) Other relevant criteria as determined by the budget administrator; and

(6) Shall, beginning on July 1, 2000, administer any grant approved by the Nebraska Commission on Local Government Innovation and Restructuring which extends beyond June 30, 2000.

Sec. 4. Section 81-2227, Reissue Revised Statutes of Nebraska, is amended to read:

81-2227. Based upon the department-approved plan and budget for each designated area agency on aging, the department shall submit a budget request to the Department of Administrative Services no later than September 15 ~~of~~ for each even-numbered year, except for 2002, no later than the date provided in section 81-132, for the funds required to achieve the objectives of the Nebraska Community Aging Services Act. Such request shall include all federal funds available to the department for reimbursement to area agencies on aging.

Sec. 5. Section 85-1416, Reissue Revised Statutes of Nebraska, is amended to read:

85-1416. (1) Pursuant to the authority granted in Article VII, section 14, of the Constitution of Nebraska and the Coordinating Commission for Postsecondary Education Act, the commission shall, in accordance with the coordination function of the commission pursuant to section 85-1403, review and modify, if needed to promote compliance and consistency with the comprehensive statewide plan and prevent unnecessary duplication, the budget requests of the governing boards.

(2) (a) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission an outline of its proposed operating budget. The outline of its proposed operating budget or outline of proposed state aid request shall include those information summaries provided to the institution's governing board describing the respective institution's budget for the next fiscal year or biennium. The outline shall contain projections of funds necessary for (i) the retention of current programs and services at current funding levels, (ii) any inflationary costs necessary to maintain current programs and services at the current programmatic or service levels, and (iii) proposed new and expanded programs and services. In addition to the outline, the commission may request an institution to provide to the commission any other supporting information to assist the commission in its budget review process. An institution may comply with such requests pursuant to section 85-1417.

(b) On September 15 of each biennial budget request year, except as otherwise provided for 2002, the boards of governors of the community colleges or their designated representatives shall submit to the commission outlines of their proposed state aid requests pursuant to sections 85-1536 and 85-1537. In 2002, the boards of governors of the community colleges or their designated representatives shall submit to the commission the outlines no later than the date established by the budget administrator of the budget division of the Department of Administrative Services for the filing of biennial budget requests pursuant to section 81-132.

(c) The commission shall analyze institutional budget priorities in light of the comprehensive statewide plan, role and mission assignments, and the goal of prevention of unnecessary duplication. The commission shall submit to the Governor and Legislature by October 15 of each year, except as otherwise provided for 2002, recommendations for approval or modification of each budget request together with a rationale for each such recommendation. In 2002, the commission shall submit to the Governor and Legislature its recommendations and rationale no later than November 12, 2002. The analysis and recommendations by the commission shall focus on budget requests for new and expanded programs and services and major statewide funding issues or initiatives as identified in the comprehensive statewide plan. If an institution does not comply with the commission's request pursuant to subdivision (a) of this subsection for additional budget information, the commission may so note the refusal and its specific information request in its report of budget recommendations. The commission shall also provide to the Governor and the Appropriations Committee of the Legislature on or before October 1 of each even-numbered year a report identifying public policy issues relating to student tuition and fees, including the appropriate relative differentials of tuition and fee levels between the sectors of public postsecondary education in the state consistent with the comprehensive statewide plan.

(3) At least thirty days prior to submitting to the Governor their biennial budget requests pursuant to section 81-1113 and any major deficit appropriation requests pursuant to instructions of the Department of Administrative Services, the Board of Regents of the University of Nebraska and the Board of Trustees of the Nebraska State Colleges shall each submit to the commission information the commission deems necessary regarding each board's capital construction budget requests. The commission shall review the capital construction budget request information and may recommend to the Governor and the Legislature modification, approval, or disapproval of such requests consistent with the statewide facilities plan and any project approval determined pursuant to subsection (10) of section 85-1414 and to section 85-1415. The commission shall develop from a statewide perspective a unified prioritization of individual capital construction budget requests for which it has recommended approval and submit such prioritization to the Governor and the Legislature for their consideration. In establishing its prioritized list, the commission may consider and respond to the priority order established by the Board of Regents or the Board of Trustees in their respective capital construction budget requests.

(4) Nothing in this section shall be construed to affect other constitutional, statutory, or administrative requirements for the submission of budget or state aid requests by the governing boards to the Governor and the Legislature.

Sec. 6. Original sections 81-132, 81-1113, 81-2227, and 85-1416, Reissue Revised Statutes of Nebraska, and section 2-15,106, Revised Statutes Supplement, 2000, are repealed.

Sec. 7. Since an emergency exists, this act takes effect when passed and approved according to law.