

**STATE OF NEBRASKA**  
**FY1999-00 / FY2000-01**  
**BIENNIAL BUDGET**



**As Revised During the 2000 Legislative Session**

**Legislative Fiscal Office**  
**June 2000**

## I. Introduction and Highlights

The original appropriations and budget actions for the FY1999-00 and FY2000-01 biennium were enacted during the 1999 Legislative Session and were detailed in the Fall 1999 report "State of Nebraska Biennial Budget". This report, an addendum to that Fall 1999 report, contains a summary of mid-biennium budget actions taken during the 2000 Legislative Session and revised appropriation numbers subsequent to those adjustments. ***Please note that in this report, the financial status of the General Fund and Cash Reserve Fund, and General Fund revenue numbers reflect the situation at Sine Die of the 2000 Legislative Session (April 2000).***

The following is a brief description of what can be found in the various sections of this report.

**General Fund Financial Status** The state's General Fund financial status as of Sine Die of the 2000 Legislative Session (after subsequent Governor vetoes) is displayed here along with a narrative description of the various components. Of particular interest is the outlook for the following biennium.

**General Fund Revenues** This section details General Fund revenue projections, an overview of the growth in revenue both projected and historical, and lists legislation enacted during the 2000 Legislative Session that impact revenues.

**General Fund Appropriations** This section provides detailed information on General Fund appropriations as enacted during the 2000 Legislative Session. This section includes a listing of the major changes enacted during the 2000 session as well as narrative descriptions of some of the major spending areas, both agency operations and state aid programs. A listing of General Fund "A" bills and vetoes and overrides is also included. This section also includes revised state and agency totals, various breakdowns by operations and state aid, and state aid listed by individual aid programs.

**Appropriations-All Fund Sources** While previous sections relate to the General Fund, this section provides a summary of appropriations from all fund sources (General, Cash, Federal, and Revolving). This section also includes a listing of changes enacted during the 2000 session as well as revised state and agency totals.

**Appendix** Two tables are included in the Appendix. First a complete listing of all "A" bills enacted during the 2000 Session. The second table is a detailed listing of mid-biennium budget adjustments contained in LB1217, the 2000 Session mainline budget bill.

## HIGHLIGHTS

- The **General Fund Financial Status** at the end of the 2000 Session projects an ending balance that is \$11 million above the minimum 3% reserve for the current biennial budget. However, when extended into the following biennium the balance is projected to be \$26.6 million below the minimum reserve with current assumptions.
- **General Fund revenue growth** is relatively modest over the four forecast years averaging 6.0% for this biennium and 5.0% in the following biennium. Projections for FY1999-00 and FY2000-01 are the February 2000 forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB). The preliminary estimates for FY2001-02 and FY2002-03 are prepared by the Legislative Fiscal Office (LFO) arrived at using a "historical average revenue growth" methodology. The first "official" NEFAB revenue forecasts for the "following biennium" will be developed in October 2000.
- **General Fund appropriations** enacted in the 2000 session total \$15.1 million in deficits for FY1999-00 and \$68.6 million in FY2000-01, a total of \$83.7 million over the two-year period or 1.8% of the previously enacted biennial budget. Almost 70% of the total budget adjustments can be attributed to Medicaid (\$32.4 million, 39% of total) and Public Assistance programs such as child care and child welfare (\$24.6 million, 29% of total). Although a large increase, the \$30 million in additional Community College aid is basically an offset to a \$29 million reduction in TEEOSA school aid. A summary listing of all General Fund budget items in excess of \$200,000 can be found in the table on page 33.
- **Spending growth** with the inclusion of these 2000 session budget adjustments, is higher than the original budget enacted in the 1999 session, but averages slightly below 5% per year. Last session, the budget as enacted reflected a 4.3% increase in FY99-00 and 2.8% in FY00-01 for a two-year average of 3.6%. With these 2000 session budget adjustments, the revised budget growth is 4.7% in FY99-00 and 5.1% in FY00-01 with a two-year average growth of 4.9%.
- **"Property tax relief"** programs were also adjusted during the 2000 session. First, TEEOSA state aid to K-12 schools was reduced by \$29.1 million from the originally enacted budget due to the February 1, 2000 aid certification. For the most part, this reduction was caused by a high growth in valuation relative to the growth in "NEEDS" in the school aid formula. These funds were then effectively reallocated back as property tax relief by funding a second year of a \$30 million increase in aid to

Community Colleges as a direct General Fund appropriation. Recall that the original \$30 million allocated by LB881-1999 (appropriated as cash funds after transferred from the Cash Reserve Fund) was initially considered “one-time” and was to expire after FY99-00. The last adjustment was a \$10 million reduction in the \$35 million of property tax credits originally provided for in LB881. On a \$100,000 valued home, this reduction would reduce the credit amount from approximately \$40 to \$30.

Even with \$55 million for community college aid and property tax credits, overall state funds for property tax relief would increase by only 1.2% in FY2000-01. The second year \$30 million funding of community colleges in FY2000-01 simply keeps community college aid the same as the previous year. The \$25 million in property tax credits does not quite offset an overall \$30 million reduction in school aid (\$2 million reduction in the original budget coupled with the \$29 million reduction this session).

A local government spending increase of 4%, coupled with the 1.2% growth in state aid, could result in a property tax increase of roughly 5.7% next fall.

## **II. General Fund Financial Status**

# General Fund Financial Status

The following table shows the General Fund financial status at Sine Die of the 20000 Legislative Session. For planning purposes, an estimated financial status is also constructed for the following biennium in order to observe the future impact of budget actions already taken or being considered.

Table 1 General Fund Financial Status  
(Sine Die 2000 Session)

	Biennial Budget		Est for Following Biennium		
	FY1999-00	FY2000-01	FY2001-02	FY2002-03	
<b>1</b>	<b><u>BEGINNING BALANCE</u></b>				
2	Beginning Cash Balance	292,993,012	145,818,444	159,229,167	143,900,605
3	Cash Reserve Fund transfers-automatic	(20,959,305)	(22,652,000)	0	0
4	Lapse carryover obligations	Na	0	0	0
5	Carryover obligations from FY99	(126,223,185)	0	0	0
6	Allocation for potential deficits	0	(5,000,000)	(5,000,000)	(5,000,000)
7	Unobligated Beginning Balance	145,810,522	118,166,444	154,229,167	138,900,605
<b>8</b>	<b><u>REVENUES</u></b>				
9	Net Receipts (Feb 2000 Forecast)	2,349,000,000	2,481,000,000	2,569,000,000	2,708,000,000
10	General Fund transfers-out (1999)	(11,123,988)	(5,350,000)	(350,000)	(350,000)
11	General Fund transfers-in (1999)	In net receipts	In net receipts	0	0
12	Cash Reserve transfers-legislative (1999)	(12,000,000)	16,000,000	35,000,000	0
13	General Fund transfers-Out (2000)	0	0	0	0
14	General Fund transfers-In (2000)	4,713,587	1,286,413	0	0
15	Cash Reserve transfers-legislative (2000)	8,500,000	8,500,000	0	0
16	Revenue Bills (2000)	0	(1,585,000)	(2,536,000)	(3,464,000)
17	General Fund Net Revenues	2,339,089,599	2,499,851,413	2,601,114,000	2,704,186,000
<b>18</b>	<b><u>APPROPRIATIONS</u></b>				
19	Total Appropriations-1999 Session	2,323,943,947	2,390,176,080	2,390,176,080	2,390,176,080
20	LB 1217 Mainline budget adjustments	14,445,932	59,163,781	24,034,680	23,045,257
21	LB 1379 Minority student scholarship	0	1,000,000	0	0
22	LB 1448 State Claims	652,198	0	0	0
23	"A" Bills-2000 Session (net of vetoes)	39,600	8,448,829	12,809,733	13,271,536
24	Projected budget actions-following biennium	na	na	95,422,069	191,072,537
25	Projected budget actions-school levy to \$1.00	na	na	89,000,000	93,000,000
26	General Fund Appropriations	2,339,081,677	2,458,788,690	2,611,442,562	2,710,565,410
<b>27</b>	<b><u>ENDING BALANCE</u></b>				
28	Dollar ending balance	145,818,444	159,229,167	143,900,605	132,521,196
29	Biennial Reserve (%)	--	3.23%	--	2.49%
30	Variance from Minimum Reserve	--	<b>11,025,593</b>	--	<b>(26,639,849)</b>

# Components of the General Fund Financial Status

## BEGINNING BALANCE

For FY1999-00, the beginning balance is the actual cash balance on July 1, 1999, \$292.9 million. However, from this is subtracted \$20.9 million which is the amount by which actual FY98-99 revenues exceeded the certified forecast and the amount by law to be transferred to the Cash Reserve Fund. Also subtracted from the cash balance are \$126.2 million of reappropriations and encumbrances (i.e. spending obligations carried forward from FY98-99). The net result of these adjustments is an unobligated beginning balance for the FY00/FY01 biennium of \$145.8 million.

Beginning balances for the following fiscal years are simply the estimated ending balance from the prior year less a \$5 million allocation for potential deficit appropriations.

## ESTIMATED RECEIPTS

While the individual line items under this category are summarized below, a more detailed explanation of each is included in the General Fund Revenue section of this report.

**Net Receipts** This line includes the February 2000 General Fund revenue forecasts made by the Nebraska Economic Forecast Advisory Board (NEFAB) for FY1999-00 and FY2000-01. Figures for FY2001-02 and FY2002-03 are preliminary estimates calculated by the Legislative Fiscal Office to yield a five year average growth roughly equal to the historical average revenue growth.

**General Fund Transfers-Out** These lines (10 and 13) reflect situations where funds are transferred from the General Fund to another fund within the state treasury. These items are shown separately as they are neither legally valid appropriations (an appropriation from the receiving fund is ultimately necessary for the money to be expended) nor are they considered "refunds" or reductions to the revenue forecasts. The largest amounts are annual transfers from the General Fund to the Ethanol Production Incentive Fund (EPIC). Under current law these transfers expire after FY2000-01.

**General Fund Transfers-In** There are only a few instances in statute where monies in a cash fund can be transferred to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as "Transfers in" and are included as revenues. Such transfers not already included in the revenue forecasts are shown separately here. For example, a \$12 million lapse from the Securities Act Cash Fund for both FY99-00 and

FY00-01 enacted in the 1999 Session are already included in the net receipts line. The 2000 adjustments (line 14) include an additional \$3 million transfer from the Securities Act Cash Fund to the General Fund for each year of the FY00/FY01 biennium and several other fund transfers enacted in LB1216. These transfers are more fully explained starting on page 17.

**Cash Reserve Fund Transfers-Legislative** In addition to those Cash Reserve Fund transfers that occur automatically as noted earlier, the Legislature can transfer monies to and from the Cash Reserve Fund by enacting legislation. The amounts shown in the Financial Status reflect current law as enacted in the 1999 Session (line 12) plus changes made in the 2000 Session (line 15). These transfers are more fully explained starting on page 20.

## **GENERAL FUND APPROPRIATIONS**

For FY1999-00 and FY2000-01, this section shows General Fund appropriations as enacted by the 1999 Legislature (line 19) plus budget adjustments and "A" bills enacted during the 2000 legislative session (lines 20 through 23). Calculation of the spending estimates for the following biennium (FY2001-02 and FY2002-03, lines 24 and 25) are described below.

## **ENDING BALANCE OR "RESERVE"**

The General Fund reserve is actually the estimated unobligated ending balance for the second year of each biennial budget (FY2000-01 for the current biennial budget). The statutory requirement is that this reserve falls between 3% and 7% at the end of the biennium being budgeted for. The actual language states that total funds available for the biennium (ie.. beginning balance plus revenues) can't be less than 3% nor more than 7% greater than appropriations.

Based on the budget as enacted, current revenue forecasts, and allocations for deficits, the projected ending balance for FY2000-01 would be \$159.2 million. This reflects a 3.23% biennial reserve, or \$11.0 million in excess of the minimum 3% reserve (\$148 million). A reserve at the statutory maximum of 7% would amount to \$328 million.



## FOLLOWING BIENNIUM

For planning purposes, an estimated financial status is constructed for the biennium following the two-year biennial budget currently being considered. This allows the Legislature to see the future implications of budget actions being considered.

### **Revenues**

Like previous years, the preliminary estimates for FY2001-02 and FY2002-03 are prepared by the Legislative Fiscal Office (LFO) arrived at by calculating the level of revenues that would yield a five year average growth (FY99 to FY03) roughly equal to the historical average revenue growth from FY81 to FY98 (5.7%). If revenue growth in the first three years is above average, then the estimates for the last two years would show below average growth in order to bring the five year average back in line with the historical average. This in fact is what occurs in the current financial status. Because revenue growth in FY99 to FY01 averages about 6.1%, the LFO preliminary estimated revenues for FY01-02 and FY02-03 average 5.2% per year to bring the five-year average to roughly 5.7%. Although FY98-99 is now an "actual receipt" year and can be included as part of the historical average, it is excluded for purposes of these calculations since FY98-99 is still part of the five year period in the financial status.

Table 2 Comparison of "Out Year" Revenue Projections

Feb 25, 2000 Thousands of \$	At Hist Avg (5.7%)	Average LFO/DOR	High Est LFO-DRI	Low Est DOR-WEFA
<b><u>Dollar Forecast</u></b>				
FY2001-02	2,569,000	2,603,000	2,617,000	2,587,000
FY2002-03	2,708,000	2,729,000	2,736,000	2,718,000
<b><u>Adjusted Growth</u></b>				
FY2001-02	4.4%	5.7%	6.2%	5.0%
FY2002-03	5.5%	5.0%	4.7%	5.2%
Two Year Average	5.0%	5.4%	5.5%	5.1%
<b><u>Difference from Status</u></b>				
FY2001-02	0	34,000	48,000	18,000
FY2002-03	0	21,000	28,000	10,000
Cumulative Total	0	55,000	76,000	28,000

The two national forecast services used for forecasting purposes by the Dept of Revenue (DOR) and Legislative Fiscal Office (LFO) included information which allows an econometric forecast for the two "out years" (FY2001-02 and FY2002-03). Although the Forecast Board does not forecast revenues beyond the current biennial budget, both DOR and LFO have calculated revenue estimates

for FY2001-02 and FY2002-03. The preliminary estimates for the two "out years" arrived at using the historical average concept (as used in the Financial Status), are now below the DOR and LFO model estimates for those two years as shown in the table below. Over the two-year period, the LFO/DOR average is \$55 million higher than the numbers arrived at using the historical average method. This is significantly different than a year ago when the LFO/DOR averages yielded a two-year total that was \$99 million less than the

historical average method. Table 2 compares the results using the historical average and the average, high, and low forecasts run in April.

**Appropriations**

For the “following biennium” (FY01-02 and FY02-03), the mainline budget numbers reflect the annualized impact of the current budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional. Obviously the actual funding needs in these areas will not be known until the biennial budget process starts again in two years. However for planning purposes, some level of funding for these items must be acknowledged and shown as likely funding commitments.

Table 3 Projected Budget Increases-Following Biennium

All numbers annual dollar change	Annual Increase	Following Biennium	
		FY2001-02	FY2002-03
Special Education	5.0%	6,960,230	4,656,725
Aid to K-12 Schools (TEEOSA) *	Est Amount	118,699,513	29,039,612
Aid to ESU's	3%	383,250	394,748
State Disbursement Unit	LB 972	1,789,956	9,673
Developmental Disability aid-rate equity	Intent language	2,007,867	2,068,103
Mental Health/Substance Abuse aid	Na	0	0
Public Assistance	6.0%	8,261,490	8,757,180
Medicaid-base increase	6.5%	23,543,622	25,073,958
Inmate per diem costs	6.0%	1,679,847	1,780,637
New prisons/population costs	Est Amount	15,000,000	0
Community Colleges	Per LB269	(28,128,386)	1,927,763
DEQ-Low Level Radioactive waster licensing		(3,997,000)	0
Salaries (net)	3.0%	22,323,945	22,993,663
Health Insurance	5.0%	3,126,433	3,282,755
Operations increase	2.0%	2,819,966	2,876,365
Depreciation surcharge (LB530/LB1100)	Est Amount	5,095,707	1,647,305
All Other (net)		(442,432)	(3,679)
Operations/Aid		177,656,272	104,504,807
Construction (to reaffirmation level only)	Reaff only	(25,002,400)	(5,381,958)
Total		152,653,872	99,122,849

Spending growth is roughly the same in the following biennium compared to the current FY00/FY01 biennial budget, an average growth of 5.0% compared to 4.9% for the current biennium. Although there is a large increase in state aid to schools when the K-12 levy limit declines from

\$1.10 to \$1.00 (\$89 million) and operations of the new prison, this is offset somewhat by the decline in Community College aid. Excluding the \$89 million school aid figure, the average growth over the two years would be 3.0%.

**Special Education** Increases for the following biennium reflect a 5% per year growth based on LB1234 passed in the 2000 Session. Originally a 3% growth was used per LB742-1995.

**State Aid to Schools (TEEOSA)** As required by LB149-1999, by November 15 of each year the Department of Education (DOE) with the assistance of the Legislative Fiscal

Office, Governors Budget Office, and Property Tax Administrator, must prepare an estimate of the amount of state aid that will be certified the following February 1. A spreadsheet "model" was developed to project state aid per this requirement. While LB149 calls for an estimate of only the forthcoming aid year, this model also can be extended to future years. The FY2001-02 and FY2002-03 estimates found in this report utilize this spreadsheet model but using Fiscal Office assumptions and should be considered Fiscal Office estimates. The key assumptions in the estimates for following biennium are growth in school disbursements (4.88% in FY02 and 4.5% in FY03) and growth in property valuations (6% in FY02 and 5% in FY03).

Table 4 TEEOSA School Aid

	Actual FY1999-00	Actual Aid FY2000-01	Est Aid FY2001-02	Est Aid FY2002-03
<b>Input Assumptions</b>				
School Disbursements	2.97%	4.82%	4.88%	4.50%
Property Valuations (w/o MV)	8.05%	9.33%	6.00%	5.00%
Local Effort Rate	\$1.00	\$1.00	\$0.90	\$0.90
<b>Total Formula Need</b>				
	1,623,775,659	1,696,710,044	1,778,153,831	1,858,304,534
Yield from Local Effort Rate	762,993,529	826,880,704	788,824,576	828,265,805
Net Option Funding	24,738,113	27,966,982	29,331,771	30,651,700
Allocated Income Tax	77,551,704	74,322,835	72,958,046	71,638,117
Other Actual Receipts	264,897,658	298,030,054	309,234,073	318,988,486
Minimum Levy Penalty	5,055,926	14,185,069	7,500,000	7,500,000
<b>Less: Formula Resources</b>				
	1,134,558,936	1,241,524,545	1,207,848,466	1,257,044,108
Calculated Equalization Aid	489,216,723	455,185,499	570,305,365	601,260,426
Net Option Funding	24,738,113	27,966,982	29,331,771	30,651,700
Allocated Income Tax	77,551,704	74,322,835	72,958,046	71,638,117
Lopoff	(4,554,432)	(1,702,796)	(1,702,796)	(1,702,796)
Stabilization Factor	5,827,478	2,698,616	2,698,616	2,698,616
Non Equalized Levy Penalty	(655,991)	(704,471)	(704,471)	(704,471)
Small School Stabilization	161,349	695,863	695,863	695,863
Reorganization Incentive payments	1,757,306	2,881,177	6,735,824	7,045,375
<b>TEEOSA State Aid</b>				
	594,042,250	561,343,705	680,318,218	711,582,830
State General Funds	581,552,195	550,343,705	669,043,218	700,082,830
Insurance Premium Tax	12,490,055	11,000,000	11,275,000	11,500,000
<b>Total TEEOSA Aid</b>				
	594,042,250	561,343,705	680,318,218	711,582,830
Dollar Change from prior year	2,802,013	(32,698,545)	118,974,513	31,264,612
Percent Change from prior year	0.5%	-5.5%	21.2%	4.6%
<b>State General Fund Aid</b>				
TEEOSA (General Funds)	581,552,195	550,343,705	669,043,218	700,082,830
Incentive Payments	2,000,000	2,000,000	2,000,000	0
<b>Total General Funds as calculated</b>				
	583,552,195	552,343,705	671,043,218	700,082,830
Increase due to LER to \$1.00			88,523,647	In base
Other factors			30,175,866	29,039,612
Total Increase			118,699,513	29,039,612

Aid to ESU's The amount of aid to ESU's is based on funding of a certain level of core services. A 3% annual increase in aid is based on an estimated 3% increase in the cost of these core services.

Developmental Disability-Rate Equity The mainline budget bills passed in the 1995 and 1997 Sessions contained intent language that methodology rates for developmental disability services should be increased to 75% in FY95-96, 80% in FY96-97, 85% in FY97-98, 90% in FY98-99, 95% in FY99-00, and 100% in FY00-01. Currently in FY98-99 the 90% level is achieved. The current biennial budget does not achieve the 100% level in FY00-01 but does include funds to achieve 92.5% level in FY99-00 and 95% in FY00-01. The intent is to fund 97.5% in FY2001-02 and then achieve the 100% level in FY2002-03. The projected budget for the following biennium includes estimated funding amounts to achieve those percentages.

Public Assistance A growth rate of 6.0% per year is utilized for the various Public Assistance programs. This growth rate was consistent with the original FY99/FY00 budget increase excluding the one-time impact of annualizing the deficit related to the Boystown lawsuit in wards educational assistance. However, this two year average growth increases to 12% when including the requested 2000 Session budget adjustments.

Medicaid A growth rate of 6.5% per year is utilized for Medicaid. This projected growth was virtually equal to the increases included in the original FY99/FY00 budget excluding the impact of the declining federal match rate. Although 6.5% was a lower growth than the historical average over the past 10 years, much of the large percentage increases in the past were related to phased-in expanded coverages required by federal law and payment rate lawsuits. It had appeared that in the last several years the Medicaid growth has somewhat stabilized. However, the \$30 million deficit for FY2000-01 has raised the two year average growth from 6.5% to 11.5%.

Inmate Per Diem Costs While some costs at the Dept of Correctional Services such as staffing are "fixed" within a range of inmate population, some costs change directly with each inmate. This includes items such as food, clothing, and medical care. A 6% per year increase is included to reflect both inflationary costs and an increase in the number of inmates.

Operating Costs-New Correctional facilities The new 960 bed prison in Tecumseh is scheduled to be operational in FY01-02 and an estimated \$15 million operating costs is included in the projected budget for the following biennium. These amounts are in addition to the staffing dollars the Legislature already included in the FY00-01 budget.

Aid to Community Colleges LB269 passed in the 1997 Session, created a "40-40-20" partnership in terms of funding of community colleges. The projected increase in the

following biennium reflects the General Fund amounts to meet this "partnership" based on a 3% annual increase in community college costs. FY01-02 also reflects elimination of the one-time \$30 million provided in FY00-01.

Employee Salary Increases Although salary increases will be the result of bargaining, some level of increase is factored in more for illustration than planning purposes. A 3.0% per year increase is included which approximates the projected increase in the Consumer Price Index from the two forecast services utilized by the Legislative Fiscal Office for revenue forecast purposes. This is a general inflationary increase and does not reflect the 3<sup>rd</sup> and 4<sup>th</sup> year of the step plan included in the current salary contract. Continuation of the step plan would be subject to bargaining in the contract for the following biennium. This 3% per year increase is also applied to the University of Nebraska and State Colleges. In FY99-00 and FY00-01 a higher salary increase (4.6% per year) was funded for the University which was part of their request to increase salaries over a four-year period. Whether a higher salary increase is funded in the 3<sup>rd</sup> and 4<sup>th</sup> years or not will be dependent on the University request and actions of the Legislature and is not included in this projected budget.

Employee Health Insurance The current biennial budget reflects a very large increase in health insurance costs. However these large increases followed an actual reduction in costs in the FY98/FY99 biennial budget. It's assumed that the large increases this biennium were an offset to the prior year reductions and that increased health insurance costs in the following biennium will stabilize at a more normal growth. A 5% per year increase in costs is factored into the following biennium projected budget.

Operations Inflation Included in the projected status is an across the board 2% increase in agency non-personnel operating costs. This would include data processing, fuel and oil, supplies, travel, etc....

Depreciation Surcharge A depreciation surcharge is a portion of a building rent cost which is set aside for future repairs, renovations, and/or replacement. The total amount of the surcharge to collect is based on a percent of a building's replacement cost. Although the assessment of a depreciation surcharge was initially authorized by LB530 passed in the 1995 Session, FY99-00 is the first year where the surcharge is included in building rent/contracts. Although the surcharge was initially set at 2% in the budget request guidelines, the funding provided agencies (and to be charged by DAS) is based on a surcharge of 1/2% in FY99-00 and 1% in FY00-01. This surcharge will increase to 1.5% in FY01-02 and then to 2% in FY02-03. In addition to this "LB530 surcharge", LB1100 passed in 1998 requires the equivalent of a 2% surcharge be assessed on new buildings and major renovations after passage of the bill. A large number of projects are to be completed this biennium which will cause a significant increase in the 2% surcharge that agencies will be required to pay.

Capital Construction Dollars included in the following biennium for capital construction reflect reaffirmations only based on the FY99/FY00 biennial budget. These are dollar amounts needed to complete funding of previously approved projects. No allocation for new construction is included. Funding would still be available for the 309 Task Force through the earmark of cigarette tax funds.

## Cash Reserve Fund

The Cash Reserve Fund (CRF), created in 1983, is not included as part of the "3% to 7% General Fund Reserve" (which is the ending General Fund balance for a biennium). The Cash Reserve Fund was created as a separate and distinct fund to cover cash flow needs within a month or several month period. Since Nebraska has a constitutional \$100,000 limit on issuance of general obligation debt, this is the only short-term source of funds during a cash flow shortfall. 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.

**Cash Reserve Fund Transfers - Automatic** 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. The transfers in FY98-99 (\$111.6 million) and FY99-00 (\$21 million) reflect actual receipts in excess of the certified forecasts for FY97-98 and FY98-99 respectively. Another \$22.6 million transfer is shown in FY2000-01 reflecting the difference between the current forecast for FY1999-00 (\$2,349,000,000) and the "certified" forecast (\$2,326,348,000).

**Legislative 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. Previously enacted transfers which impact on the General Fund include: \$80 million to the General Fund related to the one year sales tax reduction (LB1104-1998), \$4.5 million to the General Fund for one-time mitigation funds to schools with a resource loss of greater than 10% under the levy limits and state aid changes (LB1219-1998). and \$12 million to the General Fund to help finance the co-location of the law enforcement training facilities (LB63-1998). LB63 also provided that in FY00-01 \$28 million is to be transferred to the General Fund. This is basically the remainder of a \$40 million transfer originally planned for FY98-99 (LB401-1997) less the \$12 million transfer in FY1998-99 for the law enforcement training facilities as noted in this paragraph.

**Legislative Transfers-To / From Other Funds** Transfers also are legislatively enacted transferring monies to and from funds other than the General Fund. LB1134 passed in 1998 transferred \$2 million in FY98-99 to a fund to be used to accelerate school reorganization incentive payments. These amounts are to be "repaid" to the Cash Reserve Fund in FY99-00 from the school reorganization fund.

**Relief to Property Taxpayers Fund (LB 881-1999)** In addition to the transfers noted above, LB 881 enacted in the 1999 Session transfers a total of \$100 million from the

Cash Reserve Fund for purposes of property tax relief. A total of \$65 million is transferred to the Relief to Property Taxpayers Cash Fund; \$30 million in FY99-00 to be used for additional state aid to Community Colleges and \$35 million in FY2000-01 to be allocated to counties to apply as a credit against taxpayers property tax bills. The remaining \$35 million is a transfer to the General Fund in FY2001-02 to assist in covering the costs of additional state aid when the K-12 school levy limit declines from \$1.10 to \$1.00.

**2000 Session Changes** Several changes to the "previous law" Cash Reserve Fund transfers were made during the 2000 session. First, the two \$12 million transfers currently contained in LB880-1999 are reduced by \$3.5 million in each year. This leaves the money in the General Fund and keeps the Cash Reserve Fund balance at an unobligated \$80 million as contained in the Governors recommendation. Basically, this returns to the General Fund, the additional revenues from the Forecast Board's February 2000 revisions. Second, in LB1214 the \$35 million transfer to the Relief to Property Taxpayers Cash Fund for property tax credits is reduced to \$25 million with the \$10 million returned to the General Fund to allow for a full \$30 million for community college aid. The \$10 million is returned to the General Fund by reducing the two \$12 million transfers noted above by an additional \$5 million each.

Table 5 - Cash Reserve Fund Status  
Sine Die 2000 Session

	Est. FY1998-99	Est. FY1999-00	Est. FY2000-01	Est. FY2001-02	Est. FY2002-03
<b>Beginning Balance</b>	132,583,702	145,700,124	150,659,429	115,311,429	80,311,429
<b>Cash Reserve Fund Transfers-automatic</b>	111,616,422	20,959,305	15,652,000	0	0
To GF (LB401-1997)	(40,000,000)	0	0	0	0
Adjust LB401 transfer to GF (LB63-1998)	28,000,000	0	(28,000,000)	0	0
To GF (LB1104-1998)	(80,000,000)	0	0	0	0
To GF for K-12 mitigation funds (LB1219-1998)	(4,500,000)	0	0	0	0
From GF (LB880-1999)	0	12,000,000	12,000,000		
To GF (LB881-1999)	0	0	0	(35,000,000)	0
<i>LB 1217 (1999) Reduce LB880 transfer</i>	0	(8,500,000)	(8,500,000)	0	0
<b>Transfers to/from General Fund</b>	(96,500,000)	3,500,000	(24,500,000)	(35,000,000)	0
To/from School Reorg. Incentives (LB1134-1998)	(2,000,000)	2,000,000	0	0	0
To Relief to Property Taxpayers Fund (LB881-1999)	0	(30,000,000)	(35,000,000)	0	0
<i>LB 1214 (1999) Reduce transfers, property tax credits</i>	0	0	10,000,000	0	0
<b>Transfers to/from Other Funds</b>	(2,000,000)	(28,000,000)	(25,000,000)	0	0
<b>Ending Balance</b>	145,700,124	142,159,429	115,311,429	80,311,429	80,311,429



## **II. General Fund Revenues**

# General Fund Revenues

## REVENUE FORECASTS

Revenue estimates for FY1999-00 and FY2000-01 are the February 2000 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB)

Like previous years, the preliminary estimates for FY2001-02 and FY2002-03 are prepared by the Legislative Fiscal Office (LFO) arrived at by calculating the level of revenues that would yield a five year average growth (FY99 to FY03) roughly equal to the historical average revenue growth from FY81 to FY98 (5.7%). If revenue growth in the first three years is above average, then the estimates for the last two years would show below average growth in order to bring the five year average back in line with the historical average. This in fact is what occurs in the current financial status. Because revenue growth in FY99 to FY01 averages about 6.2%, the LFO preliminary estimated revenues for FY01-02 and FY02-03 average 5.0% per year to bring the five-year average to roughly 5.7%. Although FY98-99 is now an "actual receipt" year and can be included as part of the historical average, it is excluded for purposes of these calculations since FY98-99 is still part of the five year period in the financial status.

Table 6 - General Fund Revenue Forecasts

	Actual FY1998-99	NEFAB FY1999-00	NEFAB FY2000-01	LFO Prelim FY2001-02	LFO Prelim FY2002-03
<b><u>Dollar Amount</u></b>					
Sales and Use Tax	744,650,752	890,000,000	941,000,000	978,000,000	1,026,000,000
Individual Income Tax	1,078,522,994	1,150,000,000	1,230,000,000	1,280,000,000	1,353,000,000
Corporate Income Tax	135,033,658	137,000,000	141,000,000	149,000,000	160,000,000
Miscellaneous receipts	165,661,901	172,000,000	169,000,000	162,000,000	169,000,000
Total General Fund Revenues	2,123,869,305	2,349,000,000	2,481,000,000	2,569,000,000	2,708,000,000
<b><u>Adjusted Growth</u></b>					
Sales and Use Tax	4.5%	6.2%	4.9%	4.3%	5.3%
Individual Income Tax	10.3%	6.9%	7.3%	4.4%	5.9%
Corporate Income Tax	-3.0%	2.4%	2.5%	4.9%	6.4%
Miscellaneous receipts	6.0%	9.9%	-1.9%	4.2%	2.9%
Total General Fund Revenues	6.7%	6.5%	5.5%	4.4%	5.5%
Five Yr Average	8.4%	--	7.1%	--	5.7%

Table 7 Historical General Fund Revenue Growth

June 30, 2000	Sales / Use Tax	Individual Income Tax	Corporate Income Tax	Misc. Receipts	Gen Fund Total
<i>ADJUSTED GROWTH</i>					
FY1984-85 Actual	4.7%	5.5%	12.2%	5.6%	5.2%
FY1985-86 Actual	-1.1%	9.0%	-20.2%	-3.5%	0.9%
FY1986-87 Actual	2.2%	7.9%	17.9%	6.9%	6.3%
FY1987-88 Actual	6.7%	8.0%	12.6%	-2.8%	6.5%
FY1988-89 Actual	10.3%	14.6%	15.8%	5.3%	11.9%
FY1989-90 Actual	6.2%	9.4%	-4.7%	-3.1%	5.8%
FY1990-91 Actual	1.6%	7.2%	5.3%	1.6%	4.3%
FY1991-92 Actual	3.8%	1.7%	12.9%	8.8%	3.9%
FY1992-93 Actual	7.5%	6.9%	9.1%	-0.3%	6.7%
FY1993-94 Actual *	5.2%	2.4%	0.3%	7.3%	3.8%
FY1994-95 Actual *	9.7%	7.4%	19.2%	2.0%	8.7%
FY1995-96 Actual	5.6%	8.4%	8.9%	4.8%	7.0%
FY1996-97 Actual	4.9%	13.4%	7.0%	2.1%	8.5%
FY1997-98 Actual	7.3%	10.3%	3.9%	0.2%	7.9%
FY1998-99 Actual	4.5%	10.3%	-3.0%	6.0%	6.7%
FY1999-00 NEFAB	6.2%	6.9%	2.4%	9.9%	6.5%
FY2000-01 NEFAB	4.9%	7.3%	2.5%	-1.8%	5.5%
FY2001-02 LFO Prelim	4.3%	4.4%	4.9%	6.0%	4.5%
FY2002-03 LFO Prelim	5.3%	5.9%	6.4%	2.9%	5.5%
<i>AVERAGE GROWTH:</i>					
Five Yr Status (FY99 to FY03)	5.0%	7.0%	2.6%	4.6%	5.8%
FY83-84 to FY88-89 (Five Yr)	4.8%	8.4%	8.1%	0.1%	5.9%
FY88-89 to FY93-94 (Five Yr)	4.8%	5.6%	2.3%	2.9%	4.8%
FY93-94 to FY98-99 (Five Yr)	6.4%	9.8%	6.2%	1.8%	7.6%
FY88-89 to FY98-99 (10 Yrs)	5.6%	7.7%	4.2%	2.3%	6.2%
Historical Average (18 Yrs)	5.1%	7.9%	4.0%	2.0%	5.9%

## GENERAL FUND TRANSFERS-OUT

This section tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same affect as an appropriation but are not expended as such and thus are shown under the revenue category (see line 10 on the Financial Status). In terms of previously enacted legislation, the major dollar amount is attributed to the passage of LB 377 (1995) which provided a combination of grain checkoff funds and General Funds to cover the costs of ethanol production incentive credits. The checkoff would be in effect from July 1, 1995 through January 1, 2001 and would be paid by the seller to the first purchaser in Nebraska. General Fund transfers established in LB 377 were \$8,000,000 in FY 95-96 and FY 96-97, \$7 million in FY97-98 and FY98-99, and \$6 million in FY99-00 and FY2000-01. LB 605 (1999) reduced the FY2000-01 transfer from the original \$6 million figure to \$5 million. LB 314 (1999) transfers \$2.8 million to a newly created Hardship Fund for K-12 schools in financial difficulty.

Table 8 General Fund Transfers-Out

EXCLUDES CASH RESERVE FUND (CRF) TRANSFERS	Biennial Budget		Est for Following Biennium	
	FY1999-00	FY2000-01	FY2001-02	FY2002-03
Ethanol Credits (EPIC Fund)	(6,000,000)	(5,000,000)	0	0
Child Abuse Prevention Fund	(250,000)	(250,000)	(250,000)	(250,000)
Trail Development Assistance Fund	(100,000)	(100,000)	(100,000)	(100,000)
School Reorganization Incentives Fund	(2,000,000)	0	0	0
Hardship fund for K-12 schools	(2,773,988)	0	0	0
<i>Total-Per 1999 Session (line 10 on Status)</i>	<i>(11,123,988)</i>	<i>(5,350,000)</i>	<i>(350,000)</i>	<i>(350,000)</i>
LB1216-To Information Technology Fund	Net transfer-in	0	0	0
<i>Total-General Fund Transfers-Out</i>	<i>(11,123,988)</i>	<i>(5,350,000)</i>	<i>(350,000)</i>	<i>(350,000)</i>

## GENERAL FUND TRANSFERS-IN

There are only a few instances in statute where monies in a cash fund can be transferred to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as transfers-in and are included as revenues.

Table 9 General Fund Transfers-In

	Biennial Budget		Est for Following Biennium	
	FY1999-00	FY2000-01	FY2001-02	FY2002-03
Securities Act Cash Fund	12,000,000	12,000,000	0	0
DAS Blding Division cash flow (LB873-1999)	0	1,713,587	0	0
Competitive Livestock Markets Act (LB835-1999)	0	55,015	0	0
<i>Total Per 1999 Session (in current forecasts)</i>	<i>12,000,000</i>	<i>13,768,602</i>	<i>0</i>	<i>0</i>
LB 1217 Securities Act Cash Funds	3,000,000	3,000,000	0	0
LB 1216 DAS fund transfers	1,713,587	(1,713,587)	0	0
<i>Total-General Fund Transfers-In</i>	<i>16,713,587</i>	<i>15,055,015</i>	<i>0</i>	<i>0</i>

The budget as enacted in the 1999 session includes a \$12 million transfer from the Securities Act Cash Fund to the General Fund for each year of the biennium. Two other transfers-in were also enacted. First is the repayment of the borrowed funds in LB 873 as previously noted under the "Transfers-Out" section. The second transfer-in occurs in LB 835, the Competitive Livestock Markets Act. A General Fund appropriation of \$55,015 was included in FY99-00 to provide initial funding for the program until fees are assessed and collected. The General Fund is then subsequently "reimbursed" in FY2000-01. These transfers-in are already included in the revenue forecasts shown on the Financial Status.

**2000 Session Changes** An additional \$3 million transfer from the Securities Act Cash Fund was enacted for both FY99-00 and FY00-01. Also LB1216 provided for a variety of fund transfers to and from DAS funds. While there is no overall net General Fund impact, there is a combination of transfers-in and transfers-out as outlined below. The transfer-out to the Information Technology Fund is a component part of the financing mechanism for

the Nebraska Information System. The three transfers-in noted with an asterisk are three Accounting Division cash funds no longer required for their originally intended purpose.

<u>General Fund Transfers-LB1216</u>	<u>FY1999-00</u>	<u>FY2000-01</u>	<u>Two Yr Tota</u>
Transfer Out to Information Technology Fund	(2,383,121)	0	(2,383,121)
Transfer In from State Building Revolving Fund	3,659,362	(1,713,587)	1,945,775
Transfer In from Contribution Fund*	218,773	0	218,773
Transfer In from Social Security Cash Fund*	7,934	0	7,934
Transfer In from Accounting Division Cash Fund*	210,639	0	210,639
LB1216 Net Transfer-In	<u>1,713,587</u>	<u>(1,713,587)</u>	<u>0</u>

## REVENUE BILLS ENACTED-2000 SESSION

In the 2000 session, there were relatively few bills enacted that had an impact on General Fund revenues.

**LB 557** exempts a city airport authority, county airport authority, and joint airport authority from the sales and use tax similar to other local governments.

**LB 659** changes transfers relating to the Compulsive Gamblers Assistance Fund. Under previous law, after the Charitable Gaming Operations Fund had paid for expenditures in enforcing the charitable gaming laws, \$250,000 was transferred to the Gamblers Assistance Fund and the remaining amount transferred to the General Fund. Under LB659, all such "excess" funds would be transferred to the Compulsive Gamblers Assistance Fund. In addition, the Compulsive Gamblers Assistance Fund would receive funds from ticket sales. Under previous law, 25% of ticket sales went to the Lottery Beneficiary Funds (Education Innovation Fund and Environmental Trust Fund). Under LB659, \$500,000 of this 25% portion of ticket sales would first be allocated to the Compulsive Gamblers Assistance Fund with the remaining amount going to the Lottery Beneficiary Funds

**LB 936** creates the Rural Economic Opportunities Act, which contains a "LB775"-type tax credit program for. The tax credits, taken in lieu of LB775 and LB270 tax credits, are a 5% payroll credit and a 10% investment credit and are allowable for 7 years. The credits can be carried over up to 3 years after the entitlement period (10 years total). Eligibility for the credits is not a fixed amount or number of employees but varies by county. To qualify for incentives companies would have to add full-time equivalent employment equal to at least one-half of one percent of the county labor force; pay annual wages for the added employment that would average at least 125 percent of the average annual wage paid by all employers in the county; and invest a minimum of \$100,000 times one-half of one percent of the county labor force. For example, Arthur County, which has the smallest population and labor force in the state would have the lowest threshold to qualify for incentives under this bill (1 new employee and \$100,000 in new investment). From a practical standpoint,

participation under this bill is applicable to only the seventy smallest counties. In the other 30 counties, the qualifying thresholds under LB936 would exceed the 30 employee and \$3 million investment thresholds of the more comprehensive incentives offered under LB775. The bill has a sunset date of July 1, 2004.

**LB1003** creates the Nebraska educational savings plan trust to accept and invest contributions from participants to pay for future higher education costs for designated beneficiaries. An endowment is also created as part of the trust to accept gifts to further assist with higher education costs for beneficiaries. Although annual contributions are not required, for years when contributions are made, the minimum amount is \$300 with a maximum of \$2000. Contributions would be tax deductible for both state and federal tax purposes.

Table 10 Revenue Bills Enacted - 2000 Session

	FY1999-00	FY2000-01	FY2001-02	FY2002-03
LB 557 - Airport authority tax exemption	0	(600,000)	(832,000)	(832,000)
LB 659 - Compulsive Gamblers Assistance Fund changes	0	(318,000)	(312,000)	(312,000)
LB 936 - Rural Economic Opportunities Act	0	(471,000)	(897,000)	(1,525,000)
LB 973 - Liquor tax clarification, license fees	0	86,000	103,000	103,000
LB 1003 - Nebraska educational savings plan trust	0	(282,000)	(598,000)	(898,000)
<i>Total-Revenue Legislation by Bill</i>	0	(1,585,000)	(2,536,000)	(3,464,000)
Sales/Use Tax	0	(1,071,000)	(1,729,000)	(2,357,000)
Individual Income Tax	0	(282,000)	(598,000)	(898,000)
Corporate Income Tax	0	0	0	0
Miscellaneous receipts	0	(232,000)	(209,000)	(209,000)
<i>Total-Revenue Legislation by Category</i>	0	(1,585,000)	(2,536,000)	(3,464,000)

## **IV. General Fund Appropriations**

## General Fund Appropriations

This section of the report provides a summary of General Fund appropriations including appropriations as enacted during the 1999 Session plus 2000 Session mid-biennium budget adjustments. A more detailed breakdown of operations and state aid is contained in Table 12. Table 13 provides a detailed listing of the specific funding areas which account for about 98% of the \$119.7 million increase in FY2000-01 appropriations. While this report provides a narrative description of the major changes enacted in the 2000 Session, the reader should refer to the Fall 1999 report "State of Nebraska Biennial Budget" for a narrative description of increases enacted during the 1999 Session.

Table 11 General Fund Appropriations

	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total
<b>FY1998-99</b>					
Final Total with deficits	824,574,555	491,458,928	854,153,187	63,778,475	2,233,965,145
<b>FY1999-00</b>					
Per 1999 Session	874,824,607	525,581,531	868,861,646	54,676,163	2,323,943,947
2000 Session Adjustments	3,688,150	14,300,000	(2,710,420)	(140,000)	15,137,730
Revised Total	<u>878,512,757</u>	<u>539,881,531</u>	<u>866,151,226</u>	<u>54,536,163</u>	<u>2,339,081,677</u>
\$ Change	53,938,202	48,422,603	11,998,039	(9,242,312)	105,116,532
% Change	6.5%	9.9%	1.4%	-14.5%	4.7%
<b>FY2000-01</b>					
Per 1999 Session	908,851,512	551,693,952	884,469,228	45,161,388	2,390,176,080
2000 Session Adjustments	16,045,617	49,803,960	1,477,563	1,285,470	68,612,610
Revised Total	<u>924,897,129</u>	<u>601,497,912</u>	<u>885,946,791</u>	<u>46,446,858</u>	<u>2,458,788,690</u>
\$ Change	46,384,372	61,616,381	19,795,565	(8,089,305)	119,707,013
% Change	5.3%	11.4%	2.3%	-14.8%	5.1%
Two Year Average	5.9%	10.6%	1.8%	-14.7%	4.9%

Table 11 provides a breakdown of FY2000-01 General Fund appropriations by operations, state aid, and construction and major agencies or programs within each category.

**Operations** accounts for the costs of actually carrying out the functions of state agencies and includes costs such employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc... State operations accounts for 37.6% of all General Fund appropriations, and 38% of the total increase in the FY2000-01 budget.



Employee salary increases were five times larger than any other single operations increase item.

**State Aid to Individuals/Other** includes payments that are made to individuals (or on behalf of individuals), or quasi-government units and accounts for \$601.5 million or 24.5% of total General Fund appropriations. State aid to individuals would include programs such as Medicaid, Aid to Temporary Assistance to Needy Families (TANF), student scholarships, etc... Aid to other entities includes payments to those quasi-government local agencies that do not have the authority to levy property taxes such as area agencies on aging, mental health regions and developmental disability regions.

Driven by high growth in Medicaid, this area accounts for over 50% of the FY2000-01 budget growth.

**Aid to Local Governments** reflects payments made to local governments and includes programs such as state aid to schools, special education, aid to community colleges, and homestead exemption reimbursements. Local governments under this category are those which have the authority to levy a property tax. This helps isolate those aid amounts which directly relate to "property tax relief".

Aid to local governments totals \$885.9 million or 36% of the total FY2000-01 General Fund budget. Unlike prior years, only 16% of the overall budget growth in FY2000-01 is accounted for in this area. A large increase in Community College was mostly offset by a reduction in TEEOSA school aid.

**Capital construction** includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used with respect to repair and renovations as relatively small or on-going repair or renovation projects are routinely done within an agencies operating budget. Note that road construction and maintenance is not included in this category. This is included under cash fund agency operations. Capital construction accounts for only 1.9% of total General Fund appropriations

**Table 12**  
**Summary of FY2000-01 General Fund Budget**

	FY2000-01			FY2000-01 with deficits		Two Yr Average	% of Total FY00-01
	Per 99 Sess	2000 Session	Revised	\$ Change	% Change		
<b><u>AGENCY OPERATIONS</u></b>							
University/Colleges (excludes aid)	418,038,831	2,331,780	420,370,611	17,686,571	4.4%	4.7%	17.1%
Health/Human Services System	166,648,236	2,075,935	168,724,171	6,659,875	4.1%	7.5%	6.9%
Correctional Services	90,426,301	165,952	90,592,253	8,081,277	9.8%	7.7%	3.7%
Courts	49,746,972	214,000	49,960,972	3,857,476	8.4%	7.0%	2.0%
State Patrol	33,868,493	176,814	34,045,307	1,706,193	5.3%	2.3%	1.4%
Revenue	19,552,365	251,317	19,803,682	1,157,633	6.2%	-2.9%	0.8%
Other 44 Agencies	130,570,314	10,829,819	141,400,133	7,235,347	5.4%	8.7%	5.8%
<b>Total-GF Operations</b>	<b>908,851,512</b>	<b>16,045,617</b>	<b>924,897,129</b>	<b>46,384,372</b>	<b>5.3%</b>	<b>5.9%</b>	<b>37.6%</b>
<b><u>AID TO INDIVIDUALS</u></b>							
Medicaid	331,831,575	30,481,960	362,313,535	45,719,462	14.4%	13.4%	14.7%
Public Assistance	122,201,504	15,790,000	137,991,504	10,113,411	7.9%	8.8%	5.6%
Developmental disabilities	46,574,186	0	46,574,186	2,082,478	4.7%	5.9%	1.9%
Community based mental health	18,052,611	880,800	18,933,411	747,328	4.1%	-3.2%	0.8%
NU/College contracts	2,390,072	1,000,000	3,390,072	1,000,000	41.8%	19.1%	0.1%
Other Aid to Individuals	19,803,596	0	19,803,596	302,502	1.6%	5.9%	0.8%
Other Aid to Other Entities	10,840,408	1,651,200	12,491,608	1,651,200	15.2%	6.5%	0.5%
<b>Total-GF Aid to Individuals/Other</b>	<b>551,693,952</b>	<b>49,803,960</b>	<b>601,497,912</b>	<b>61,616,381</b>	<b>11.4%</b>	<b>10.6%</b>	<b>24.5%</b>
<b><u>AID TO LOCAL GOVT</u></b>							
State Aid to Education	581,480,048	(29,136,343)	552,343,705	(31,208,490)	-5.3%	-2.4%	22.5%
Special Education	136,553,081	2,651,516	139,204,597	8,339,955	6.4%	4.0%	5.7%
Aid to Community Colleges	62,387,138	30,000,000	92,387,138	35,215,270	61.6%	35.0%	3.8%
Homestead Exemption	41,113,302	(2,500,000)	38,613,302	6,246,068	19.3%	6.8%	1.6%
Aid to Cities	17,531,500	0	17,531,500	0	0.0%	-0.3%	0.7%
Aid to Counties	7,393,808	0	7,393,808	0	0.0%	-25.4%	0.3%
Aid to ESU's	12,775,000	0	12,775,000	75,000	0.6%	13.6%	0.5%
County jail cost reimbursement	6,800,000	0	6,800,000	0	0.0%	na	0.3%
County Property Tax Relief	6,007,165	0	6,007,165	406,686	7.3%	4.5%	0.2%
Other Aid to Local Govt	12,428,186	462,390	12,890,576	721,076	5.9%	-6.1%	0.5%
<b>Total-GF Aid to Local Govt</b>	<b>884,469,228</b>	<b>1,477,563</b>	<b>885,946,791</b>	<b>19,795,565</b>	<b>2.3%</b>	<b>1.8%</b>	<b>36.0%</b>
<b><u>CONSTRUCTION</u></b>	<b>45,161,388</b>	<b>1,285,470</b>	<b>46,446,858</b>	<b>(8,089,305)</b>	<b>-14.8%</b>	<b>-14.7%</b>	<b>1.9%</b>
<b><u>TOTAL-GENERAL FUNDS</u></b>	<b>2,390,176,080</b>	<b>68,612,610</b>	<b>2,458,788,690</b>	<b>119,707,013</b>	<b>5.1%</b>	<b>4.9%</b>	<b>100.0%</b>

**Table 13**  
**FY2000-01 Major Budget Increases\***  
(Reflects both 1999 and 2000 Session budget actions)

	Dollars	% of Total Increase
Community Colleges	35,215,270	29.4%
Special Education	8,339,955	7.0%
Homestead Exemption	6,246,018	5.2%
County Property Tax Relief	406,686	0.3%
High ability learners	76,875	0.1%
Aid to ESU's	75,000	0.1%
Aid to K-12 Schools (TEEOSA)	(31,208,490)	-26.1%
Other Not Listed (net)	644,251	0.5%
<b>AID TO LOCAL GOVERNMENTS</b>	<b>19,795,565</b>	<b>16.5%</b>
Medicaid	45,719,462	38.2%
Public Assistance	10,113,411	8.4%
Developmental Disability aid-rate equity	1,949,385	1.6%
Mental Health/Substance Abuse aid increases	1,198,528	1.0%
Ag Opportunities/Value-Added grants (LB1348-2000)	1,000,000	0.8%
Higher Ed Student aid programs	1,000,000	0.8%
Developmental Disability aid-transition	133,093	0.1%
Other Not Listed (net)	502,502	0.4%
<b>AID TO INDIVIDUALS / OTHER</b>	<b>61,616,381</b>	<b>51.5%</b>
Salaries (State Agencies+Colleges+NU)	31,340,890	26.2%
Health Insurance (State Agencies+Colleges+NU)	6,701,608	5.6%
McCook Work Camp, operations and staffing	3,358,568	2.8%
DAS rent/depreciation surcharge	1,771,179	1.5%
Student testing/assessment (LB812-2000)	1,430,000	1.2%
Regional Centers-additional sex offender beds	1,311,327	1.1%
Tecumseh Prison, initial staffing	1,080,749	0.9%
Judges salary increase (LB350/LB839-1999)	913,218	0.8%
Water litigation, Wyoming/Kansas	828,853	0.7%
Financial Management System	655,000	0.5%
Other items (University)	591,153	0.5%
State Disbursement Unit, (LB637-1999, LB972-2000)	581,461	0.5%
Low-Level Radioactive Waste licensing, GF support	525,000	0.4%
Takeover county assessor offices	364,124	0.3%
HHS data processing, MMIS upgrade	160,892	0.1%
Other items (State Colleges)	153,314	0.1%
Tuition in lieu of GF (State Colleges)	(520,000)	-0.4%
Base reduction in Regional Centers	(1,875,761)	-1.6%
Tuition in lieu of GF (University)	(3,835,520)	-3.2%
Other Not Listed (net)	798,317	0.7%
<b>AGENCY OPERATIONS</b>	<b>46,334,372</b>	<b>38.7%</b>
<b>CAPITAL CONSTRUCTION</b>	<b>(8,039,305)</b>	<b>-6.7%</b>
<b>TOTAL GENERAL FUND CHANGE</b>	<b>119,707,013</b>	<b>100.0%</b>

\* Compared to FY99-00 with deficits

**Table 14 General Fund Appropriations by Agency**  
(As Revised in the 2000 Legislative Session)

Agency	Type	W/deficits FY1999-00	Per 00 Session FY2000-01	FY00-01 vs Prior Yr \$ Change	% Change
#03 Legislative Council	Oper	13,908,696	14,614,449	705,753	5.1%
#03 Legislative Council	Total	13,908,696	14,614,449	705,753	5.1%
#05 Supreme Court	Aid	270,000	270,000	0	0.0%
#05 Supreme Court	Oper	46,103,496	49,960,972	3,857,476	8.4%
#05 Supreme Court	Total	46,373,496	50,230,972	3,857,476	8.3%
#07 Governor	Oper	1,373,929	1,437,673	63,744	4.6%
#07 Governor	Total	1,373,929	1,437,673	63,744	4.6%
#08 Lt. Governor	Oper	99,522	101,865	2,343	2.4%
#08 Lt. Governor	Total	99,522	101,865	2,343	2.4%
#09 Secretary of State	Oper	698,786	725,132	26,346	3.8%
#09 Secretary of State	Total	698,786	725,132	26,346	3.8%
#10 State Auditor	Oper	1,940,219	2,004,990	64,771	3.3%
#10 State Auditor	Total	1,940,219	2,004,990	64,771	3.3%
#11 Attorney General	Oper	3,448,388	3,588,227	139,839	4.1%
#11 Attorney General	Total	3,448,388	3,588,227	139,839	4.1%
#12 State Treasurer	Aid	27,226,446	27,226,446	0	0.0%
#12 State Treasurer	Oper	416,082	1,838,380	1,422,298	341.8%
#12 State Treasurer	Total	27,642,528	29,064,826	1,422,298	5.1%
#13 Education	Aid	733,904,077	711,342,487	(22,561,590)	-3.1%
#13 Education	Oper	13,579,875	15,126,998	1,547,123	11.4%
#13 Education	Total	747,483,952	726,469,485	(21,014,467)	-2.8%
#14 Public Service Comm	Oper	2,265,910	2,372,247	106,337	4.7%
#14 Public Service Comm	Total	2,265,910	2,372,247	106,337	4.7%
#15 Parole Board	Oper	602,687	629,387	26,700	4.4%
#15 Parole Board	Total	602,687	629,387	26,700	4.4%
#16 Revenue	Aid	37,967,713	44,620,467	6,652,754	17.5%
#16 Revenue	Oper	18,646,049	19,803,682	1,157,633	6.2%
#16 Revenue	Total	56,613,762	64,424,149	7,810,387	13.8%
#17 Aeronautics	Aid	35,000	35,000	0	0.0%
#17 Aeronautics	Total	35,000	35,000	0	0.0%
#18 Agriculture	Aid	0	1,000,000	1,000,000	#DIV/0!
#18 Agriculture	Oper	5,994,121	6,258,263	264,142	4.4%
#18 Agriculture	Total	5,994,121	7,258,263	1,264,142	21.1%
#20 HHS-Regulation	Oper	6,455,571	6,807,370	351,799	5.4%
#20 HHS-Regulation	Total	6,455,571	6,807,370	351,799	5.4%
#21 Fire Marshal	Oper	1,182,806	1,199,520	16,714	1.4%
#21 Fire Marshal	Total	1,182,806	1,199,520	16,714	1.4%
#23 Labor	Oper	530,384	620,758	90,374	17.0%
#23 Labor	Total	530,384	620,758	90,374	17.0%
#25 HHS-Services	Aid	185,000	185,000	0	0.0%
#25 HHS-Services	Oper	126,295,214	133,405,115	7,109,901	5.6%
#25 HHS-Services	Total	126,480,214	133,590,115	7,109,901	5.6%
#26 HHS-Finance	Aid	520,919,883	580,129,615	59,209,732	11.4%
#26 HHS-Finance	Oper	29,313,511	28,511,686	(801,825)	-2.7%
#26 HHS-Finance	Total	550,233,394	608,641,301	58,407,907	10.6%

Agency	Type	W/deficits FY1999-00	Per 00 Session FY2000-01	FY00-01 vs Prior Yr	
				\$ Change	% Change
#27 Roads	Aid	596,000	596,000	0	0.0%
#27 Roads	Oper	0	0	0	#DIV/0!
#27 Roads	Total	596,000	596,000	0	0.0%
#28 Veterans Affairs	Oper	617,152	639,553	22,401	3.6%
#28 Veterans Affairs	Total	617,152	639,553	22,401	3.6%
#29 Natural Resources	Aid	6,344,147	6,324,147	(20,000)	-0.3%
#29 Natural Resources	Oper	10,700,069	11,207,131	507,062	4.7%
#29 Natural Resources	Total	17,044,216	17,531,278	487,062	2.9%
#31 Military Dept	Aid	1,252,348	1,400,000	147,652	11.8%
#31 Military Dept	Oper	2,927,637	3,027,882	100,245	3.4%
#31 Military Dept	Total	4,179,985	4,427,882	247,897	5.9%
#32 Ed Lands & Funds	Oper	380,322	396,455	16,133	4.2%
#32 Ed Lands & Funds	Total	380,322	396,455	16,133	4.2%
#33 Game & Parks	Oper	9,486,229	9,878,307	392,078	4.1%
#33 Game & Parks	Total	9,486,229	9,878,307	392,078	4.1%
#34 Library Commission	Aid	1,412,254	1,412,254	0	0.0%
#34 Library Commission	Oper	2,120,579	2,209,512	88,933	4.2%
#34 Library Commission	Total	3,532,833	3,621,766	88,933	2.5%
#35 Liquor Control	Oper	727,533	748,526	20,993	2.9%
#35 Liquor Control	Total	727,533	748,526	20,993	2.9%
#38 Status of Women	Oper	188,250	195,518	7,268	3.9%
#38 Status of Women	Total	188,250	195,518	7,268	3.9%
#46 Correctional Services	Aid	6,800,000	6,800,000	0	0.0%
#46 Correctional Services	Oper	82,510,976	90,592,253	8,081,277	9.8%
#46 Correctional Services	Total	89,310,976	97,392,253	8,081,277	9.0%
#47 NETC	Oper	7,649,184	7,937,294	288,110	3.8%
#47 NETC	Total	7,649,184	7,937,294	288,110	3.8%
#48 Postsecond Coord Comm	Aid	5,461,986	5,674,026	212,040	3.9%
#48 Postsecond Coord Comm	Oper	1,029,737	1,041,554	11,817	1.1%
#48 Postsecond Coord Comm	Total	6,491,723	6,715,580	223,857	3.4%
#50 State Colleges	Aid	0	200,000	200,000	#DIV/0!
#50 State Colleges	Oper	31,504,710	32,712,178	1,207,468	3.8%
#50 State Colleges	Total	31,504,710	32,912,178	1,407,468	4.5%
#51 University of Nebraska	Aid	2,390,072	3,190,072	800,000	33.5%
#51 University of Nebraska	Oper	371,179,330	387,658,433	16,479,103	4.4%
#51 University of Nebraska	Total	373,569,402	390,848,505	17,279,103	4.6%
#52 State Fair Board	Oper	237,762	243,967	6,205	2.6%
#52 State Fair Board	Total	237,762	243,967	6,205	2.6%
#54 Historical Society	Oper	3,705,239	4,014,299	309,060	8.3%
#54 Historical Society	Total	3,705,239	4,014,299	309,060	8.3%
#64 State Patrol	Oper	32,339,114	34,045,307	1,706,193	5.3%
#64 State Patrol	Total	32,339,114	34,045,307	1,706,193	5.3%
#65 Admin Services (DAS)	Aid	200,000	200,000	0	0.0%
#65 Admin Services (DAS)	Oper	9,891,412	10,269,454	378,042	3.8%
#65 Admin Services (DAS)	Total	10,091,412	10,469,454	378,042	3.7%
#67 Equal Opportunity	Oper	1,303,905	1,359,717	55,812	4.3%
#67 Equal Opportunity	Total	1,303,905	1,359,717	55,812	4.3%
#68 Mexican-American	Oper	165,007	172,236	7,229	4.4%
#68 Mexican-American	Total	165,007	172,236	7,229	4.4%

Agency	Type	W/deficits FY1999-00	Per 00 Session FY2000-01	FY00-01 vs Prior Yr \$ Change	% Change
#69 Arts Council	Aid	927,013	927,013	0	0.0%
#69 Arts Council	Oper	534,371	527,713	(6,658)	-1.2%
#69 Arts Council	Total	1,461,384	1,454,726	(6,658)	-0.5%
#70 Foster Care Review	Oper	1,063,335	1,145,465	82,130	7.7%
#70 Foster Care Review	Total	1,063,335	1,145,465	82,130	7.7%
#72 Economic Development	Aid	1,880,305	2,130,305	250,000	13.3%
#72 Economic Development	Oper	3,859,858	4,038,389	178,531	4.6%
#72 Economic Development	Total	5,740,163	6,168,694	428,531	7.5%
#76 Indian Commission	Oper	164,337	177,418	13,081	8.0%
#76 Indian Commission	Total	164,337	177,418	13,081	8.0%
#77 Industrial Relations	Oper	224,215	231,938	7,723	3.4%
#77 Industrial Relations	Total	224,215	231,938	7,723	3.4%
#78 Crime Commission	Aid	1,134,586	1,164,586	30,000	2.6%
#78 Crime Commission	Oper	2,640,779	2,193,877	(446,902)	-16.9%
#78 Crime Commission	Total	3,775,365	3,358,463	(416,902)	-11.0%
#81 Blind & Visually Impaired	Aid	0	104,147	104,147	#DIV/0!
#81 Blind & Visually Impaired	Oper	0	361,626	361,626	#DIV/0!
#81 Blind & Visually Impaired	Total	0	465,773	465,773	#DIV/0!
#82 Deaf & Hard of Hearing	Oper	609,101	638,524	29,423	4.8%
#82 Deaf & Hard of Hearing	Total	609,101	638,524	29,423	4.8%
#83 Community Colleges	Aid	57,171,868	92,387,138	35,215,270	61.6%
#83 Community Colleges	Total	57,171,868	92,387,138	35,215,270	61.6%
#84 Environmental Quality	Aid	(45,941)	126,000	171,941	-374.3%
#84 Environmental Quality	Oper	7,170,201	7,664,716	494,515	6.9%
#84 Environmental Quality	Total	7,124,260	7,790,716	666,456	9.4%
#85 Retirement Board	Oper	14,671,101	14,523,142	(147,959)	-1.0%
#85 Retirement Board	Total	14,671,101	14,523,142	(147,959)	-1.0%
#87 Account/Disclosure	Oper	404,127	421,875	17,748	4.4%
#87 Account/Disclosure	Total	404,127	421,875	17,748	4.4%
#90 Railway Council	Oper	6,651	6,651	0	0.0%
#90 Railway Council	Total	6,651	6,651	0	0.0%
#93 Tax Equal/Review Comm	Oper	538,842	575,252	36,410	6.8%
#93 Tax Equal/Review Comm	Total	538,842	575,252	36,410	6.8%
#94 Public Advocacy	Oper	466,689	485,978	19,289	4.1%
#94 Public Advocacy	Total	466,689	485,978	19,289	4.1%
#95 Rural Development Comm	Oper	343,157	355,792	12,635	3.7%
#95 Rural Development Comm	Total	343,157	355,792	12,635	3.7%
#96 Property Assess/Tax	Oper	4,296,600	4,192,483	(104,117)	-2.4%
#96 Property Assess/Tax	Total	4,296,600	4,192,483	(104,117)	-2.4%
Construction-Reaffirm	Const	40,663,279	31,635,595	(9,027,684)	-22.2%
Construction-New	Const	13,872,884	14,811,263	938,379	6.8%
Construction-Total	Total	54,536,163	46,446,858	(8,089,305)	-14.8%
OPERATIONS		878,512,757	924,897,129	46,384,372	5.3%
STATE AID		1,406,032,757	1,487,444,703	81,411,946	5.8%
CONSTRUCTION		54,536,163	46,446,858	(8,089,305)	-14.8%
TOTAL GENERAL FUNDS		2,339,081,677	2,458,788,690	119,707,013	5.1%

**Table 15 General Fund State Aid by Program**  
(As Revised in the 2000 Legislative Session)

Aid Program		W/Deficits FY1999-00	Per 00 Session FY2000-01	FY00-01 vs Prior Year \$ Change	% Change
#05	Courts Dispute resolution	270,000	270,000	0	0.0%
#12	Treasurer Aid to NRD's	2,301,138	2,301,138	0	0.0%
#12	Treasurer Aid to Cities	17,531,500	17,531,500	0	0.0%
#12	Treasurer Aid to Counties	7,393,808	7,393,808	0	0.0%
#13	Education State Aid to Education (TEEOSA)	583,552,195	552,343,705	(31,208,490)	-5.3%
#13	Education Option Enrollment	189,982	172,200	(17,782)	-9.4%
#13	Education Vocational Rehabilitation	1,747,899	1,838,361	90,462	5.2%
#13	Education Special Education	130,864,642	139,204,597	8,339,955	6.4%
#13	Education School Lunch	492,500	492,500	0	0.0%
#13	Education Early Childhood program	560,000	560,000	0	0.0%
#13	Education Adult Education	201,884	201,884	0	0.0%
#13	Education Textbook loan program	349,225	349,225	0	0.0%
#13	Education Geography grant	150,000	0	(150,000)	-100.0%
#13	Education Displaced Homemakers/Other	750	750	0	0.0%
#13	Education School reorganization (LB1050)	20,000	20,000	0	0.0%
#13	Education Aid to ESU's	12,700,000	12,775,000	75,000	0.6%
#13	Education High ability learner programs	3,075,000	3,151,875	76,875	2.5%
#13	Education School Breakfast reimbursement	0	232,390	232,390	na
#16	Revenue Homestead Exemption	32,367,234	38,613,302	6,246,068	19.3%
#16	Revenue County Property Tax Relief	5,600,479	6,007,165	406,686	7.3%
#17	Aeronautics Civil Air Patrol	35,000	35,000	0	0.0%
#18	Agriculture Ag Opportunities/Value-Added grants	0	1,000,000	1,000,000	na
#25	HHS-Services Nebr lifespan respite services	185,000	185,000	0	0.0%
#26	HHS-Finance Alcohol/Drug programs	5,069,939	5,521,139	451,200	8.9%
#26	HHS-Finance Family practice residency	517,500	517,500	0	0.0%
#26	HHS-Finance Medical student assistance	355,400	355,400	0	0.0%
#26	HHS-Finance Community mental health	18,186,083	18,933,411	747,328	4.1%
#26	HHS-Finance Community developmental disabilities	44,491,708	46,574,186	2,082,478	4.7%
#26	HHS-Finance Public Assistance	127,878,093	137,991,504	10,113,411	7.9%
#26	HHS-Finance Medicaid	316,594,073	362,313,535	45,719,462	14.4%
#26	HHS-Finance Renal disease/tuberculosis	854,653	854,653	0	0.0%
#26	HHS-Finance Immunization/vaccinations	320,000	320,000	0	0.0%
#26	HHS-Finance Pap/Chlamydia testing	550,000	550,000	0	0.0%
#26	HHS-Finance Mammography screening	125,000	125,000	0	0.0%
#26	HHS-Finance Nebr Advocacy Services	179,250	179,250	0	0.0%
#26	HHS-Finance Genetic testing	34,369	34,369	0	0.0%
#26	HHS-Finance Community health services	3,933	3,933	0	0.0%
#26	HHS-Finance Metabolic screening, food supplement	42,000	42,000	0	0.0%
#26	HHS-Finance Emergency Medical Services, training	200,000	200,000	0	0.0%
#26	HHS-Finance Native American health services	500,000	500,000	0	0.0%
#26	HHS-Finance Voter regist, WIC/MCH	16,760	16,760	0	0.0%
#26	HHS-Finance Ryan White HIV/AIDS treatment	150,000	150,000	0	0.0%
#26	HHS-Finance Care Management	1,561,558	1,561,558	0	0.0%
#26	HHS-Finance Area agencies on aging	3,185,417	3,185,417	0	0.0%
#26	HHS-Finance Senior Companion Volunteer program	0	200,000	200,000	na
#27	Roads Local transit authorities	475,000	475,000	0	0.0%
#27	Roads Intercity bus subsidy	121,000	121,000	0	0.0%
#29	Nat Resources Nebr Water Conservation Fund	3,954,147	3,954,147	0	0.0%
#29	Nat Resources Decommission water wells	20,000	0	(20,000)	-100.0%
#29	Nat Resources Resources Development Fund	2,170,000	2,170,000	0	0.0%
#29	Nat Resources Small Watershed Fund	200,000	200,000	0	0.0%
#29	Nat Resources Water Management Fund	0	0	0	na
#31	Military Dept Governors Emergency Fund	352,348	500,000	147,652	41.9%

Aid Program			W/Deficits FY1999-00	Per 00 Session FY2000-01	FY00-01 vs Prior Year	
					\$ Change	% Change
#31	Military Dept	Guard tuition assistance	900,000	900,000	0	0.0%
#34	Library Comm	Local libraries	1,412,254	1,412,254	0	0.0%
#46	Corrections	County jail cost reimbursement	6,800,000	6,800,000	0	0.0%
#48	Coord. Comm	SSIG grants	769,345	803,965	34,620	4.5%
#48	Coord. Comm	Scholarship Award Program (SSAP)	791,648	816,023	24,375	3.1%
#48	Coord. Comm	Scholarship Assistance Program (SAP)	1,560,993	1,619,988	58,995	3.8%
#48	Coord. Comm	Postsecondary Ed Award Prog (PEAP)	2,340,000	2,434,050	94,050	4.0%
#50	St Colleges	Minority student scholarship (LB1379)	0	200,000	200,000	na
#51	University	Vet student contracts-UNL	1,716,864	1,716,864	0	0.0%
#51	University	Optometry student contracts	607,476	607,476	0	0.0%
#51	University	Other misc aid (NU)	65,732	65,732	0	0.0%
#51	University	Minority student scholarship (LB1379)	0	800,000	800,000	na
#65	DAS	Local govt technology grants	200,000	200,000	0	0.0%
#69	Arts Council	Aid to arts programs	803,075	803,075	0	0.0%
#69	Arts Council	Council on Humanities	123,938	123,938	0	0.0%
#72	Econ Develop	Industrial training grants	1,600,305	1,600,305	0	0.0%
#72	Econ Develop	Microenterprise Development Act	250,000	500,000	250,000	100.0%
#72	Econ Develop	Community redevelopment analysis fund	30,000	30,000	0	0.0%
#78	Crime Comm	Juvenile services grants	625,000	625,000	0	0.0%
#78	Crime Comm	Law Enforce-Indian affairs	97,681	97,681	0	0.0%
#78	Crime Comm	Crimes Against Children Fund	30,000	60,000	30,000	100.0%
#78	Crime Comm	Byrne Incentive Grant	100,000	100,000	0	0.0%
#78	Crime Comm	Crimestoppers program	14,775	14,775	0	0.0%
#78	Crime Comm	Victim Witness assistance	57,130	57,130	0	0.0%
#78	Crime Comm	Crime Victims reparations	210,000	210,000	0	0.0%
#82	Visually Imp.	Blind rehabilitation	104,147	104,147	0	0.0%
#83	Comm Colleges	Aid to Community Colleges	57,171,868	92,387,138	35,215,270	61.6%
#84	Environ Cntrl	Superfund cleanup	(45,941)	126,000	171,941	na
Total General Fund State Aid			1,406,032,757	1,487,444,703	81,411,946	5.8%



## 2000 Session Budget Actions (General Fund Only)

The section of this report provides a summary of changes in General Fund appropriations as enacted in the 2000 Session. These mid-biennium budget adjustments, shown in Table 16 and Table 17, amounted to a net increase of \$15, 137,730 in deficits for FY1999-00 and \$68,612,610 in FY2000-01 adjustments. Following Table 17 is a narrative description of the major General Fund adjustments contained in the mainline budget bill (LB1217) and major spending legislation enacted during the 2000 Session. A complete listing of all "A" bills and itemized listing of mainline budget adjustments in LB1217 can be found in the Appendix

Table 16 General Fund Appropriations Enacted-2000 session

		FY1999-00	FY2000-01	FY2001-02	FY2002-03
LB 26A	Reimbursement, public school meal program	0	232,390	233,550	233,550
LB 153A	Task force, study the Nebr State Patrol	0	37,780	0	0
LB 352A	Commission for the Blind/Visually Impaired	0	8,258	12,363	12,363
LB 482A	Adoption incentive payments	0	305,700	608,250	608,250
LB 495A	Education and Career Preparation Act	11,000	14,000	0	0
LB 812A	K-12 educational standards/assessment	0	1,430,000	1,430,000	1,430,000
LB 900A	Merge Water Rsrces and Nat Resources Comm.	0	net zero	net zero	net zero
LB 936A	Rural Economic Opportunities Act	0	167,210	103,581	103,581
LB 950A	Infant Hearing Act	0	196,236	218,982	218,982
LB 956A	Increase state constitutional officers salaries	0	0	0	67,653
LB 972A	State Disbursement Unit (SDU)	0	1,190,389	2,980,345	2,990,018
LB 973A	Liquor tax clarification, license fees	0	42,825	0	0
LB 1003A	Nebraska educational savings plan trust	0	366,785	0	0
LB 1008A	Death penalty study changes	0	60,000	20,000	20,000
LB 1025A	Nebraska Center for Nursing Act	0	60,000	60,000	60,000
LB 1101A	Senior Companion Volunteer Program Act	0	200,000	200,000	200,000
LB 1124A	Greenbelt Advisory Committee	0	10,000	10,250	10,250
LB 1167A	Juvenile detention/probation services study	0	44,000	45,400	0
LB 1223A	Misc changes, Beginning Farmer Tax Credit Act	0	60,840	0	0
LB 1234A	Ethanol Pricing, Niobrara Council, wastewater const	0	5,000	25,000	25,000
LB 1243A	Special ed, allowable costs/growth rate	0	2,651,516	5,515,154	5,952,389
LB 1348A	Ag Opportunities / Value-Added Partnership Act	0	1,250,000	1,250,000	1,250,000
LB 1363A	Immigrant Workforce Population task force	0	71,500	73,858	66,500
LB 1399A	Teacher Salary-Task Force, Loans, Master	28,600	41,400	20,000	20,000
LB 1410A	Lewis and Clark Bicentennial Commission	0	3,000	3,000	3,000
<i>Subtotal-"A" Bills (net of vetoes)</i>		39,600	8,448,829	12,809,733	13,271,536
LB 1217	Mainline budget adjustments	14,445,932	59,163,781	24,034,680	23,045,257
LB 1379A	Minority student scholarship	0	1,000,000	0	0
LB 1448	State Claims	652,198	0	0	0
<i>Subtotal-Mainline Bills (after vetoes)</i>		15,098,130	60,163,781	24,034,680	23,045,257
<b>Total-Appropriations Bills</b>		<b>15,137,730</b>	<b>68,612,610</b>	<b>36,844,413</b>	<b>36,316,793</b>

**Table 17** contains a listing of the major General Fund budget items enacted in the 2000 Session. A complete list by agency (including all fund sources) is found in the Appendix. Although the mid-biennium budget adjustments were large in total dollar amount, several items account for a significant portion of the total. About 70% of the total adjustments are in Medicaid and Public Assistance programs alone.

Table 17 Major General Fund Items-2000 Session (Over \$200,000)

Agency	Description	Final FY1999-00	Final FY2000-01	Two Yr Total
HHS-Finance	Medicaid deficit	2,400,000	30,000,000	32,400,000
Comm Colleges	2 <sup>nd</sup> year of additional property tax relief	0	30,000,000	30,000,000
HHS-Finance	Public Assistance-Child Care, Child Welfare, other	10,400,000	14,200,000	24,600,000
DEQ	Low Level Radioactive Waste costs, continue GF support	0	3,997,000	3,997,000
University	Employee health care costs 4-year plan	1,750,000	1,750,000	3,500,000
HHS-Finance	Increase mental health provider rates	0	3,000,000	3,000,000
Education	Special education, allowable costs/growth rate (LB 1243)	0	2,651,516	2,651,516
Water Resources	Water lawsuits, Nebr v. Wyoming and Kansas v. Nebr	139,427	1,778,853	1,918,280
HHS-Finance	Replace lost federal funds in Child Support Admin. - CHARTS	1,300,000	310,000	1,610,000
HHS-Finance	Region VI hospital reimbursement, mental health services	1,500,000	0	1,500,000
Education	K-12 educational standards/assessment (LB 812)	0	1,430,000	1,430,000
HHS-Services	Additional sex offender beds (Lincoln Regional Center)	0	1,311,327	1,311,327
Agriculture	Ag Opportunities / Value-Added Partnership Act (LB 1348)	0	1,250,000	1,250,000
Treasurer	State Disbursement Unit (SDU) (LB 972)	0	1,190,389	1,190,389
DAS	Nebraska Information System	0	1,000,000	1,000,000
State Colleges	Demolish/rebuild maintenance building (Chadron)	0	996,170	996,170
University	Minority Scholarship program (LB 1379)	0	800,000	800,000
DAS	State Claims (LB1448)	652,198	0	652,198
HHS-Services	Additional child protective services staff	0	500,000	500,000
University	Minority and women faculty recruitment/retention	0	500,000	500,000
Prop Tax/Assess	Acquisition of Greeley /Hitchcock county assessor offices	0	404,124	404,124
State Colleges	Ramsey Theater - Asbestos Removal (Wayne)	0	374,654	374,654
Treasurer	Nebraska educational savings plan trust (LB1003)	0	366,785	366,785
HHS-Finance	Adoption incentive payments (LB 482)	0	305,700	305,700
Agriculture	Value-Added Initiative	100,000	200,000	300,000
Crime Comm.	CJIS projects	300,000	0	300,000
Education	Reimbursement, public school meal program (LB 26)	0	232,390	232,390
Supreme Court	District court reporter salary adjustments	0	214,000	214,000
DED	Value-Added Initiative	70,000	140,000	210,000
NETC	NEB*SAT Network 3-upgrade equipment	100,000	100,000	200,000
State Colleges	Minority Scholarship program (LB 1379)	0	200,000	200,000
HHS-Finance	Senior Companion Volunteer Program Act (LB 1101)	0	200,000	200,000
University	2% depreciation-ISTE	(375,000)	0	(375,000)
Supreme Court	Retainer fee adjustment	(400,000)	0	(400,000)
NETC	Satellite contract savings, net of reallocation for projects	(240,000)	(200,000)	(440,000)
Corrections	Unobligated grant funds	(558,934)	0	(558,934)
Revenue	Homestead Exemption	(2,500,050)	(2,500,000)	(5,000,050)
Education	TEEOSA aid - reduce per Feb 1 certification	0	(29,136,343)	(29,136,343)
	All Other Items / A bills	500,089	1,046,045	1,546,134
Total 2000 Session Budget Adjustments		15,137,730	68,612,610	83,750,340

# Major General Fund Items in the Mainline Budget Bill (LB 1217)

## COURT SYSTEM

**Court Reporter Salaries** The budget included an additional \$214,000 General Funds in FY2000-01 for salary increases for court reporters. The courts have been having problems with hiring and maintaining sufficient numbers of court reporters. A recent survey showed that the median starting pay in nine surrounding states was \$33,488 compared to \$27,221. Although the Court is currently working on a long-term salary proposal, in the interim these additional funds would provide a \$3,000 salary increase for the 62 court reporters.

## DEPT OF EDUCATION

**State Aid to Schools (TEEOSA)** The February 1 certification of FY2000-01 TEEOSA state aid to K-12 schools resulted in a number that was \$29.1 million less than what had originally been included in the budget last session. The 2000 budget adjustments reflect a reduction in aid to match the certified aid for FY2000-01. This \$29 million reduction is in addition to the \$1.2 million reduction that was already part of the originally enacted appropriation. These reductions in school aid are the result of annualizing the impact of the motor vehicle tax shift, and high property valuation growth relative to the growth in "NEEDS" in the school aid formula. From a practical standpoint, these "excess" funds were reallocated as a one-time additional \$30 million appropriation for community college aid also included in budget adjustments.

## DEPT OF REVENUE

**Homestead Exemption** The 2000 budget adjustments includes a \$2.5 million reduction in FY1999-00 homestead exemption reimbursements based on actual data from counties for the 1999 property tax year. This \$2.5 million reduction is extended into FY2000-01 based on the "base year" reduction in FY99-00.

## DEPT OF AGRICULTURE

**Value-Added Agriculture Initiative** The Value-Added Agriculture Initiative is proposed as a cooperative effort between the Department of Agriculture and the Department of Economic Development. Funding for the Department of Agriculture portion of this initiative includes: \$100,000 General Funds and \$200,000 Cash Funds in FY1999-00 and \$200,000 General Funds, \$225,000 Cash Funds and \$150,000 in redirected funds in FY2000-01. The Department will concentrate on linking small to medium-sized producers with new markets. The efforts will focus on: assisting in the formation of agricultural co-ops; export assistance meetings and seminars; technical marketing and product development assistance; food show participation training; and increased dairy recruitment activities. Redirected funds represent a reallocation of staff efforts.

## HEALTH AND HUMAN SERVICES

**Child Welfare Workers** The rise in children entering the child welfare system has caused caseloads in some areas of the state to far exceed levels considered manageable. The budget includes \$500,000 General Funds in FY 00-01 for approximately ten additional caseworkers, supervisors and/or case aides to help bring case levels down. In addition, the budget increased the salary limitation so that the department could "forward fill" vacant positions to shorten the time positions are vacant.

**Mental Health Additions** The 2000 budget adjustments include an additional \$1,311,327 of general funds for additional beds for sex offenders at the Lincoln Regional Center in 2000-01. A recent increase in the number of sex offenders receiving treatment at the regional centers has reduced the availability of beds for inpatient psychiatric care. The development of additional beds for sex offenders at the Lincoln Regional Center should help alleviate the capacity problem for the regional centers. Also, the lack of inpatient psychiatric capacity at the Norfolk Regional Center has resulted in longer stays for persons placed in psychiatric hospitals in Region VI awaiting admission to the regional center. The region has not had sufficient funds to compensate providers for longer stays. The 2000 budget adjustments includes \$1,500,000 of general funds in 1999-00 to reimburse providers of mental health services in Region VI for the cost of psychiatric care and to increase capacity for inpatient psychiatric services. Intent language directs the Department of Health and Human Services and Region VI providers and representatives to develop a cooperative, coordinated plan for emergency psychiatric services in the region that is cost-effective in meeting the needs of persons with mental illness. The plan is to be developed prior to the appropriation of additional general funds in 2000-01 to reimburse providers for psychiatric services.

## HEALTH AND HUMAN SERVICES - FINANCE AND SUPPORT

**Child Support Enforcement Computer System (CHARTS)** The 2000 budget adjustments include General Funds totaling \$1.3 million in FY99-00 and \$310,000 in FY00-01 to cover loss of federal funds as penalties for not having a certified child support enforcement computer system. The FY00-01 penalty assumes the system will be certified by September 30, 2000 in which case the penalty is only 10% of the total fiscal year penalty. However, the magnitude of the work yet to be completed may prevent the state from meeting this next deadline. If not met, the penalty would be \$3.6 million in FY00-01.

**Medicaid** Approximately 40% of all the mid-biennium budget adjustments is attributed to Medicaid, \$2.4 million in FY99-00 and \$30 million in FY00-01. These deficits occur in four areas; federal match rate, managed care contracts, rate projections, and CHIP (Childrens Health Insurance Program) and Kids Connection and are summarized below: Note that this level of General Fund adjustment is based on passage of **LB1215** which allows for the reallocation of \$2 million of excess Childrens Health Insurance Funds to Medicaid. As noted later, a significant portion of the Medicaid deficit can be attributed to enactment of LB1063 last session.

<u>FY1999-00</u>	<u>GENERAL</u>	<u>FEDERAL</u>	<u>TOTAL</u>
Managed care contracts	2,400,000	3,734,969	6,134,969
 <u>FY2000-01</u>			
Federal match rate change	4,000,000	6,127,864	10,127,864
Managed care contracts	8,000,000	12,255,729	20,255,729
Other projected rates	10,200,000	15,626,054	25,826,054
CHIP/Kid Connection	7,800,000	11,949,335	19,749,335
TOTAL	30,000,000	45,958,982	75,958,982

**Federal Match Rate** In addition to the federal match rate reduction budgeted for last session, a decline from 60.88% to 60.38% will occur in October 2000. This half percent drop equates to a \$4 million increase in General Funds in FY00-01.

**Managed Care Contracts** were in the process of being re-bid at the time the initial FY99-00 and FY00-01 budgets were set last legislative session began. Without actual figures, a 3% per year increase was included in the original budget enacted last session. The HMO and Primary Care Case Management contracts, for which negotiations were completed in June and went into effect in July 1999, have rate increases of 8.3%. The mental health and substance abuse contract went into effect in February 2000, and has the potential impact of up to a 9.3% rate increase. The new contract includes rate increases for providers ranging from 5% to 7.5%. The managed care contract increase accounts for the entire FY99-00 general fund deficit recommendation of \$2.4 million and \$8 million of the FY00-01 deficits.

Rate Projections for several services were significantly under-estimated in last year's budget request on which the current appropriation is based. The general inflationary rate utilized last session in development of the current budget was 3% per year. However prescription drugs alone are increasing by 15%. In FY00-01, prescription drugs account for \$9 million of the General Fund deficit. Total outpatient hospital services expenditures reflecting price and utilization factors increased by 14% between FY97-98 and FY98-99. While other medical services increased by only 3% last year, expenditures for July to October 1999 is up 14% over the same period last year. Dental service utilization by children is also increasing beyond projections. Medical services, other than prescription drugs, account for \$1.2 million of the general fund deficit.

CHIP and Kids Connection Three provisions of LB 1063, the bill that created the Children's Health Insurance Program, increased costs to the Medicaid Program. Under this bill, all children became continuously eligible for medical services for 12 months. Presumptive eligibility and the more accessible application process increased the awareness and accessibility of the Medicaid Program. Children eligible for Medicaid are enrolling in the program sooner as a result of the outreach efforts and easier application process which accompanies the presumptive eligibility. Also, coverage for pregnant women increased from 150 percent to 185 percent of federal poverty. LB 1063A contained \$2.1 million General Funds for the Medicaid Program to cover the projected increases, however this funding was vetoed out of the bill. The number of children eligible for medical assistance is exceeding the projected amount. More children are qualifying for Title XIX Medicaid and less are qualifying for Title XXI CHIP than the original calculations. In FY98-99, CHIP was anticipated to grow to 12,600. At the end of FY 98-99, there were 5,175 CHIP eligible while the Medicaid Program grew by 12,376 in the same time period. The costs for services are also much higher than were projected in the fiscal note for the same reasons cited previously regarding service costs in this program. The impact of the CHIP effect is estimated at \$7.8 million General Funds in FY2000-01.

**Public Assistance Programs** Almost 30% of the budget adjustments occur in public assistance programs, primarily in child care and child welfare programs. Total General Fund adjustments in the committee preliminary recommendation amount to \$10,400,000 in FY1999-00 and \$14,200,000 in FY2000-01.

Child Care The total child care subsidy shortfall is estimated at \$13,400,000 in FY99-00 and \$14,900,000 in FY00-01. However, in terms of General Fund impact, these amounts are offset by two adjustments. First, the agency is proposing using \$9,000,000 in TANF federal funds in FY99-00 and \$10,000,000 in FY00-01. Up to 18 percent of the \$58 million of federal TANF funds can be used for child care. This proposal would utilize \$2 million from the October 1999 carryover and \$7 million of the current federal fiscal year TANF allocation. Next year, the agency is proposing utilizing \$10 million from TANF, leaving a balance of \$5 million at the end of FY00-01. Second, the agency is also projecting savings of

\$750,000 in FY99-00 and \$1.5 million in FY00-01 in the child care area as the result of the hiring of claims reviewer in Omaha to look at every billing claim. The child care deficit is summarized below:

<u>General Funds</u>	<u>FY1999-00</u>	<u>FY2000-01</u>
Child care deficit	13,400,000	14,900,000
Use of TANF	(9,000,000)	(10,000,000)
Claims review	(750,000)	(1,500,000)
Total GF child care deficit	3,650,000	3,400,000

In the 15-month period from July 1998 through November 1999, the monthly number of children receiving assistance under the child care subsidy program rose from 11,053 to 15,130; a 37% (4,077) increase. Monthly expenditures grew from \$3,017,268 in July 1998 to \$3,900,559 in November 1999; a 29% or \$883,291 increase in monthly costs. The reasons cited for the steep increase in the use of the child care subsidy are (1) the decline in the ADC caseload, (2) an administrative change in the income eligibility and (3) outreach efforts conducted for the Children's Health Insurance Program.

Child Welfare/Juvenile Services The child welfare system has a projected deficit of \$5,900,000 in FY99-00 and \$7,800,000 in FY00-01. Two efforts by the department to increase federal claims are anticipated to bring the total General Fund deficit to \$4,150,000 in FY99-00 and \$6,800,000 in FY00-01. The number of children being served by the Office of Juvenile Services in community-based programs and abused and neglected children served by the child welfare system has increased in the last year and a half. On October 29, 1999, the agency reported 6,431 state wards, a 15% increase compared to 5,583 in June 1998. In OJS community-based programs, the number increased by 58% or 313 children. (At the same time, children committed to Kearney and Geneva increased by 83%). The original budget for child welfare services assumed a 5% per year increase in wards. No clear reasons have been identified as to what is driving the increasing number of children coming into the system. Offsetting federal funds are from DD Medicaid Waiver service claims and Title IV-E funds. The department has paid for services provided to children with developmental disabilities who are also state wards under the child welfare system. Although some of these services were paid 100% from the General Fund, these children and the services provided to them are Medicaid eligible at a 61% match rate. The department is filing a retroactive claim for these services and will continue to bill Medicaid in the future. Also, it has recently come to the attention of the department that some providers serving IV-E eligible children were not identified as IV-E providers. The federal match rate for IV-E is the same as Medicaid. Work is being done to identify the providers and make the federal claims. These two efforts generate \$1,75 million in FY00 and \$1 million in FY01.

Other Public Assistance Programs Other programs running short of funds are the Job Support Program, State Disability Medical and State Supplement. The combined deficits for these programs are \$2.6 million in FY99-00 and \$4.0 million in FY00-01. Legislative intent in the budget bill states that HHS will provide the required match for the Welfare-to-

Work program in the amount of \$1,005,306 run by the Department of Labor. No new funds were ever appropriated for this match as many programs in this budget program were expending at a lower rate than projected and federal funds were running a surplus. As ADC cases have declined, more people are using Job Support services. The agency will have a difficult time providing the match without additional assistance. The State Supplement request contained an error that left the program short about \$180,000 GF each year. The State Disability Medical Program is running a deficit because the same cost assumption was used as in the Medicaid.

**Mental Health Provider Rates** Rates for behavioral health providers had not been increased for six years. Funds have been included to provide a rate increase of approximately 4.5 percent in FY 01 for behavioral health providers. The amount provided is \$3 million in general funds and \$2.5 million in federal funds. The rate increase would be applied to payments for behavioral health providers such as group homes, residential treatment facilities, counselors and therapists. Provider payments made through the state's Medicaid managed care contract are excluded from the rate increase provided with this funding. The managed care contract was recently renegotiated and contains rate increases separate from the funding included here.

## **DEPT OF WATER RESOURCES**

Additional funding is provided for expenses related to the Kansas v. Nebraska and Nebraska v. Wyoming lawsuits.

**Kansas v. Nebraska Lawsuit** This case is being directed by the Attorney General's office and funding for outside legal experts, technical experts and case administration is budgeted in the Department of Water Resources. The current appropriation in the Department of Water Resources for this case is \$300,400 General Funds per year. Additionally, FY97-98 and FY98-99 appropriations totaling \$518,000 were largely unspent and reappropriated. The agency requested, and committee included, an additional \$139,426 General Funds in FY1999-00 and \$278,853 General Funds in FY2000-01. The request for increased funding includes: the development of an electronic document management system, the accumulation of scientific data, payment of outside attorney fees, payment of special master fees and costs, and payment of additional document copying and travel costs. With these additional funds, the revised General Fund appropriations total \$439,826 in FY1999-00 \$579,253 in FY2000-01.

**Nebraska v. Wyoming Lawsuit** The FY1999-00 appropriation designated for this lawsuit is \$4,403,712 General Funds and the FY2000-01 budget is currently established at \$3,458,999 General Funds. Additional funding of \$1.5 million is provided for FY2000-2001



because: 1) the Special Master has admitted an additional party to the case and extended the time before the trial to allow additional reports to be filed; 2) a November 1, 1999 Pretrial Order required updating of technical documents; and 3) Nebraska has been asked to provide document authentication. It is now estimated that the trial will begin in May 2000 and may extend through April 2001. With the additional \$1.5 million, the FY2000-01 appropriation for this lawsuit totals \$4,958,999 General Funds.

## **STATE COLLEGES**

**Chadron State College - Maintenance Facility Replacement** The budget includes funds to demolish the existing maintenance building and construct a replacement facility on the Chadron State College campus. Multiple safety and accessibility deficiencies are present in existing facility. The facility lacks an adequate ventilation system. Where work areas are partitioned, non fire-rated walls and doors (ceilings are non fire-rated as well) separate them. The building has no fire alarm system and exits are inadequate. Barriers to disabled access are present throughout the facility. Additionally, space to accommodate campus custodial and maintenance functions are inadequate to perform day-to-day work. The 2000 budget adjustments includes \$996,170 General Funds in FY2000-01. In addition, \$102,200 derived from student fee payments is assumed for a total project of \$1,098,370.

**Wayne State College - Ramsey Theatre Asbestos Removal** The Board of Trustees allocated proceeds in the amount of \$1,213,746 from bonds issued pursuant to LB1100 (1998) for renovation of the Ramsey Theatre at Wayne State College. In addition, the Legislature appropriated \$722,970 from the State Building Fund for FY2000-01 to construct an addition to the existing facility. Amounts allocated/appropriated for the projects were based upon preliminary project planning documents. Subsequent project planning phases identified substantial unanticipated costs for removal of asbestos from the existing facility. Related costs are estimated at \$788,104. The 2000 budget adjustments include \$374,654 General Funds for FY2000-01 to support a portion of these unanticipated costs. The balance of estimated asbestos removal costs are to be met through deferral of other smaller projects originally intended to have been financed with LB1100 bond proceeds and through private fund raising for the project.

**Minority Student Scholarships (LB 1379)** See description below under University of Nebraska.

## UNIVERSITY OF NEBRASKA

**Health Insurance** Under current revenue and expenditure trends, the University's health care trust fund balances will be depleted by October 2000 and the 3-month claims run-off reserves will be depleted by May 2001. This follows two years where costs exceeded revenues; \$5 million in FY98-99 and \$9.6 million in FY99-00. The University requested an additional \$3.1 million in FY99-00 and \$5.4 million in FY00-01 representing the first two years of a four year plan to restore financial viability of the University's health care trust fund. This request, plus the 5% per year increase funded last spring, represents a 17.9% increase in FY99-00 and an additional 14.7% for FY00-01. This compares to increases in the state's health care plan of 25.4% in FY99-00 and 20.6% in FY00-01. In addition to this request, the University plans to bring their employee's share of premium costs in line with those covered by the state employees plan. Currently University employees pay 9% of the premium costs, state employees pay 21%.

The Legislature initially included \$3 million in both fiscal years however this was subsequently vetoed down to \$1,750,000 each year.

**Minority Student Scholarships (LB 1379)** In 1989, LB813 appropriated \$800,000 from the General Fund to the University of Nebraska to establish an endowed scholarship program in accordance with LR97 (1989) for Nebraska resident undergraduate students from minority groups, which are statistically underrepresented at the University of Nebraska. These appropriated funds were directed to be held, managed, and invested by the Board of Regents with income from the endowed scholarship fund to be expended for scholarships. An additional \$500,000 for the program was appropriated in LB389 (1997). LB1379 extends the program to minority students attending any Nebraska state college or community college (community college students limited to those enrolled in general academic transfer courses). Funding provided totals \$1 million General Funds in FY2000-01; \$800,000 for the University of Nebraska and \$200,000 for the State Colleges. Although funds are appropriated in LB1379A, these amounts were included in the Appropriations Committee recommendation and are reflected here under mainline budget adjustments.

## STATE PATROL

**Community Oriented Police Services** Funds totaling \$176,814 General Funds and \$158,466 federal in FY2000-01 were provided to implement a Community Oriented Police Services (COPS) Universal Hiring Program (UHP) grant which has been awarded to the Nebraska State Patrol. The three-year grant provides for six officers to be stationed in areas across Nebraska in a community policing function. A Community Service Officer (CSO) would be assigned to each troop area and would serve as a point of contact for crime

prevention and community service programs. The CSO will coordinate activities on child physical or sexual abuse and neglect, domestic violence, juvenile law and procedure, substance abuse and violence prevention, the physical security of businesses, and individual protection. The CSO will be responsible for developing working relationships with public and private agencies, businesses, religious bodies, schools, and the media. State funding supports the remaining salary, equipment, and training costs not covered by the federal grant.

## **DEPT OF ADMINISTRATIVE SERVICES**

**Nebraska Information System (NIS)** The Nebraska Information System (NIS) is a proposed integrated financial management and human resources computer system. NIS will replace two existing 20 year old computer systems: Nebraska Accounting System (NAS) and Nebraska Employee Information System (NEIS). The estimated project cost to implement NIS is \$29,728,529 including a financing cost of \$5,571,030 due to projected payments being spread out over an eight-year period (fiscal years 2000-2001 through 2007-2008). The proposed funding includes \$1,000,000 per year in General Funds, \$1,500,000 per year from revenues derived from cigarette taxes (extension of the Y2K earmark in LB1349), and \$1,000,000 in FY03 and \$1,500,000 per year for FY04 through FY08) of increased agency assessments. It is anticipated that increased agency assessments will be offset at the agency by savings realized through reliance on the new system.

## **DEPT OF ECONOMIC DEVELOPMENT**

**Value-Added Agriculture Initiative** The Value-Added Agriculture Initiative is proposed as a cooperative effort between the Department of Agriculture and the Department of Economic Development. Funding for the Department of Economic Development includes \$70,000 General Funds in FY1999-00 and \$140,000 General Funds and \$340,000 in redirected funds in FY2000-01. The efforts will focus on the recruitment of new processors, retention and expansion of current processors and the development of new product ventures. Redirected funds represent a reallocation of staff efforts within the agency.

## **COMMUNITY COLLEGES**

An additional \$30 million General Funds was funded in FY2000-01 for aid to community colleges. This extends for one year the additional aid provided in LB881 (1999) which

provided one-time funding of \$30 million cash funds in FY99-00. These cash funds were derived from a transfer from the Cash Reserve Fund to the Relief to Property Taxpayers Fund.

## **DEPT OF ENVIRONMENTAL QUALITY**

**Low Level Radioactive Waste** On March 8, 1999, U.S. District Court Judge Richard Kopf issued a temporary restraining order prohibiting the state from "collecting or attempting to collect any funds from the plaintiffs, the Commission, or US Ecology" to support the activities of the Low-Level Radioactive Waste Division in the Dept of Environmental Quality. During the 1999 Session, the Legislature added \$3,472,000 General Funds in FY99-00 to support the divisions activities but deferred funding for FY2000-01 pending any other decisions by the U.S. District Court. In the absence of further rulings, a second year of funding is now included, \$3,997,000 General Funds in FY2000-01 to continue staffing and operations of the division. In addition to the staff, costs would include contractual services to pay the private law firm retained to defend the state in the case filed by waste generators, and pay expenses of technical experts retained to review the license application, but are now potential witnesses in the pending lawsuit.

## **DEPT OF PROPERTY TAXATION AND ASSESSMENT**

**Takeover county assessor offices** On July 1, 2000 Greeley and Hitchcock counties will turn over their assessor offices to the department. Under current law, by a vote of the county board, counties can have the state assume the assessor functions. The budget includes \$404,124 General Funds in FY2000-01 to assume assessor functions in these two counties.

## Major Legislation Enacted-2000 Session

In terms of the FY00/FY01 biennium, "A" bills enacted in the 2000 Session totaled \$8.5 million. Almost 80% of this amount was contained in four bills; LB812, LB972, LB1243, and LB1348.

**LB 26** requires the Legislature to reimburse qualifying public schools 5 cents for each breakfast the school serves. To qualify, school districts must operate a school lunch program. Payments will be made according to rules and regulations for disbursements adopted and promulgated by the State Department of Education. (\$232,390 General Funds in FY2000-01, estimated at \$233,550 in FY2001-02)

**LB 482** provides for payments to an individual or couple who adopt a ward of the state \$1,000 for the year of adoption and \$1,000 each year for up to four succeeding years. Only adoptions decreed on or after January 1, 2000, are eligible for the payments. Payment will not be made for a year in which the child reaches the age of majority, is emancipated, or is no longer living in the home of the adoptive parent or parents. (\$305,700 General Funds in FY2000-01, estimated at \$608,250 in FY2001-02)

**LB 812** directs the State Board of Education to develop sufficiently clear and measurable model academic content standards. Additionally, each school district in the state is required to develop measurable academic standards that would need to be the same as, equally rigorous as or more rigorous than the measurable model standards created by the board. The bill also directs local school districts to develop academic subject assessments, which will be given in one subject each year, beginning with reading. Once a subject assessment takes place, the local versions of the assessments will be forwarded to an independent expert who will select four model assessments. School districts will then be required to utilize one of the model assessments the next time that subject area is assessed. The bill also provides for the implementation of a statewide writing assessment beginning in the spring of 2001 for students at three grade levels selected by the state board. (\$1,430,000 General Funds in FY2000-01, full year cost)

**LB 972** fulfills the federal mandate requiring a centralized child support collection and disbursement unit. While LB637 (1999) technically created the State Disbursement Unit (SDU), LB972 details the functions and responsibilities of the SDU and establishes a customer service center. The state Treasurer's Office is given responsibility as contractor for the state for the SDU. Starting on the bill's operative date, all child support orders will be made to the SDU instead of the clerks of the district courts. The bill provides an operative date of April 1, 2000 or whenever the state has a certified child support computer system (the upgrading of the state computer system is projected to be completed by September 1, 2001). The bill requires the SDU to receive and send out child support

payments, distribute information on the status of payments, and provide one location for employers to send income withholding payments. LB 972 also establishes a toll-free telephone line to answer child support disbursement questions and creates a State Disbursement Advisory Committee to advise the state Department of Health and Human Services on ways to improve the SDU and customer service. The customer service center is required to be established in a county where its employees would make up at least 0.25 percent of the county's total labor force. (\$1,190,389 General Funds in FY2000-01, estimated at \$2,980,345 in FY2001-02)

**LB 1243** increases the maximum allowable annual growth rate for special education reimbursement from 3% to 5%. Previously, LB742 passed in 1995 had placed a 3% cap on the increase in annual appropriations for special education reimbursement. The cost of the higher allowable growth in reimbursement amounts to \$2.6 million in FY2000-01 and \$5.5 million in FY2001-02.

**LB 1348** provides \$1.25 million each year for the next three fiscal years for specific economic development programs: \$250,000 for the Microenterprise Partnership Program, an existing program aimed at providing loans to microbusinesses; \$250,000 for grants to individuals or groups who promote and encourage value-added agricultural development; \$250,000 for agricultural entrepreneurship opportunity grants; and \$500,000 to be distributed between the value-added and agricultural grant programs according to demand and need. Individual microenterprise loans, administered by the state Department of Economic Development (DED), are limited to \$50,000. Grants under the value-added partnership and agricultural opportunities grant programs, administered by the state Department of Agriculture with assistance from DED, are limited to \$75,000. Assistance under all three programs requires a match from the recipient of 25 percent of the approved funding.

# Governor Vetoes and Legislative Overrides

## 2000 Legislative Session

(General Fund Only)

* Denotes Line Item Vetoes	Vetoes				Overrides	
	FY99-00	FY00-01	FY01-02	FY02-03	FY99-00	FY00-01
* Increase mental health provider rates	0	(2,000,000)	(2,000,000)	(2,000,000)	0	2,000,000
* Statewide K-12 assessment and reporting	0	(1,430,000)	(1,430,000)	(1,430,000)	0	0
* Employee health care costs 4-year plan	(1,250,000)	(1,250,000)	(1,250,000)	(1,250,000)	0	0
* Sheldon Art Gallery renovations (LB 1175)	(900,000)	(987,000)	(1,800,000)	0	0	0
* Natural Resources Enhancement Fund	0	(500,000)	0	0	0	0
* Centennial Mall improvements (LB 1242)	0	(500,000)	(500,000)	0	0	0
* Local transit authorities aid	0	(400,000)	(400,000)	(400,000)	0	0
* Aid to local libraries	0	(150,000)	(150,000)	(150,000)	0	0
* Nebr Transit/Rail Council study (LB1314)	0	(100,000)	0	0	0	0
* Hospital reimbursement, mental hlth services	(750,000)	0	0	0	750,000	0
<b>Subtotal - LB 1217 Mainline Bill</b>	<b>(2,900,000)</b>	<b>(7,317,000)</b>	<b>(7,530,000)</b>	<b>(5,230,000)</b>	<b>750,000</b>	<b>2,000,000</b>
LB289 Central filing, county zoning	0	(7,000)	(5,000)	(5,000)	0	0
LB414 Merge clerk of the county/dist court	0	(147,134)	(3,737,539)	(5,977,225)	0	0
* LB480 Women's Health Initiative	0	(100,252)	(107,807)	(107,807)	0	0
LB652 State takeover, county juvenile costs	0	0	(3,147,601)	(5,146,226)	0	0
LB717 Local emergency planning grants	0	(16,040)	(13,871)	(13,871)	0	0
LB922 Additional Dist. +Juvenile Court judge	0	(353,967)	(339,967)	(339,967)	0	0
LB925 Child care tax credit, businesses	0	1,101,822	1,214,000	1,214,000	0	0
LB956 State constitutional officers salaries	0	0	0	(67,653)	0	0
* LB957 Carbon Sequestration Committee	0	(110,000)	(110,000)	0	0	0
LB1092 State meat inspection pilot program	0	(88,089)	(88,089)	(88,089)	0	0
* LB1363 Immigrant Workforce task force	0	(17,642)	0	0	0	0
LB1401 Change school aid lop-off, other changes	0	0	(1,000,000)	(1,000,000)	0	0
<b>Subtotal - "A" bills</b>	<b>0</b>	<b>261,698</b>	<b>(7,335,874)</b>	<b>(11,531,838)</b>	<b>0</b>	<b>0</b>
LB171 Sales tax exempt, broadcast conversion	0	(400,250)	(200,125)	(200,125)	0	0
LB414 Merge clerk of the county/district court	0	0	0	661,189	0	0
LB717 Local emergency planning grants	0	(150,000)	(150,000)	(150,000)	0	0
LB925 Child care tax credit, businesses	0	0	(1,747,000)	(1,834,000)	0	0
* LB1399 Teacher Salary, Master teacher	0	(410,000)	(410,000)	(410,000)	0	0
<b>Subtotal - Revenue bills</b>	<b>0</b>	<b>(960,250)</b>	<b>(2,507,125)</b>	<b>(1,932,936)</b>	<b>0</b>	<b>0</b>
<b>Total Vetoes-Appropriations</b>	<b>(2,900,000)</b>	<b>(7,055,302)</b>	<b>(14,865,874)</b>	<b>(16,761,838)</b>	<b>750,000</b>	<b>2,000,000</b>
<b>Total Vetoes-Revenues</b>	<b>0</b>	<b>(960,250)</b>	<b>(2,507,125)</b>	<b>(1,932,936)</b>	<b>0</b>	<b>0</b>
<b>Total Vetoes</b>	<b>(2,900,000)</b>	<b>(8,015,552)</b>	<b>(17,372,999)</b>	<b>(18,694,774)</b>	<b>750,000</b>	<b>2,000,000</b>

Note: The line item veto in LB1399 is shown under "Revenue Bills" as the original item was a transfer from the General Fund to a cash fund.

## **V. Appropriations-All Funds**



# Appropriations-All Funds

Table 18 shows the total appropriation from all fund sources as enacted in the 1999 legislative session with the 2000 session budget adjustments.

Table 18 Total Appropriations-All Funds

<i>FY1998-99</i>	General	Cash	Federal	Rev/Other	Total
<i>Final Per 1999 Session</i>	2,233,965,145	942,554,123	1,290,628,299	449,567,228	4,916,714,795
<i>FY1999-00</i>	General	Cash	Federal	Rev/Other	Total
<i>Total Per 1999 Session</i>	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
2000 Session-Mainline (LB1217)	14,445,932	3,041,423	5,061,865	2,337,481	24,886,701
2000 Session State Claims (LB1448)	652,198	763,107	230,976	0	1,646,281
2000 Session "A" bills	39,600	1,430,000	0	50,000	1,519,600
<i>With 2000 budget adjustments</i>	<u>2,339,081,677</u>	<u>1,105,960,607</u>	<u>1,396,017,895</u>	<u>472,548,265</u>	<u>5,313,608,444</u>
Change over prior year (with deficits)					
Dollar	105,116,532	163,406,484	105,389,596	22,981,037	396,893,649
Percent	4.7%	17.3%	8.2%	5.1%	8.1%
<i>FY2000-01</i>	General	Cash	Federal	Rev/Other	Total
<i>Total Per 1999 Session</i>	2,390,176,080	1,110,434,099	1,421,939,565	461,846,079	5,384,395,823
2000 Session-Mainline (LB 1217)	60,163,781	2,408,754	47,691,761	5,260,294	115,524,590
2000 Session "A" bills	8,448,829	25,748,207	2,410,966	173,000	36,781,002
<i>With 2000 budget adjustments</i>	<u>2,458,788,690</u>	<u>1,138,591,060</u>	<u>1,472,042,292</u>	<u>467,279,373</u>	<u>5,536,701,415</u>
Change over prior year (with deficits)					
Dollar	119,707,013	32,630,453	76,024,397	(5,268,892)	223,092,971
Percent	5.1%	3.0%	5.4%	-1.1%	4.2%

## **Cash Funds**

Mid-biennium adjustments total \$5.2 million in FY99-00 and \$28.2 million in FY00-01. The two largest items were two "A" bills: LB1427A provides \$14 million of Medicaid intergovernmental transfer funds for additional nursing home conversion grants, and LB1436A provides \$7 million from tobacco settlement funds for new tobacco prevention programs.

Two major mainline items in FY00-01 are \$5.4 million for the Nebraska Information System (NIS) as described previously under the Dept of Administrative Services and \$4.1 million for replacing and upgrading the Retirement Board computer systems. These additional cash fund appropriations are offset by a \$10 million reduction in cash fund appropriations related to the \$10 million reduction in Cash Reserve Fund transfers to the Relief to Property Taxpayers Fund.

<u>Agency</u>	<u>Item</u>	<u>FY1999-00</u>	<u>FY2000-01</u>	<u>Two Yr Total</u>
DAS	Nebraska Information System	0	5,455,250	5,455,250
Retirement	Technology plan	0	4,131,160	4,131,160
HHS-Finance	WIC rebate revenue	1,300,000	1,300,000	2,600,000
HHS-Services	Transfer food service-NRC to Norfolk Vet's home	529,979	540,893	1,070,872
DAS	State Claims (LB1448)	763,107	0	763,107
NETC	NEB*SAT Network 3-cash for point to multipoint	473,702	0	473,702
Agriculture	Value-Added Initiative	200,000	225,000	425,000
HHS-Services	Additional cash grants	112,500	250,000	362,500
Governor	Increase in amount of state aid, Energy Office	100,000	150,000	250,000
NETC	NEB*SAT Network 3-emergency use	218,000	0	218,000
Game/Parks	River/stream acquisition	200,000	0	200,000
Supreme Court	Probation contracts (Lancaster, Sarpy, Dakota, Hall)	136,648	29,962	166,610
DAS	Tort Claims	0	157,330	157,330
Governor	Correct error in cash fund authority for operations	100,000	50,000	150,000
Retirement	Comprehensive benefits study	0	150,000	150,000
Prop Tax/Assess	Reduce property tax credits from \$35 to \$25 million	0	(10,000,000)	(10,000,000)
Several	All Other (net)	(329,406)	(30,841)	(360,247)
<b>Subtotal Cash Fund Adjustments (Mainline)</b>		<b>3,804,530</b>	<b>2,408,754</b>	<b>6,213,284</b>
LB 1427	Additional transfers, Nursing Facilities Cash Fund	0	14,000,000	14,000,000
LB 1436	Tobacco Prevention and Control Cash Fund	0	7,000,000	7,000,000
LB 654	Misc DAS changes, insurance for temp employees	1,430,000	3,020,000	4,450,000
LB 659	Additional funds, Compulsive Gamblers program	0	818,000	818,000
LB 1234	Ethanol Pricing, Niobrara Council, wastewater const	0	500,000	500,000
Several	All Other "A" Bills	0	410,207	410,207
<b>Total Cash Fund Adjustments</b>		<b>5,234,530</b>	<b>28,156,961</b>	<b>33,391,491</b>

## **Federal Funds**

Federal fund appropriations increase by \$5.3 million in FY99-00 and \$50.1 million in FY00-01. All of the mainline increased federal funds relate to matching of General Fund items noted previously. About 90% of the federal fund increase is accounted for by Medicaid alone. The largest "A" bill amount was included in LB972A, which funded the State Disbursement Unit and is described in the General Fund section on page 39.

<u>Agency</u>	<u>Item</u>	<u>FY1999-00</u>	<u>FY2000-01</u>	<u>Two Yr Total</u>
HHS-Finance	Medicaid deficit	3,734,969	45,958,982	49,693,951
HHS-Finance	Excess Childrens Health Insurance to Medicaid	3,112,474	3,112,474	6,224,948
HHS-Finance	Public Assistance-Child Welfare	1,750,000	1,000,000	2,750,000
HHS-Finance	Public Assistance-Child Care	2,000,000	0	2,000,000
HHS-Finance	Public Assistance-increase mental health provider rates	0	1,976,236	1,976,236
HHS-Finance	Medicaid-increase mental health provider rates	0	579,083	579,083
Crime Comm.	CJIS projects	0	200,000	200,000
State Patrol	Community Oriented Police Services	0	158,466	158,466
Foster Care	Review specialist,-mandated out-of-home care	0	11,122	11,122
HHS-Finance	Excess Childrens Health Insurance to Medicaid	(5,304,602)	(5,304,602)	(10,609,204)
<b>Subtotal Federal Fund Adjustments (mainline)</b>		<b>5,292,841</b>	<b>47,691,761</b>	<b>52,984,602</b>
LB 972	State Disbursement Unit (SDU)	0	2,118,402	2,118,402
LB 950	Infant Hearing Act	0	259,531	259,531
LB 372	Commission for the Blind/Visually Impaired	0	33,033	33,033
<b>Total Federal Fund Adjustments</b>		<b>5,292,841</b>	<b>50,102,727</b>	<b>55,395,568</b>

## **Revolving / Other Funds**

Revolving fund appropriations increase by \$2.1 million in FY99-00 and \$4.4 million in FY00-01. Two items account for over 70% of this increase, both under the Dept of Administrative Services (DAS). The proposed budget includes \$1.3 million in each year for consolidation of postage and automated mail services under the Materiel Division. The second item is \$2 million in FY2000-01 to annualize funds added last year to eliminate the backlog of workers compensation. In the 1999 session, the Legislature approved an emergency deficit appropriation for the Workers Compensation program. The original FY00-01 appropriation was set at a level that would require further discussion of the progress toward program improvement. During the interim, Risk Management competitively bid and awarded a contract for the operation of the program by a third-party administrator. The new workers compensation program has been established and is operating successfully. These additional funds would continue the program into FY00-01.

<u>Agency</u>	<u>Item</u>	<u>FY1999-00</u>	<u>FY2000-01</u>	<u>Two Yr Total</u>
DAS	Master postage, automated mail lease/maint agreement	1,300,000	1,300,000	2,600,000
DAS	Annualize FY99-00 workers comp backlog adjustment	0	2,000,000	2,000,000
DAS	Consolidate subscriptions, classified ads & legal notices	0	878,000	855,000
DAS	Consolidate subscriptions, classified ads & legal notices	255,000	600,000	855,000
DAS	Accounting Division printing & computer maintenance	263,028	263,028	526,056
University	Correct fund reference	274,549	200,000	474,549
DAS	State Claims (LB1448)	230,976	0	230,976
University	Correct fund reference	80,973	70,000	150,973
Corrections	2% depreciation charge	52,955	52,955	105,910
St Colleges	Demolish/rebuild maintenance building (Chadron)	0	102,200	102,200
DAS	Vehicle maintenance	0	55,000	55,000
DAS	Maintenance & custodial staff at GI Training Center	0	49,111	49,111
Hist Society	Headquarters renovation - no private match	0	(70,000)	(70,000)
DAS	Consolidate subscriptions, classified ads & legal notices	(120,000)	(240,000)	(360,000)
<b>Subtotal Revolving Fund Adjustments (Mainline)</b>		<b>2,337,481</b>	<b>5,260,294</b>	<b>7,597,775</b>
LB 654	Misc DAS changes, insurance for temp employees	50,000	153,000	203,000
LB 972	State Disbursement Unit (SDU)	0	20,000	20,000
<b>Total Revolving Fund Adjustments</b>		<b>2,387,481</b>	<b>5,433,294</b>	<b>7,820,775</b>

**Appendix A**  
**"A" Bills Enacted - 2000 Session**  
 (All Fund Sources)

Bill	Description	Fund	FY1999-00	FY2000-01
LB 26A	Reimbursement, public school meal program	General	0	232,390
LB 153A	Task force, study the Nebr State Patrol	General	0	37,780
LB 289A	Central filing for county zoning regulations	General	0	VETO
LB 352A	Commission for the Blind/Visually Impaired	General	0	8,258
	Commission for the Blind/Visually Impaired	Cash	0	0
	Commission for the Blind/Visually Impaired	Federal	0	33,033
LB 414A	Merge clerk of the county/district court	General	0	VETO
LB 480A*	Women's Health Initiative	General	0	LINE VETO
	Women's Health Initiative	Cash	0	10,000
LB 482A	Adoption incentive payments	General	0	305,700
LB 495A	Education and Career Preparation Act	General	11,000	14,000
LB 652A	State takeover, county juvenile costs	General	0	VETO
LB 654A	Misc DAS changes, insurance for temp employees	Cash	1,430,000	3,020,000
	Misc DAS changes, insurance for temp employees	Revolving	50,000	153,000
LB 659A	Additional funds, Compulsive Gamblers program	Cash	0	818,000
LB 717A	Local emergency planning grants	General	0	VETO
LB 812A	K-12 educational standards/assessment	General	0	1,430,000
LB 819A	Health Care Facility Licensing Act	Cash	0	168,483
LB 825A	Commercial Dog and Cat Operator Inspection Act	Cash	0	28,000
LB 833A	Veterinary tech licensing, vet-client relationship	Cash	0	18,924
LB 900A	Merge Water Resources and Nat Resources Comm.	General	0	net zero
LB 901A	Power Review Board annual report	Cash	0	73,800
LB 922A	Additional Dist. and Juvenile Court judge	General	0	VETO
LB 925A	Child care tax credit, businesses	General	0	VETO
LB 936A	Rural Economic Opportunities Act	General	0	167,210
LB 950A	Infant Hearing Act	General	0	196,236
	Infant Hearing Act	Federal	0	259,531
LB 956A **	Increase state constitutional officers salaries	General	0	0
LB 957A *	Carbon Sequestration Advisory Committee	General	0	LINE VETO
	Carbon Sequestration Advisory Committee	Cash	0	80,000
LB 968A	Misc revenue changes / shifts	General	0	Shift
LB 972A	State Disbursement Unit (SDU)	General	0	1,190,389
	State Disbursement Unit (SDU)	Federal	0	2,118,402
	State Disbursement Unit (SDU)	Revolving	0	20,000
LB 973A	Liquor tax clarification, license fees	General	0	42,825
LB 1003A	Nebraska educational savings plan trust	General	0	366,785

Bill	Description	Fund	FY1999-00	FY2000-01
LB 1008A	Death penalty study changes	General	0	60,000
LB 1025A	Nebraska Center for Nursing Act	General	0	60,000
LB 1092A	State meat inspection pilot program	General	0	VETO
LB 1101A	Senior Companion Volunteer Program Act	General	0	200,000
LB 1124A	Greenbelt Advisory Committee	General	0	10,000
LB 1167A	Juvenile detention/probation services study	General	0	44,000
LB 1223A	Misc changes, Beginning Farmer Tax Credit Act	General	0	60,840
LB 1234A	Ethanol Pricing, Niobrara Council, wastewater const	General	0	5,000
	Ethanol Pricing, Niobrara Council, wastewater const	Cash	0	500,000
LB 1243A	Special ed, allowable costs/growth rate	General	0	2,651,516
LB 1348A	Ag Opportunities / Value-Added Partnership Act	General	0	1,250,000
LB 1399A*	Teacher Salary-Task Force, Loans, Master	General	28,600	41,400
	Teacher Salary-Task Force, Loans, Master	Cash	0	LINE VETO
LB 1401A	Change school aid lop-off, other changes	General	0	0
LB 1410A	Lewis and Clark Bicentennial Commission	General	0	3,000
	Lewis and Clark Bicentennial Commission	Cash	0	31,000
LB 1427A	Additional transfers, Nursing Facilities Cash Fund	Cash	0	14,000,000
LB 1436A	Tobacco Prevention and Control Cash Fund	Cash	0	7,000,000
	General		39,600	8,448,829
	Cash		1,430,000	25,748,207
	Federal		0	2,410,966
	Revolving		50,000	173,000
	NCCF		0	0
	Total		1,519,600	36,781,002

## Appendix B

### 2000 Session Mainline Budget Adjustments

(All Fund Sources)

	Fund	Type	Final FY1999-00	Final FY2000-01
<b>#03-Legislative Council</b>				
122 Continue development and operation of CGE model	Gen	Oper	(19,477)	0
123 Shift redistricting from Clerk to Research	Gen	Oper	(276,969)	(194,849)
126 Shift redistricting from Clerk to Research	Gen	Oper	276,969	194,849
504 Ombudsman's Office - one additional FTE	Gen	Oper	17,930	44,864
638 Continue development and operation of CGE model	Gen	Oper	19,477	40,653
<b>#05-Supreme Court</b>				
52 District court reporter salary adjustments	Gen	Oper	0	214,000
52 Technical change, program number in 1999 A bill	--	--	YES	YES
52 Language to authorize funding shifts, program 52 to 570	--	--	YES	YES
67 Probation contracts (Lancaster, Sarpy, Dakota, Hall)	Cash	Oper	136,648	29,962
570 Retainer fee adjustment	Gen	Oper	(400,000)	0
570 Technical change, program number in LB637A	--	--	YES	YES
<b>#07-Governor</b>				
106 Increase in amount of state aid, Energy Office	Cash	Aid	100,000	150,000
106 Correct error in cash fund authority for operations	Cash	Oper	100,000	50,000
<b>#09-Secretary of State</b>				
86 Correct PSL error (-\$33,000/- \$35,000)	PSL	Oper	YES	YES
89 Correct PSL error (-\$33,000/- \$35,000)	PSL	Oper	YES	YES
<b>#12-State Treasurer</b>				
118 Appropriate MIRF fund balance, excess Muni Equalization	--	--	0	YES
<b>#13-Dept of Education</b>				
25 National Assessment of Education Progress test and training	Gen	Oper	80,000	(80,000)
25 Enrollment Option Transportation Program	Gen	Aid	17,782	0
25 Employee retirement costs	Gen	Oper	PSL	0
25 Employee retirement costs	Fed	Oper	PSL	0
25 Indian Education Project - technical assistance to school dists	Gen	Oper	PSL	PSL
25 TEEOSA aid - reduce per Feb 1 certification	Gen	Aid	0	(29,136,343)
<b>#14-Public Service Commission</b>				
14 Benefits for Constitutional Officers per NRSS 75-104	Gen	Oper	3,305	6,110
<b>#16-Dept of Revenue</b>				
108 Homestead Exemption	Gen	Aid	(2,500,050)	(2,500,000)
<b>#18-Dept of Agriculture</b>				
513 Value-Added Initiative	Gen	Oper	100,000	200,000
513 Value-Added Initiative	Cash	Oper	200,000	225,000
<b>#20-HHS Regulation</b>				
177 PSL increase for water specialist staff (\$68,969/\$87,287)	PSL	Oper	YES	YES
177 PSL increase for child care licensing (\$134,319 / \$138,718)	PSL	Oper	YES	YES
177 Transfer Food Stamp investigators from HHS-Services	Gen	Oper	50,860	101,720
177 Transfer tuition assistance to HHS-Finance	Gen	Oper	(4,885)	(4,885)
177 Critical incident stress management	Cash	Oper	15,000	15,000
177 Lead based paint certification	Cash	Oper	40,000	40,000
178 Transfer tuition assistance to HHS-Finance	Cash	Oper	(778)	(778)

	Fund	Type	Final FY1999-00	Final FY2000-01
<b>#21-Fire Marshal</b>				
193 PSL base correction (\$53,995 / \$56,967)	PSL	Oper	YES	YES
193 Approved reclassifications (\$4,525 / \$4,637)	PSL	Oper	YES	YES
<b>#25-HHS Services</b>				
33 Transfer Food Stamp investigators from HHS-Regulation	Gen	Oper	(50,860)	(101,720)
33 Transfer tuition assistance to HHS-Finance	Gen	Oper	(31,670)	(31,670)
33 Transfer training specialist from Agency 25 to Agency 26	Gen	Oper	(20,849)	(21,351)
33 Transfer training specialist from Agency 25 to Agency 26	Fed	Oper	(20,848)	(21,350)
33 Additional cash grants	Cash	Oper	112,500	250,000
33 Additional child protective services staff	Gen	Oper	0	500,000
33 "Forward filing" child protective services (\$900,000 PSL each yr)	PSL	Oper	YES	YES
250 Transfer tuition assistance to HHS-Finance	Gen	Oper	(3,620)	(3,620)
250 Wilderness camp	Gen	Oper	0	AMEND
250 Wilderness camp	Fed	Oper	0	AMEND
346 Transfer encumbrances from eliminated program 346 to 26-347	Gen	Aid	YES	0
355 Transfer tuition assistance to HHS-Finance	Gen	Oper	(542)	(542)
365 Transfer tuition assistance to HHS-Finance	Gen	Oper	(19,816)	(19,816)
365 Transfer food service-Norfolk Reg Cntr to Norfolk Vet's home	Cash	Oper	(363,170)	(375,876)
365 Additional sex offender beds (Lincoln Regional Center)	Gen	Oper	0	1,311,327
421 Transfer tuition assistance to HHS-Finance	Gen	Oper	(9,079)	(9,079)
519 Transfer tuition assistance to HHS-Finance	Gen	Oper	(12,198)	(12,198)
519 Transfer food service-Norfolk Reg Cntr to Norfolk Vet's home	Cash	Oper	893,149	916,769
917 Parole revocation facility	Gen	Oper	0	50,000
931 Geneva YRTC-Additional funds for multipurpose building	Gen	Const	0	FY02
<b>#26-HHS Finance/Support</b>				
34 Increase mental health provider rates (Substance Abuse)	Gen	Aid	0	451,200
341 Fed mandated MMIS, excluded PSL (\$337,761 / \$348,823)	PSL	Oper	YES	YES
341 Transfer tuition assistance from #20 / #25	Gen	Oper	81,810	81,810
341 Transfer tuition assistance from #20 / #25	Cash	Oper	778	778
341 Transfer training specialist from Agency 25 to Agency 26	Gen	Oper	20,849	21,351
341 Transfer training specialist from Agency 25 to Agency 26	Fed	Oper	20,848	21,350
341 Replace lost federal funds in Child Support Admin. - CHARTS	Gen	Oper	1,300,000	310,000
344 Excess Childrens Health Insurance to Medicaid (LB 1215)	Cash	Aid	(2,000,000)	(2,000,000)
344 Excess Childrens Health Insurance to Medicaid (LB 1215)	Fed	Aid	(5,304,602)	(5,304,602)
347 Transfer encumbrances from eliminated program 25-346 to 347	Gen	Aid	YES	0
347 Public Assistance-Child Care	Gen	Aid	3,650,000	3,400,000
347 Public Assistance-Child Care	Fed	Aid	2,000,000	0
347 Public Assistance-Child Welfare	Gen	Aid	4,150,000	6,800,000
347 Public Assistance-Child Welfare	Fed	Aid	1,750,000	1,000,000
347 Public Assistance-State Supp/Job Support/Other programs	Gen	Aid	2,600,000	4,000,000
347 Public Assistance-increase mental health provider rates	Gen	Aid	0	1,290,000
347 Public Assistance-increase mental health provider rates	Fed	Aid	0	1,976,236
348 Transfer encumbrances from eliminated program 349 to 348	Gen	Aid	YES	0
348 Excess Childrens Health Insurance to Medicaid (LB 1215)	Cash	Aid	2,000,000	2,000,000
348 Excess Childrens Health Insurance to Medicaid (LB 1215)	Fed	Aid	3,112,474	3,112,474
348 Medicaid deficit	Gen	Aid	2,400,000	30,000,000
348 Medicaid deficit	Fed	Aid	3,734,969	45,958,982
348 Medicaid-increase mental health provider rates	Gen	Aid	0	378,000
348 Medicaid-increase mental health provider rates	Fed	Aid	0	579,083
366 Increase mental health provider rates (Mental Health regions)	Gen	Aid	0	880,800
366 Region VI hospital reimbursement, mental health services	Gen	Aid	1,500,000	0
514 Authority to account for increased WIC rebate revenue	Cash	Aid	1,300,000	1,300,000
<b>#29-Water Resources</b>				
331 Kansas v. Nebraska lawsuit	Gen	Oper	139,427	278,853
331 Nebraska v. Wyoming lawsuit	Gen	Oper	0	1,500,000
<b>#31-Military Dept</b>				
192 Whiteclay expenses-reallocate to Patrol	Gen	Aid	(147,652)	0
544 Delete language on armory sales	--	--	NO	0
<b>#33-Game and Parks Commission</b>				
983 Buffalo Soldier barracks design approval	--	Const	YES	YES
973 River/stream acquisition	Cash	Const	200,000	0
973 Lapse \$200,000 of FY99 reservoir construction cash funds	Cash	Const	YES	na

	Fund	Type	Final FY1999-00	Final FY2000-01
<b>#35-Liquor Control Commission</b>				
73 Employee retirement costs	Gen	Oper	9,777	0
<b>#46-Dept of Correctional Services</b>				
200 Rent additional training space (Whitehall)	Gen	Oper	0	165,952
200 Unobligated grant funds	Gen	Oper	(558,934)	0
725 2% depreciation charge	Rev	Oper	52,955	52,955
<b>#47-Nebr Educational Telecommunications</b>				
533 Reallocate satellite savings-bandwidth for OC-3 ATM circuit	Gen	Oper	0	100,000
566 Statutory change-cash funds	Cash	Oper	NO	NO
566 Adjust cash fund appropriation in lieu of statute change	Cash	Oper	9,973	14,212
901 NEB*SAT Network 3-emergency use	Cash	Const	218,000	0
901 NEB*SAT Network 3-additional cash for point to multipoint	Cash	Const	473,702	0
901 NEB*SAT Network 3-upgrade equipment	Gen	Const	100,000	100,000
911 Satellite contract savings	Gen	Const	(700,000)	(700,000)
911 Satellite contract savings-reallocate for DTV equip	Gen	Const	400,000	400,000
911 Satellite contract savings-reallocate for legal costs	Gen	Const	60,000	0
<b>#48-Postsecondary Coordinating Commission</b>				
640 PSL increase-LB816 State-wide Plan (\$21,000 / \$0)	PSL	Oper	YES	0
<b>#50-State Colleges</b>				
48 Minority Scholarship program (LB 1379)	Gen	Aid	0	200,000
807 2% depreciation-Miller Hall (Chadron)	Gen	Oper	(49,638)	0
826 Sewage Pump (Peru)	Gen	Oper	20,000	0
837 2% depreciation-Connell (Wayne)	Gen	Oper	(85,262)	0
927 Change reapprop from balance to fixed amount	NA	Const	0	YES
934 Demolish/rebuild maintenance building (Chadron)	Gen	Const	0	996,170
934 Demolish/rebuild maintenance building (Chadron)	Rev	Const	0	102,200
938 Ramsey Theater - Asbestos Removal (Wayne)	Gen	Const	0	374,654
991 Asbestos removal (Peru)	Gen	Const	0	29,950
<b>#51-University of Nebraska</b>				
781 Employee health care costs 4-year plan	Gen	Oper	1,750,000	1,750,000
781 2% depreciation-ISTE	Gen	Oper	(375,000)	0
781 2% depreciation-NCTA	Gen	Oper	(20,755)	0
781 Minority Scholarship program (LB 1379)	Gen	Aid	0	800,000
781 Minority and women faculty recruitment/retention	Gen	Oper	0	500,000
915 Correct fund reference	Rev	Const	80,973	70,000
915 Correct fund reference	Cash	Const	(80,973)	(70,000)
937 Correct fund reference	Rev	Const	274,549	200,000
937 Correct fund reference	Cash	Const	(274,549)	(200,000)
946 Lapse appropriations balance, completed project	Cash	Const	YES	na
979 Lapse appropriations balance, completed project	Cash	Const	YES	na
980 Lapse appropriations balance, completed project	Cash	Const	YES	na
<b>#54-Historical Society</b>				
648 Cheyenne barracks marker	Gen	Oper	2,000	0
648 Children's museum lease - archeology relocation	Gen	Oper	0	164,000
954 Headquarters renovation - no private match	Gen	Const	0	84,696
954 Headquarters renovation - no private match	Rev	Const	0	(70,000)
<b>#64-State Patrol</b>				
100 Whiteclay expenses	Gen	Oper	147,652	0
100 Community Oriented Police Services	Gen	Oper	0	176,814
100 Community Oriented Police Services	Fed	Oper	0	158,466
100 Technical change, program number in LB90A	--	--	0	YES
903 Authority to reallocate funds, equipment accounting	--	--	0	YES
<b>#65-Administrative Services</b>				
171 Master postage, automated mail lease/maintenance agreement	Rev	Oper	1,300,000	1,300,000
171 Consolidation of subscriptions, classified ads & legal notices	Rev	Oper	255,000	600,000
180 Vehicle maintenance	Rev	Oper	0	55,000
560 Joslyn Castle operations/maintenance	Gen	Oper	0	35,000



	Fund	Type	Final FY1999-00	Final FY2000-01
560 Maintenance & custodial staff at GI Training Center	Rev	Oper	0	49,111
560 Delete Exec Bldng purchase authorization, reallocate to rent	Rev	Oper	0	0
567 Accounting Division printing & computer maintenance	Rev	Oper	263,028	263,028
591 Tort Claims	Gen	Oper	0	(157,330)
591 Tort Claims	Cash	Oper	0	157,330
592 State Claims (LB1448)	Gen	Oper	652,198	0
592 State Claims (LB1448)	Cash	Oper	763,107	0
592 State Claims (LB1448)	Rev	Oper	230,976	0
593 Annualize FY99-00 workers comp backlog adjustment	Rev	Oper	0	2,000,000
605 Consolidation of subscriptions, classified ads & legal notices	Rev	Oper	(120,000)	(240,000)
625 Nebraska Information System	Gen	Oper	0	1,000,000
625 Nebraska Information System	Cash	Oper	0	5,455,250
901 State Capitol tower renovations	Rev	Const	0	878,000
<b>#66-Abstracters Board</b>				
58 Increase director's salary	Cash	Oper	2,109	3,867
<b>#70-Foster Care Review Board</b>				
116 Additional review specialist - mandate for out-of-home care	Gen	Oper	0	36,200
116 Additional review specialist - mandate for out-of-home care	Fed	Oper	0	11,122
<b>#72-Dept of Economic Development</b>				
600 PSL reduction (\$12,403 / \$24,807)	PSL	Oper	YES	YES
603 Value-Added Initiative	Gen	Oper	70,000	140,000
<b>#74-Power Review Board</b>				
72 Additional regional/national conferences and seminars	Cash	Oper	15,000	15,000
<b>#76-Nebraska Indian Commission</b>				
584 Upgrade secretary position	Gen	Oper	0	7,446
<b>#78-Crime Commission</b>				
150 PSL increase (\$2,828 / \$0)	PSL	Oper	YES	0
199 PSL increase (\$8,698 / \$0)	PSL	Oper	YES	0
199 Additional basic training class	Gen	Oper	38,284	0
199 DAS maintenance contract	Cash	Oper	0	49,111
201 PSL increase (\$2,365 / \$0)	PSL	Oper	YES	0
202 Crime Victim's Reparations aid	Cash	Aid	40,000	40,000
203 PSL increase (\$747 / \$0)	PSL	Oper	YES	0
210 Technical changes, revise earmark language	--	--	0	0
215 PSL increase (\$340 / \$0)	PSL	Oper	YES	0
215 CJIS projects	Gen	Oper	300,000	0
215 CJIS projects	Fed	Oper	0	200,000
903 Lapse \$300,000 unobligated FY98-99 colocation funds	Gen	Const	YES	na
<b>#84-Dept of Environmental Quality</b>				
513 Funding shift for livestock pollution prevention	Gen	Oper	119,966	0
513 Funding shift for livestock pollution prevention	Cash	Oper	(119,966)	0
513 Remediation/maintenance of Superfund sites	Gen	Oper	90,000	90,000
513 Remediation/maintenance of Superfund sites	Gen	Aid	(80,500)	(20,000)
513 Low Level Radioactive Waste costs, continue GF support	Gen	Oper	0	3,997,000
<b>#83-Community Colleges</b>				
152 Property tax relief	Gen	Aid	0	30,000,000
<b>#85-Public Employees Retirement Board</b>				
41 Reserve teacher retirement	Gen	Oper	(2,400)	(150,359)
41 Office relocation	Cash	Oper	14,000	61,969
41 Technology plan	Cash	Oper	0	4,131,160
41 Comprehensive benefits study	Cash	Oper	0	150,000
<b>#93-Tax Equalization and Review Commission</b>				
115 Expenses for hearings outside of Lincoln	Cash	Oper	10,000	0

	Fund	Type	Final FY1999-00	Final FY2000-01
<b>#96-Dept of Property Taxation and Assessment</b>				
112 Acquisition of Greeley and Hitchcock county assessor offices	Gen	Oper	0	404,124
112 Adjust cash flow of appropriations	Gen	Oper	300,000	(300,000)
132 Relief to Property Taxpayers credits from \$35 to \$25 million	Cash	Aid	0	(10,000,000)
<b>Fund Lapses and Transfers</b>				
Increase Securities Act Cash Fund lapse (\$3 million each year)	--	--	YES	YES
Reduce transfer to Cash Reserve Fund (\$8.5 million each year)	--	--	YES	YES
Flexible Spending Trust Fund to State Employees Insurance Fund	--	--	YES	YES
General Funds			15,098,130	60,163,781
Cash Funds			3,804,530	2,408,754
Federal Funds			5,292,841	47,691,761
Revolving Funds			2,337,481	5,260,294
Total-Mainline Budget Adjustments			26,532,982	115,524,590