STATE OF NEBRASKA FY2009-10 / FY2010-11 BIENNIAL BUDGET

As Proposed by the Appropriations Committee 101st Legislature-First Session

Members of the Appropriations Committee

Sen Lavon Heidemann (C) Sen John Harms (VC) Sen Tony Fulton Sen John Nelson Sen John Wightman Sen Danielle Nantkes Sen Tom Hansen Sen Jeremy Nordquist Sen Heath Mello

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HIGHLIGHTS

This report contains a summary of the FY2009-10 and FY2010-11 biennial budget as proposed by the Appropriations Committee. Details as to specific funding items, revenues, and balances are contained in the following sections. However, there are several highlights to address at the start.

➢ General Fund Financial Status Based on the April revenue forecasts, the Committee proposed budget results in a \$208.3 million unobligated ending balance at the end of the FY10/FY11 Biennial Budget which is \$18.6 million above the minimum 3% reserve. This variance from the minimum reserve has fluctuated substantially over the past four months from the \$377 million shortfall projected prior to the session based on October revenue forecasts and a projected budget based on agency requests, to a \$36.4 million shortfall based on the Committee Preliminary budget, back to a \$374 million shortfall after the February 2009 revenue forecasts to over \$580 million shortfall when including the ARRA revenue impacts and April forecasts.. A more complete chronology is on page 7.

In terms of the <u>following biennium</u>, the Committee proposed budget shows a projected balance \$385.5 million <u>below</u> the minimum 3% reserve.

- ➤ Revenue Forecasts The proposed budget and financial status included in this report are based on the Nebraska Economic Forecast Advisory Board (NEFAB) April revenue forecasts. These forecasts declined from their February forecasts by a combination of base forecast reductions and the projected revenue impacts of the American Recovery and Reinvestment Act of 2009 (ARRA). Revenue growth (adjusted for rate and base changes) implied by these forecasts is -2.7% for FY2008-09, 0.7% for FY2009-10 and 5.1% for FY2010-11 or an average growth of 1.1% over the three years that affect the financial status for the upcoming biennium. Cumulatively over the three years, revenue growth is almost 13% below the historical average of 5.4%. Preliminary estimates for the FY12/FY13 biennium average 7.2% growth using the capped historical average methodology.
- > **Budget Growth** The overall General Fund budget growth in the Committee Proposal amounts to a 3.2% *reduction* in FY2009-10, a 5.3% increase in FY2010-11 with a two year average of 1.0% per year. However, growth in the following biennium is projected to increase by an average of 9%

per year, 12.1% in FY11-12 and 5% in FY12-13. Notwithstanding the roller coaster growth rates, the four year average spending growth is 4.7%

FY2009-10 FY2010-11 2 Yr Avg Committee Agency Operations 1.7% 5.5% 3.6% State Aid to Individuals (12.6)% 12.2% (1.0)%State Aid to Local Govt (0.9)%0.4% (0.3)%Capital Construction 84.2% (3.4)% 33.4% 5.3% Annual % Change (3.2)%1.0%

These year to year growth rates are significantly skewed with the availability and

use of the American Recovery and Reinvestment Act of 2009 (ARRA) federal funds. Use of these monies in the current biennium understates the underlying spending growth in the proposed biennial budget while exaggerating the budget growth in the following biennium when the two year source of ARRA funds expires. Also two other extraordinary items in the budget cause fluctuations in the budget growth; additional General Funds for the Beatrice Developmental Center to replace projected loss of federal funds due to decertification of the institution and projected extraordinary increases in defined benefit and cash balance retirement funds.

The following chart takes the appropriations per the Committee Proposal and illustrates what the appropriations would have been in the absence of the ARRA funds and excluding the two extraordinary items. As can be seen the spending growth in the proposed biennial budget would be 3.4% in FY10, 3.6% in FY11 for a two year average of 3.5%. Growth in the "out years" without the "cliff effects" of the ARRA funds and large growth in retirement contributions would be 4.9% and 5.1%.

Budget Growth, Actual and Adjusted for ARRA and other items

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Appropriation per Committee Proposal (w/o deficits)	3,481,660,742	3,370,549,012	3,550,761,512	3,979,368,717	4,179,737,433
One-time ARRA Education Stablization funds	0	84,068,750	149,887,176	0	0
One-time ARRA FMAP / FFP / Child Care funds	0	137,003,892	67,115,031	0	0
One-time ARRA General Stablization funds	0	35,000,000	17,000,000	0	0
Extraordinary retirement contributions	0	0	(27,489,000)	(63,496,000)	(63,847,000)
Extraordinary BSDC funds to replace lost fed funds	0	(25,000,000)	(24,477,558)		
Total without ARRA and Extraordinary items	3,481,660,742	3,601,621,654	3,732,797,161	3,915,872,717	4,115,890,433
Committee Proposal - Annual % Change		-3.2%	5.3%	12.1%	5.0%
Committee Proposal Appropriation - Two Yr Average			1.0%		8.5%
Adjusted Appropriation - Annual % Change		3.4%	3.6%	4.9%	5.1%
Adjusted Appropriation - Two Yr Average			3.5%		5.0%

American Recovery and Reinvestment Act of 2009 (ARRA) HR1 the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted in February 2009 and provided a substantial amount of additional federal dollars to Nebraska. A listing of amounts that are estimated to come to Nebraska can be found starting on page 83. This listing reflects funds that would flow through state agencies, but also those that may flow directly to local units of government or other recipients as direct grants. Also in addition to those listed, other funds may be available through competitive grants and would not show at this time as an "allocation" to Nebraska.

The Appropriations Committee made extensive use of available ARRA funds to assist in balancing the budget through four areas: State Stabilization Funds (both those amounts allocated to Education 81.8% and General use 18.2%), fiscal assistance through an enhanced Medicaid match rate (FMAP) and like affect on Federal Financial Participation (FFP) used for IV-E foster care and adoption, additional FMAP monies due to unemployment rate, and additional Child Care funds. While use of these funds allowed for an offset of a like amount of General Funds, they did allow for proposed increase in funds which may not otherwise have been able to be provided (as in the case of school aid and child care provider rates) or simply to avoid substantial budget cuts in the respective programs (Medicaid) or in other areas of the budget (money saved by use of the General Stabilization).

General Fund Impact of ARRA	FY2008-09	FY2009-10	FY2010-11	Total
ARRA Child Care	0	7,000,000	3,200,000	10,200,000
ARRA Ehanced FMAP	64,840,697	97,376,177	63,082,483	225,299,357
ARRA Unemployment FMAP	0	31,000,000	0	0
ARRA Ehanced FFP	0	1,627,715	832,548	2,460,263
ARRA Education Stabilization	0	35,000,000	17,000,000	52,000,000
ARRA General Stabilization	0	84,068,750	149,887,176	233,955,926
Savings Due to ARRA Funds	64,840,697	256,072,642	234,002,207	523,915,546
ARRA Impact on Revenues	(3,227,000)	(44,102,000)	(62,195,000)	(109,524,000)

Overall the General Fund financial status was improved by \$523 million by the availability of the ARRA funds. Over the three year period there was a \$109 million revenue loss attributed to the provisions of ARRA that affected the state tax receipts. This was more than offset by \$524 million of General Fund budget savings incorporated into the financial status. Of this \$524 million \$64.8 million was used in the FY09 deficit appropriation while \$460 million came in the FY10/FY11 biennium.

Cash Reserve Fund The Committee utilizes a total of \$254.5 million of Cash Reserve Fund monies. This includes \$7.5 million for the Governors Emergency Program, \$1 million to assist the City of Lincoln in hosting the 2010 Special Olympics, and \$246 million to the General Fund to assist in covering the costs of several extraordinary items and provide for \$18 million to be available for A bills. The \$246 million General Fund transfer consists of \$95 million in each year of the biennium as considered before the April forecast changes and \$56 million after the forecast changes. Although not linked specifically, these original transfer amounts are equal to three extraordinary items included in the proposed budget; loss of revenue under ARRA (\$106 million net of minimum reserve impact), likely loss of federal funds due to de-certification at BSDC (\$50 million) and first installment of the defined benefit retirement plan shortfall (\$27 million). The post forecast transfer related to the level of revenue loss and allocation of \$18 million for A bills.

This leaves an estimated unobligated balance of \$324.7 million to carry forward to the following biennium and would be available to assist in covering the projected shortfall at that point.

> **TEEOSA School Aid** The Committee budget includes funding for TEEOSA state aid to schools based on the provisions of LB 545 <u>as sent to the floor with the Education Committee amendments as amended by the Adams amendment</u>. With these changes, the overall increase in TEEOSA state aid is \$86.1 million (10.3%) in FY09-10 and an additional \$66.4 million (7.2%) in FY10-11. From this overall level of TEEOSA aid, the committee proposal then funds this aid amount with a combination of (1) allocated Insurance Premium Tax monies under current law, (2) Education Stabilization funds available through the American Recovery and Reinvestment Act of 2009 (ARRA), and (3) state General Funds.

Under current law (and based on the Dept of Education's Model A printout) TEEOSA school aid was projected to increase by \$102 million (12.2%) in FY09-10 and an additional \$91.5 million (9.8%) in FY10-11. These large increases, providing a total of \$295 million of additional aid over the biennium, were the result of annualizing LB988 (especially an unanticipated \$40 million increase in the averaging adjustment) and assumed lower property valuation growths in FY10-11. These higher growths are moderated under LB545 with Education Committee amendment (with the Adams amendment) modifying the averaging adjustment. Growth in the following biennium is lowered with a lowering of the cost growth factor and assumed lower overall spending growth attributed to the lower basic allowable growth rate in the FY10 / FY11 biennium.

➤ Retirement Shortfall, Defined Benefit / Cash Balance Plans In light of the tremendous decline in the investment returns experienced in 2008 and projected for 2009, the Appropriations and Retirement Committee's requested that Buck Consultants (actuary for the Retirement Board) estimate the potential impact on plans and possible additional state retirement contributions that might be necessary. Based on these results, using the modest recovery scenario, potential additional contributions amounted to \$33.9 million in FY10-11 and growing to \$87.3 million in FY11-12 and \$131.7 million in FY12-13.

The committee reduced these additional state contributions to \$27.5 million in FY10-11, \$63.5 million in FY11-12, and \$63.8 million in FY12-13 by including the estimated impact of proposed employee /

employer contribution changes being discussed by the Retirement Committee at the time the Appropriations Committee finalized their recommendation. The biggest dollar offset is attributed to the school plan (which also accounted for the larges portion of the shortfall) and anticipates an additional 1% increase in the school and employee contribution rate, an increase in the state basic contribution from .7% to 1.0% of payroll, and a lump sum state contribution of \$20 million in FY11-12 and \$40 million in FY12-13. Other changes include additional Judge and Patrol employee contributions.

GENERAL FUND FINANCIAL STATUS

GENERAL FUND FINANCIAL STATUS COMMITTEE PROPOSED BUDGET

		Current Yr	Biennial Budget		Est for Follov	ving Biennium
F	INANCIAL STATUS	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
	Danimata a Dalama					
	Beginning Balance	# 504.400.050	#000 F0F 000	#000 400 044	#000 074 700	(044.004.045)
2	Beginning Cash Balance Cash Reserve Fund transfer-automatic	\$584,106,356	\$200,535,226 0	\$209,436,214	\$226,974,702 0	(\$11,094,015) 0
4	Carryover obligations from FY08	(116,976,571) (243,194,320)	0	0	0	0
5	Allocation for potential deficits	(243, 194,320)	0	(5,000,000)	_	(5,000,000)
	·				·	
6	Unobligated Beginning Balance	223,935,465	200,535,226	204,436,214	221,974,702	(16,094,015)
7	Estimated Receipts					
8	Net Receipts (Feb 09 NEFAB+ARRA+Hist Avg)	3,394,000,000	3,375,000,000	3,515,000,000	3,868,000,000	4,163,000,000
9	Gen Fund transfer-out	(120,200,000)	(125,950,000)			(119,200,000)
10	Gen Fund transfer-in	in receipts	35,400,000	33,250,000	O O	O O
11	Cash Reserve Fund transfers - legislative	54,990,505	95,000,000	151,000,000	0	0
12	Bills Enacted Into Law	0	0	0	0	0
13	Bills Passed	0	0	0	0	0
14	General Fund Net Receipts	3,328,790,505	3,379,450,000	3,573,300,000	3,746,300,000	4,043,800,000
	·					
15	Appropriations _					
16	LB 315 Mainline Budget Bill	3,481,660,742		3,513,294,149	3,941,039,781	4,142,912,597
17	LB 314 Capital Construction	0	15,172,233	14,652,233	15,513,806	14,009,706
18	LB 312 Legislator Salaries	0	632,982	632,982	632,982	632,982
19	LB 313 Constitutional Officers Salaries	0	21,930,716	22,182,148	22,182,148	22,182,148
20	LB 317 Deficits	(130,416,935)	0	0	0	0
21	LB 628 State Claims	946,937	0	0	0	0
22	General File amendments	0	0	0	0	0
23	Select File amendments	0	0	0	0	0
24	Vetoes-Mainline bills	0	0	0	0	0
25	Veto overrides-Mainline bills	0	0	0	0	0
26	Bills Enacted Into Law	0	0	0	0	0
27	Bills Passed	0	0	0	0	0
28	General Fund Appropriations	3,352,190,744	3,370,549,012	3,550,761,512	3,979,368,717	4,179,737,433
29	Ending Balance					
30	\$ Ending balance (Financial Status as Shown)	200,535,226	209,436,214	226,974,702	(11,094,015)	(152,031,448)
31	\$ Ending balance (at Minimum Reserve)			208,348,113		233,507,030
32	Difference = Variance from Minimum Reserve			18,626,589]1	(385,538,478)
33	Biennial Reserve (%)			3.3%		-1.9%
- 33	Dietitilai Neselve (70)			3.370		-1.970
34	Annual Spending Growth (w/o deficits)	5.3%	-3.2%	5.3%	12.1%	5.0%
35	Two Year Average Growth	4.6%		1.0%		8.5%
36	Est. Revenue Growth (rate/base adjusted)	-2.7%	0.7%	5.1%	7.2%	7.2%
37	Two Year Average	2.2%		2.9%		7.2%
	•					

CASH RESERVE FUND	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Projected Ending Balance	566,191,863	465,191,863	329,742,863	324,742,863	324,742,863

CHRONOLOGY OF THE GENERAL FUND FINANCIAL STATUS

<u>Sine Die 2008</u> The projected financial status for the FY10/FY11 biennium reflected a \$261.7 million projected shortfall from the minimum reserve. At that point, FY10/FY11 was the "out year" in the five year financial status and there was no projection for FY12/FY13 biennium. At the July 2008 meeting of the Tax Rate Review Committee (TRR), the General Fund financial status declined slightly even though FY07-08 actual receipts were \$99.2 million above forecast. By statute these excess revenues were transferred to the Cash Reserve Fund.

2008 Interim The financial status deteriorated between July 2008 and November 2008 when the TRR committee again met. The shortfall from the minimum reserve grew from \$267 million to \$377 million due to several factors. The cause of the decline was the revenue forecasts. Original NEFAB forecasts for FY10 and FY11 were a combined \$441 million below the previously used preliminary LFO revenue estimates. Slightly higher FY08-09 revenue forecasts were offset by an assumed transfer of a like amount to the Cash Reserve Fund as "above certified" amounts.

The lower forecasts were partially offset by lower increases in the projected budget based on agency requests (Medicaid, Public Assistance and Homestead Exemption) and revised TEEOSA estimates.

FY09	FY10	FY11	Total
14.3	(150.3)	(290.7)	(426.8)
0.0	(14.3)	0.0	(14.3)
0.0	47.5	52.5	100.0
0.0	49.0	73.5	122.5
0.0	22.4	39.6	62.0
0.0	4.7	5.5	10.2
0.0	6.1	4.6	10.8
0.0	5.2	7.4	12.6
(0.4)	0.0	13.2	12.8
13.9	(29.6)	(94.4)	(110.1)
	14.3 0.0 0.0 0.0 0.0 0.0 0.0 0.0 (0.4)	14.3 (150.3) 0.0 (14.3) 0.0 47.5 0.0 49.0 0.0 22.4 0.0 4.7 0.0 6.1 0.0 5.2 (0.4) 0.0	14.3 (150.3) (290.7) 0.0 (14.3) 0.0 0.0 47.5 52.5 0.0 49.0 73.5 0.0 22.4 39.6 0.0 4.7 5.5 0.0 6.1 4.6 0.0 5.2 7.4 (0.4) 0.0 13.2

<u>Appropriations Committee Preliminary Budget</u> At the preliminary budget stage, the shortfall was reduced to \$36.4 million by cash fund lapses, lower deficits and lapse of prior year carryover appropriations and lower than projected increases in the budget as noted below.

Impact on Variance from Min Reserve (Millions of Dollars)	FY09	FY10	FY11	Total
General Fund transfers-in not in presession est General Fund transfers-out not in presession est	0.0	34.7 (15.6)	33.3 (15.8)	67.9 (31.3)
CRF transfers to Gov Emergency Fund, Special Olympics Change in Minimum Reserve	0.0	0.0	1.8	1.8
Subtotal-Revenue	0.0	19.1	19.3	38.4
Committee Prelim FY09 deficits vs \$5 million allocation TEEOSA aid (LB545 est) lower than pre-session estimate Homestead Exemption, lower than pre-session est Salaries and Health, lower than pre-session est Budget cuts not in pre-session est All other items (net) lower than pre-session est	70.6 0.0 0.0 0.0 0.0 0.0	0.0 39.6 10.0 12.0 9.0 (1.7)	0.0 112.9 11.1 25.7 11.9	70.6 152.5 21.1 37.7 20.9 (0.5)
Subtotal-Appropriations	70.6	68.9	162.7	302.3
Total Change	70.6	88.0	182.0	340.7

Note that most of the savings attributed to salaries and health insurance comes from providing no specific amounts for the University and State Colleges but providing a general overall across the board increase of 1.5% per year.

Revised Revenue Forecasts in February turned the \$36.4 million "shortfall" into a \$374 million "shortfall". The Nebraska Economic Forecasting Advisory Board (NEFAB) reduced the forecasts by \$81 million in FY08-09, \$150 million in FY09-10 and \$131 million in FY10-11. The FY09 decline was partially offset by the elimination of the previous "above forecast" transfer that was incorporated after the February forecast.

Impact on Variance from Min Reserve (Millions of Dollars)	FY09	FY10	FY11	Total
Revenue Forecasts (Feb 2005) Transfer revised FY05 forecast above certified Reserve change / misc adjustments	(81.0) 0 0.0	(150.0) 14.3 0.0	(131.0) 0.0 10.1	(362.0) 14.3 10.0
Total Change	(81.0)	(135.7)	(120.9)	(337.6)

Appropriations Committee Post Hearing Adjustments The \$374 million shortfall after the February forecasts grew to \$480 million with the incorporation of \$109 million of projected revenue losses attributed to tax changes in the American Recovery and Reinvestment Act of 2009 (ARRA). And then further grew to \$581 million with the April Forecast. The committee than implemented a total of \$600 million of budget actions taken after the budget hearings. The combination of all these actions left \$18 million for floor actions and A Bills.

First, an additional \$229 million of appropriations was approved including \$50 million to replace likely federal fund revenue losses at BSDC, \$33 million as the initial cost of shortfalls in the defined benefit retirement plans, \$25.7 million for developmental disability aid for BSDC clients and the waiting list, and \$129 million to fund TEEOSA at the level called for in LB545 as sent to the floor with the committee amendment. These increases were more than offset by the use of \$524.6 million (including deficits) of available ARRA funds. This includes higher Medicaid match rates, Education Stabilization funds used to offset the TEEOSA increases, and General Stabilization funds use to offset Correctional Services costs.

Lastly, the committee proposed a total of \$190 million of Cash Reserve Fund transfers and a cancellation of the preliminary approved transfer of funds to finance carrier enforcement.

Impact on Variance from Min Reserve (Millions of Dollars)	FY09	FY10	FY11	Total
Cash Reserve Fund Transfers Cancel Carrier Enforcement Transfer Shift part of Cultural Trust transfer to following biennium Change in Minimum Reserve	0.0 0.0 0.0 0.0	95.0 7.3 1.5 0.0	151.0 7.5 1.5 (0.6)	246.0 14.8 3.0 (0.0)
Total Change - Revenues	0.0	103.3	160.0	263.8
Impact on Variance from Min Reserve (Millions of Dollars) Defined benefit and cash balance retirement plans TEEOSA to LB545 (committee amendment to floor)	FY09 0.0 0.0	FY10 0.0 (52.2)	FY11 (27.2) (88.2)	Total (27.2) (140.5)
BSDC funding, anticipated loss of federal funds	0.0	(25.0)	(24.5)	(49.5)
BSDC clients to community based programs	0.0	(5.0)	(5.0)	(10.0)
DD Waiting List	0.0	(5.2)	(10.5)	(15.7)
Savings Due to ARRA Funds	64.8	256.0	234.2	555.0
Special Education to 0% growth	0.0	5.5	11.3	16.8
Provider rates from preliminary 2% to 1.5%	0.0	3.5	5.2	8.7
Total Change-Post Hearing Adjustments	64.8	177.6	95.3	337.7

Table 1 Chronology of the Financial Status

(millions of dollars)	FY10/FY11 Biennium	FY12/FY13 Biennium
(millions of dollars)	Diennium	Dieniniun
Variance from Minimum Reserve: Sine Die 2008 Session	(261.7)	NA
FY08 Actual vs Est General Fund Net Receipts	99.2	na
FY08 Actual vs Est CRF transfers-automatic	(99.2)	na
Revenue Forecasts (revised/original Oct 2008)	(426.8)	na
CRF Transfer revised FY08 forecast above certified Lower TEEOSA aid estimates (Oct 2008 Joint Meeting)	(14.3) 100.0	na na
Medicaid, request lower than projected	122.5	na
Public Assistance, request lower than projected	62.0	na
SCHIP, request lower than projected	10.2	na
Homestead Exemption, request lower than projected	10.8	na
Revised estimate of budget increases, all other	12.6	na
Change in Minimum Reserve, other misc adjustments	7.5	na (504.7)
ariance from Minimum Reserve: Start of 2009 Session	(377.2)	(591.7)
Committee Prelim FY09 deficits vs \$5 million allocation	70.6	70.6
TEEOSA aid lower than pre-session estimate (at LB545 estimated level)	152.5	204.7
Homestead Exemption, lower than pre-session estimate	21.1 37.7	44.4 95.5
Salaries and Health, lower than pre-session estimate Budget cuts not in pre-session estimate	20.9	93.3 44.7
All other items (net) lower than pre-session estimate	(0.5)	1.7
General Fund transfers-in not in presession estimate	67.9	67.9
General Fund transfers-out not in presession estimate (mostly EPIC funds)	(31.3)	(46.3)
CRF transfers to Governors Emergency Fund, Special Olympics	0.0	0.0
Change in Minimum Reserve	1.8	(3.1)
ariance from the Minimum Reserve: Committee Preliminary	(36.4)	(111.6)
Revenue Forecasts (revised Feb 2009)	(362.0)	(674.0)
Reverse CRF Transfer revised FY08 forecast above certified	14.3	14.3
Change in Minimum Reserve	10.1	19.2
Committee Preliminary with Revised Forecasts	(374.0)	(752.1)
ARRA Revenue Impacts (revised Feb 2009)	(109.5)	(101.5)
Committee Preliminary with ARRA	(483.5)	(853.6)
April Forecast Changes	(97.5)	(104.5)
Committee Preliminary with April Forecast Revisions	(581.0)	(955.1)
TEEOSA to LB545 (committee amendment to floor)	(140.5)	33.5
BSDC funding, anticipated loss of federal funds	(49.5)	(49.5)
BSDC clients to community based DD programs	(10.0)	(20.0)
Developmental disability aid, Waiting List	(15.7)	(36.8)
Defined benefit / cash balance retirement plans (modest recovery)	(27.2)	(154.0)
All Other Post Hearing Adjustment	(7.4)	(5.7)
Use ARRA funds to offset General Funds Special Education to 0% growth	555.6 16.8	555.6 22.9
Eliminate preliminary GF transfer for carrier enforcement	14.8	29.8
Adjust Cultural Trust transfer	3.0	(1.0)
Cash Reserve Fund transfer	246.0	246.0
Plus: Change in Minimum Reserve	(.6)	(8.1)
ariance from Minimum Reserve – Committee Proposed Budget	18.6	(385.5)
anance non minimum receive Committee riopesed Budget	10.0	1000.0

ESTIMATED FINANCIAL STATUS - FOLLOWING BIENNIUM

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

Revenues The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY11-12 and FY12-13) in the current financial status are derived using a "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY08 to FY13) roughly equal to the 27 year historical average (5.4%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth on page 22.

The "capped" provision of this methodology means that if the derived growth needed in the out-years to achieve the historical average is above the "above average" years, growth is then capped at the average of the "above average years". Likewise if the historical average method calls for below average growth in the out years, the growth is capped at the average of the "below average years". Over the past 27 years, there were 9 years in which revenue growth was "below average" (2.4% average) and 18 years in which revenue growth was above average (7.4% average).

Appropriations For the "following biennium" (FY07-08 and FY08-09), 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

The large percentage increase in FY2011-12 is largely a result of replacing the use of ARRA funds in the FY10 / FY11 biennium and the growing amount of state required funding projected in the defined benefit and cash balance retirement funds.

The amount of ARRA fund replacement totals \$234.2 million. The amounts included within program in the following table are Public Assistance (\$4.0 million), Medicaid (\$63.3 million), and TEEOSA state aid (\$149.9 million). The \$17 million replacement of the general stabilization funds used in the Dept of Correctional Services is shown separately in the table.

Table 2 Projected Budget Increases-Following Biennium

	Est for Following Biennium			
Factor	FY2011-12 FY2012-1			
5%	9,244,692	9,706,927		
24% & 5.7%	197,203,467	58,384,439		
2.5%	397,189	407,119		
2.5%	1,950,000	2,008,500		
3.0%	2,710,213	2,791,520		
13.8%	108,497,213	48,610,552		
9.4%	25,521,482	23,264,611		
11.6%	1,025,051	1,101,930		
3.0%	2,751,242	2,833,779		
3.0%	2,262,867	2,330,753		
2.5%	24,727,360	25,345,544		
10.0%	15,079,380	16,587,318		
2.0%	5,707,762	5,821,917		
6.0%	2,205,936	2,338,292		
calculated	(24,477,558)	0		
calculated	17,000,000	0		
calculated	36,007,000	351,000		
Reaff Only	807,000	(1,502,000)		
	428,607,205	200,368,716		
	12.1%	5.0%		
	5% 24% & 5.7% 2.5% 2.5% 3.0% 13.8% 9.4% 11.6% 3.0% 3.0% 2.5% 10.0% 2.0% 6.0% calculated calculated calculated	Factor FY2011-12 5% 9,244,692 24% & 5.7% 197,203,467 2.5% 397,189 2.5% 1,950,000 3.0% 2,710,213 13.8% 108,497,213 9.4% 25,521,482 11.6% 1,025,051 3.0% 2,751,242 3.0% 2,262,867 2.5% 24,727,360 10.0% 15,079,380 2.0% 5,707,762 6.0% 2,205,936 calculated (24,477,558) calculated 36,007,000 Reaff Only 807,000 428,607,205		

Aid to Local Governments

<u>Special Education:</u> Increases for FY11-12 and FY12-13 reflect a 5% per year increase as provided for in current law as enacted in LB1243-2000.

State Aid to Schools (TEEOSA) The estimates for FY12 and FY13 are based on the same methodology utilized for the November 15 estimates required under current law for the proposed biennial budget but with Fiscal Office assumptions and should be considered Fiscal Office estimates. They are based on LB 545 with the committee amendment as amended by the Adams amendment.

The estimates reflect a growth in overall school aid of 4.8% in FY12 and 5.7% in FY13. The growth in General Funds amounts to 24% in FY12 reflecting the replacement of the \$149.9 million of ARRA Education Stabilization funds used in the FY11 budget.

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

<u>Aid to Community Colleges</u> A 3% per year annual increase is included for the following biennium budget reflecting increased state aid to support operations budget increases and meet community college area aid eligibility per LB269-1997. This increase amounts to about a \$2.8 million per year increase.

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

Aid to Individuals

<u>Medicaid</u> For the following biennium, a 7.5% per year increase is used. This approximates the average growth over the past 10 years. The growth in General Funds in FY12 is 20% reflecting the replacement of the \$63.3 million of ARRA enhanced FMAP funds used in the FY11 budget.

<u>Public Assistance</u> A growth rate of 8.5% per year is utilized for the various Public Assistance programs for the following biennium. This approximates the average growth over the past 10 years. The growth in General Funds in FY12 is 10.3% reflecting the replacement of the \$4.0 million of ARRA enhanced FFP and Child Care funds used in the FY11 budget.

<u>Children's Health Insurance (CHIP)</u> For the following biennium, a 7.5% per year increase is used which is the same as Medicaid. However the growth in General Funds is closer to 11% as the General Fund would pick up all increases in this program because the \$5 million allocation from the Health Care Cash Fund is a fixed amount.

<u>Developmental Disability Aid</u> A 3% per year increase is included. This provides the equivalent of 2.5% per year for rate equity similar to the employee salary assumption and .5% for clients transitioning from K-12 programs. As this projected budget assumes no expanded programs, nothing is assumed for funding of the waiting list.

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

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.

Agency Operations / Construction

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

<u>Employee Health Insurance</u> For planning purposes, a 10% per year increase in health insurance is included for the following biennium. This rate of growth is similar with the increases in the current proposed budget as well as the average growth over the past 5 to 10 years.

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

<u>BSDC recertification (HHS)</u> This projection assumes a re-certification of BSDC and restoration of federal funds for the institution allowing for deletion of the \$25 million supplemental funding in FY11.

Replace ARRA funds, Corrections The proposed budget for the Dept of Correctional Services uses ARRA general stabilization funds of \$25 million in FY10 and \$17 million in FY11. The FY12 projected budget restores general funds to replace the use of the \$17 million.

Retirement (defined benefit plans) The projected shortfalls in defined benefit and cash balance retirement plans is projected at \$33.9 million in FY11, \$87.3 million in FY12, and \$131.7 in FY13. The projected increases here reflect the annual increases to achieve these funding levels. This assumes contribution changes per the Retirement Committee's possible adjustments at the time the Appropriations Committee finalized their budget.

<u>Depreciation Surcharge</u> No additional projects are assumed to be applicable to the 1% depreciation surcharge. Also no additional funds are added subsequent to the two year suspension of the assessment under LB318.

<u>Capital Construction</u> General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the proposed FY10/FY11 biennial budget. These are dollar amounts needed to complete funding of previously approved projects.

CASH RESERVE FUND

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

Table 3 Cash Reserve Fund Status

	Estimated	Estimated	Estimated	Estimated	Estimated
	FY2008-09	FY2009-10	FY2010-11	FY2009-10	FY2010-11
Beginning Balance	545,545,797	566,191,863	560,191,863	575,742,863	570,742,863
Excess of certified forecasts (line 3 in Status)	116,976,571	0	0	0	0
To/from Gen Fund per current law	(54,990,505)	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	(9,590,000)	0	0	0	0
To Job Training Cash Fund	(5,000,000)	0	0	0	0
To Microenterprise Development Program	(1,000,000)	0	0	0	0
To Building Entrepreneurial Communities Act	(250,000)	0	0	0	0
To/From state employee health insurance funds	(12,000,000)	0	12,000,000	0	0
To Water Contingency Cash Fund	0	0	8,551,000	0	0
To State Fair relocation	(5,000,000)	0	0	0	0
To Cultural Endowment fund	(1,000,000)	0	0	0	0
To Roads Operations Cash Fund	0	(5,000,000)	(5,000,000)	(5,000,000)	0
2009 To Governors Emergency Fund	(7,500,000)	0	0	0	0
2009 To Visitors Promotion (Special Olympics)	0	(1,000,000)	0	0	0
2009 To the General Fund	0	(95,000,000)	(151,000,000)	0	0
Projected Ending Balance	566,191,863	465,191,863	329,742,863	324,742,863	324,742,863

2009 Session - Committee Proposed Transfers

The unobligated balance in the Cash Reserve Fund (CRF) after Committee proposed transfers is projected to be \$325 million at the end of the four year period. The Committee budget includes three transfers from the Cash Reserve Fund.

<u>Governors Emergency Program</u>: The proposal includes a \$7.5 million transfer to the Governors Emergency Fund in FY08-09. As of December 30, 2008 the Governor's Emergency Program was over obligated \$3,073,596. This transfer would provide enough funds to cover this shortfall and maintain a balance for future emergencies.

<u>Special Olympics</u> The committee included a \$1,000,000 transfer to the Visitors Promotion Cash Fund in FY2009-10. These monies are to be used to assist Lincoln in the promotion and support of hosting of the national Special Olympics in 2010. A like cash fund appropriation is then made through the Dept of Economic Development.

<u>To General Fund</u> The last transfer is a total of \$246 million to the General Fund, \$95 million in each year of the biennium as considered before the forecast changes and \$56 million after the forecast changes. Although not linked specifically, these original transfer amounts are equal to three

extraordinary items included in the proposed budget; loss of revenue under ARRA (\$106 million net of minimum reserve impact), likely loss of federal funds due to de-certification at BSDC (\$50 million) and first installment of the defined benefit retirement plan shortfall (\$27 million). The post forecast transfer related to the level of revenue loss and allocation of \$18 million for A bills.

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. These take place in July of the fiscal year following completion of that year. Actual receipts for FY07-08 exceeded the certified forecast by \$116.9 million and where transferred to the CRF in July 2008 which falls in FY08-09.

At the present time, the FY2008-09 forecast for FY2008-09, \$3,465,000,000. Since this forecast is lower than the originally certified forecast in July, this becomes the new "certified" forecast by law and thus no "above forecast" amounts are subject to transfer to the CRF.

Cash Reserve Fund Transfers-Legislative

Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature.

Transfers to/from the General Fund	FY2008-09	FY2009-10	FY2010-11
To GF, offset retirement shortfall (LB427-2005)	(4,990,505)	0	0
To GF, (LB 1131-2006)	(50,000,000)	0	0
Net Transfers to/From General Fund	(54,990,505)	0	0

There are two previously enacted transfers which finish in FY2008-09. In the 2005 Session, a total of \$38.6 million of transfers were enacted to help cover the additional shortfall in the defined benefit retirement funds; \$15,674,107 in FY06-07, \$17,931,030 in FY07-08, and \$4,990,505 in FY08-09. In the 2006 Session, LB1131 included a \$100 million transfer from the Cash Reserve Fund to the General Fund consisting of a \$50 million transfer in both FY2007-08 and FY2008-09. This provided additional revenue support for various spending and tax cut proposals enacted in the 2006 Session.

Transfers To/From Other Funds

In the 2007 session, the Legislature utilized \$109 million (net) of Cash Reserve Funds which were transferred to other funds. The transfers include: \$75,000,000 in FY08 and \$9,590,000 in FY09 to the Nebraska Capital Construction Fund (NCCF) to pay for capital construction projects that will be completed within the four year financial status and would otherwise have been General Funds; \$12 million to the NCCF for acquisition of the Assurity Life property in the Capitol Environs, \$10 million to the job training cash fund (\$5 million in both FY07-08 and FY08-09); \$2 million to the Microenterprise Development Cash Fund (\$1 million both FY07-08 and FY08-09); \$1 million to the Building Entrepreneurial Communities Cash Fund (\$500,000 both FY07-08 and FY08-09); and \$12 million to state health insurance funds to provide cash flow until a structural balance between premiums collected and claims paid is achieved. This \$12 million would be repaid to the Cash Reserve Fund by the end of FY10-11. This transfer was originally assumed in FY06-07, however no transfer had occurred by June 30, 2007 or 2008 so the assumed transfer was shifted to FY08-09.

In the 2008 session, the Legislature retained a substantial balance in the Cash Reserve Fund and did not utilize any of the retained funds for the purpose of significant spending expansions or tax cuts. A net total of \$21 million of CRF monies were utilized as follows: (1) \$9 million to the Water Contingency Cash Fund

for the purpose of paying water right holders who agreed to lease and forgo water use to assist in the management, protection, and conservation of the water resources of river basins, but remain unpaid due to litigation. The bill requires repayment by the NRD receiving said funds once the litigation is resolved; (2) \$5 million to the newly created Nebraska State Fair Relocation Cash Fund to assist the State Fair Board in their relocation to Grand Island; (3) a total of \$15 million of transfers to the Roads Operations Cash Fund to provide the state match for federal funding made available to the state through congressional earmarks (the transfers would take place in three \$5 million installments in FY08-09, FY09-10, and FY10-11; and (4) \$1 million transfer to the Cultural Preservation Endowment. This transfer plus intent language for \$2 million transfers from the General Fund in both FY2009-10 and FY2010-11 provided a total of \$5 million additional dollars.

GENERAL FUND REVENUES

GENERAL FUND REVENUES

GENERAL FUND REVENUE FORECASTS

Forecasts for the FY10 / FY11 Biennial Budget Revenue estimates for FY2008-09, FY2009-10 and FY2010-11 are the April 2009 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Revenue growth implied by the current forecasts for the FY10/FY11 biennium average 2.9% (0.7% in FY09-10 and 5.1% in FY10-11). When including the -2.7% growth in FY08-09 forecast, this provides an average growth of 1.1% over the three years that affect the financial status for the upcoming biennium. The 1.1% average growth over the three years is about 1/5th the historical average (5.5%) but follows five consecutive years of above average growth ranging from 7.2% in FY07-08 to 9.9% in FY05-06. The very low growth in FY08-09 and FY09-10 are reflective of the current recessionary situation extending well into 2010. The 5.1% growth in FY10-11 reflects an improving economy in the later part of 2010.

Forecasts for the Following Biennium (FY12 / FY13) The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY11-12 and FY12-13) in the current financial status are derived using a "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY08 to FY13) roughly equal to the 27 year historical average (5.5%). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth.

The "capped" provision of this methodology means that if the derived growth needed in the out-years to achieve the historical average is above the "above average" years, growth is then capped at the average of the "above average years". Likewise if the historical average method calls for below average growth in the out years, the growth is capped at the average of the "below average years". Over the past 27 years, there were 9 years in which revenue growth was "below average" (2.4% average) and 18 years in which revenue growth was above average (7.4% average).

Because of the low growth in the first three years of the status, the capped growth in the following biennium yields a 5 year average of 3.5%, significantly below the 5.5% historical average.

Table 4 - General Fund Revenue Forecasts

	NEFAB	NEFAB	NEFAB	LFO Prelim	LFO Prelim
	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
<u>Forecast</u>					
Sales and Use Tax	1,330,000,000	1,340,000,000	1,395,000,000	1,480,000,000	1,564,000,000
Individual Income Tax	1,710,000,000	1,720,000,000	1,805,000,000	1,975,000,000	2,155,000,000
Corporate Income Tax	210,000,000	195,000,000	201,000,000	219,000,000	238,000,000
Miscellaneous receipts	215,000,000	190,000,000	180,000,000	200,000,000	200,000,000
Total February 2009 Forecast	3,465,000,000	3,445,000,000	3,581,000,000	3,874,000,000	4,157,000,000
ARRA Revenue Impacts	(3,227,000)	(44,102,000)	(62,195,000)	(1,650,000)	9,698,000
April 2009 NEFAB revisions	(67,773,000)	(25,898,000)	(3,805,000)	(4,000,000)	(3,000,000)
Current GF Revenue Forecast	3,394,000,000	3,375,000,000	3,515,000,000	3,868,350,000	4,163,698,000
Adjusted Growth					
Total General Fund Revenues	-0.9%	-0.4%	4.5%	7.2%	7.1%
Five Yr Average	6.3%		3.3%		3.5%

Although the Forecast Board does not forecast revenues beyond the current biennial budget, both the Nebraska Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two years. The projected "out year" numbers using the historical average methodology are at the high end of the range of projections made by the Dept of Revenue (NDR) and Legislative Fiscal Office (LFO) in February utilizing Global Insight forecast data and the FAIR model. Only the NDR Fair estimate is higher than the historical average estimates. The projections using the Global Insight models are substantially less.

Based on February 2009	Current Status	Average	Average	High Est	Low Est
Revenue Forecasts	Hist Avg	(Global Insight)	(All Forecasts)	NDR-Fair	LFO-Global
Dollar Forecast (thousands of \$)					
FY2011-12 Prelim	3,874,000	3,784,846	3,903,087	4,084,037	3,706,891
FY2012-13 Prelim	4,157,000	3,982,489	4,137,846	4,380,189	3,875,753
Calculated Growth (adjusted)					
FY2011-12 Prelim	7.2%	5.0%	8.0%	12.5%	3.0%
FY2012-13 Prelim	7.1%	5.2%	6.0%	7.1%	4.6%
Two Year Average (Prelim)	7.2%	5.1%	7.0%	9.8%	3.8%
Five Year Average	3.5%	2.7%	3.4%	4.6%	2.2%
\$ Difference from Status					
FY2011-12	0	(89,155)	29,087	210,037	(167,109)
FY2012-13	0	(174,512)	(19,154)	223,189	(281,247)
Cumulative Total	0	(263,666)	9,933	433,226	(448,356)

CHRONOLOGY OF REVENUE FORECASTS

Table 5 contains a chronology of the revenue forecasts for FY2007-08 through FY2010-11. The first column shows the total revenue forecast. The last four columns breaks down the total dollar change in the forecast whether caused by federal tax changes, bills enacted by the Legislature, or simply a change in the revenue expectations.

Table 5 Chronology of Revenue Forecasts

			Change in	Forecast	
	Total	Base	Fed Chnge	Bills	Total
FY2007-08					
Board Est-Oct 2006	3,415,000				
Board Est-Feb 2007	3,442,000	27,000	0	0	27,000
Board Est-April 2007	3,468,000	26,000	0	0	26,000
Sine Die-2007 Session	3,389,186	0	0	(78,814)	(78,814)
Board Est-Oct 2007	3,458,000	68,814	0	Ó	68,814
Board Est-Feb 2008	3,407,000	(51,000)	0	0	(51,000)
Sine Die-2008 Session	3,406,963	Ó	0	(38)	(38)
Actual Receipts FY07-08	3,506,163	99,200	0	Ò	99,200
·		(•
FY2008-09					
Board Est-Oct 2006	3,586,000				
Board Est-Feb 2007	3,612,000	26,000	0	0	26,000
Board Est-April 2007	3,626,000	14,000	0	0	14,000
Sine Die-2007 Session	3,540,539	. 0	0	(85,461)	(85,461)
Board Est-Oct 2007	3,589,000	48,461	0	Ó	48,461
Board Est-Feb 2008	3,514,000	(75,000)	0	0	(75,000)
Sine Die-2008 Session	3,531,746	(0)	0	17,746	17,746
Board Est-Oct 2008	3,546,000	14,254	0	0	14,254
Board Est-Feb 2009	3,465,000	(81,000)	0	0	(81,000
Board Est-Feb 2009 + ARRA	3,461,773	(0)	(3,227),	0	(3,227
Board Est-April 2009	3,394,000	(67,773)	0	0	(67,773
	-,,	(51,110)	_		(01,110)
FY2009-10					
LFO Prelim-October 2006	3,856,000	0	0	0	(
LFO Prelim-Feb 2007	3,868,000	12,000	0	0	12,000
LFO Prelim-April 2007	3,874,000	6,000	0	0	6,000
Sine Die-2007 Session	3,768,621	0	0	(105,379)	(105,379)
LFO Prelim-October 2007	3,792,000	23,379	0	0	23,379
LFO Prelim-Feb 2008	3,754,000	(38,000)	0	0	(38,000
Sine Die-2008 Session	3,745,302	(0)	0	(8,698)	(8,698)
Board Est-Oct 2008	3,595,000	(150,302)	0	0	(150,302
Board Est-Feb 2009	3,445,000	(150,000)	0	0	(150,000
Board Est-Feb 2009 + ARRA	3,400,898	Ó	(44,102)	0	(44,102
Board Est-April 2009	3,375,000	(25,898)	0	0	(25,898
EV0040 44					
FY2010-11	4.404.000				
LFO Prelim-October 2006	4,124,000	0	0	0	(
LFO Prelim-Feb 2007	4,124,000	0	0	0	(
LFO Prelim-April 2007	4,124,000	0	0	0	((,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Sine Die-2007 Session	4,013,982	0	0	(110,018)	(110,018)
LFO Prelim-October 2007	4,014,000	18	0	0	18
LFO Prelim-Feb 2008	4,014,000	0	0	0	(
Sine Die-2008 Session	4,002,743	(0)	0	(11,257)	(11,257
Board Est-Oct 2008	3,712,000	(290,743)	0	0	(290,743
Board Est-Feb 2009	3,581,000	(131,000)	0	0	(131,000
Board Est-Feb 2009 + ARRA	3,518,805	0	(62,195)	0	(62,195)
Board Est-April 2009	3,515,000	(3,805)	0	0	(3,805)

HISTORICAL GENERAL FUND REVENUES

From the numbers shown above, a simple percent change over the prior year can be calculated. While these simple percent changes are appropriate when looking at the actual changes over time, they do not represent what is commonly referred to as revenue growth. For purposes here, revenue growth means the growth in revenues caused by economic activity and inflation as arrived at by adjusting for items such as tax base and rate changes, legislation enacted, and one-time extraordinary items. The objective is to measure underlying patterns of revenue growth ignoring such changes.

Table 6 Actual and Projected General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Taxes and	Total Net Receipts	Adjusted Growth
FY 1989-90	444,231,183	501,134,237	71,948,124	135,396,459	1,152,710,003	5.8%
FY 1990-91	547,372,735	609,430,580	81,947,961	128,325,622	1,367,076,898	4.3%
FY 1991-92	592,441,836	658,634,300	103,617,106	135,716,137	1,490,409,379	3.9%
FY 1992-93	586,355,271	690,350,753	102,754,927	145,200,908	1,524,661,859	6.7%
FY 1993-94	648,846,708	722,360,866	113,142,771	169,401,912	1,653,752,257	3.7%
FY 1994-95	683,852,397	746,717,579	123,923,674	150,995,891	1,705,489,541	8.7%
FY 1995-96	711,008,684	846,550,249	126,801,468	152,380,385	1,836,740,786	7.0%
FY 1996-97	755,907,807	944,117,130	137,337,967	172,241,113	2,009,604,017	8.5%
FY 1997-98	803,805,374	981,643,795	142,150,133	177,852,119	2,105,451,422	8.0%
FY 1998-99	744,650,752	1,078,522,994	135,033,658	165,661,901	2,123,869,305	6.7%
FY 1999-00	900,427,469	1,180,363,301	140,021,942	183,111,959	2,403,924,670	7.4%
FY 2000-01	905,023,176	1,233,363,553	138,040,082	180,435,044	2,456,861,855	2.9%
FY 2001-02	918,889,782	1,159,810,647	107,628,074	179,180,246	2,365,508,749	-3.0%
FY 2002-03	1,028,931,065	1,129,421,651	111,597,405	186,449,714	2,456,399,835	-0.5%
FY 2003-04	1,114,374,321	1,249,890,025	167,429,431	187,033,230	2,718,727,007	8.3%
FY 2004-05	1,231,011,089	1,400,076,680	198,380,442	207,726,086	3,037,194,297	9.5%
FY 2005-06	1,263,678,691	1,545,338,061	262,295,456	280,875,316	3,352,187,524	9.9%
FY 2006-07	1,303,826,416	1,650,895,394	213,027,010	240,582,953	3,408,331,773	7.4%
FY 2007-08	1,321,867,139	1,726,145,405	232,851,654	225,298,373	3,506,162,571	7.2%
FY 2008-09 NEFAB	1,330,000,000	1,650,000,000	194,000,000	220,000,000	1,330,000,000	-0.9%
FY 2009-10 NEFAB	1,345,000,000	1,675,000,000	170,000,000	185,000,000	1,345,000,000	-0.4%
FY 2010-11 NEFAB	1,410,000,000	1,760,000,000	170,000,000	175,000,000	1,410,000,000	4.5%
FY 2011-12 Prelim	1,493,000,000	1,956,000,000	224,000,000	195,000,000	1,493,000,000	7.2%
FY 2012-13 Prelim	1,577,000,000	2,141,000,000	249,000,000	196,000,000	1,577,000,000	7.1%

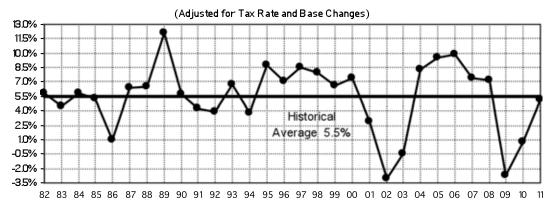
The underlying revenue growth as calculated for the past 10 years and the existing forecasts are shown in Table 7. The average growth for the past five years of actual receipts (FY2002-03 to FY2007-08) is 8.1% per year, well above the 27-year historical average of 5.5%. In the <u>upcoming biennium</u> (FY10/FY11), the NEFAB forecasts yield a revenue growth averaging -0.7% per year significantly below the historical average and well below the "below average" years. For the <u>following biennium</u> (FY12/FY13) the preliminary LFO estimates also reflect a revenue growth above the historical average, about 7.2% per year using the capped historical average methodology.

Table 7 Adjusted General Fund Revenue Growth

	Sales / Use	Individual	Corporate	Misc.	
	Tax	Income Tax	Income Tax	Receipts	Total
ADJUSTED GROWTH					
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%	7.1%	3.7%
FY1994-95 Actual *	9.7%	7.4%	19.2%	1.3%	8.7%
FY1995-96 Actual	5.6%	8.4%	8.9%	5.2%	7.0%
FY1996-97 Actual	4.9%	13.4%	7.0%	1.4%	8.5%
FY1997-98 Actual	7.3%	10.3%	3.9%	0.1%	8.0%
FY1998-99 Actual	4.5%	10.3%	-3.0%	4.8%	6.7%
FY1999-00 Actual	5.7%	9.6%	4.3%	2.7%	7.4%
FY2000-01 Actual	1.8%	5.0%	-1.2%	-4.1%	2.9%
FY2001-02 Actual	1.0%	-4.7%	-19.5%	3.1%	-3.0%
FY2002-03 Actual	0.8%	-1.1%	2.7%	-7.8%	-0.5%
FY2003-04 Actual	2.3%	8.2%	47.1%	15.9%	8.3%
FY2004-05 Actual	7.1%	12.4%	19.6%	-10.0%	9.5%
FY2005-06 Actual	3.5%	10.7%	31.8%	19.1%	9.9%
FY2006-07 Actual	7.5%	11.3%	-16.4%	13.2%	7.4%
FY2007-08 Actual	4.8%	11.0%	9.1%	-9.6%	7.2%
FY2008-09 NEFAB	0.1%	-3.9%	-14.1%	3.7%	-2.7%
FY2009-10 NEFAB	2.0%	0.8%	-2.5%	-5.7%	0.7%
FY2010-11 NEFAB	5.1%	5.2%	7.9%	1.8%	5.1%
AVERAGE GROWTH:					
Above Average Years (18)	5.9%	9.4%	11.1%	3.4%	7.4%
Below Average Years (9)	2.2%	4.1%		1.6%	2.4%
Historical Average (27 yrs)	4.8%	7.5%	4.9%	1.3%	5.5%

^{*}Due to the difficulty of estimating cash flow of several adjustments, a better reflection of the growth in FY94 and FY95 is to look at the average of approx. 6.5% over the two years.

General Fund Revenue Growth



GENERAL FUND TRANSFERS-OUT

This area tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same affect as an appropriation but are not expended as such and thus are shown under the revenue category (see line 9 on the Financial Status).

Table 8 General Fund Transfers-Out

Excludes CRF Transfers	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Ethanol Credits (EPIC Fund)	(2,500,000)	(10,750,000)	(10,750,000)	(2,500,000)	0
Property Tax Credit Fund	(115,000,000)	(112,000,000)	(112,000,000)	(115,000,000)	(115,000,000)
Water Resources Cash Fund	(2,700,000)	(2,700,000)	(2,700,000)	(2,700,000)	(2,700,000)
Cultural Preservation Endowment Fund	CRF	(500,000)	(500,000)	(1,500,000)	(1,500,000)
Total-General Fund Transfers-Out	(120,200,000)	(125,950,000)	(125,950,000)	(121,700,000)	(119,200,000)

Ethanol Production Incentive (EPIC)

Transfers to the EPIC fund for ethanol credits included those authorized in LB536 (2001) \$1.5 million per year for FY01-02 through FY07-08, LB90 (2005) an additional \$2.5 million per year from FY05-06 through FY2010-11, LB968 (2006) additional \$5 million in both FY05-06 and FY06-07, LB322 (2007) an additional \$15.5 million in FY07-08.

In addition to the \$2.5 million transfers under current law, the Appropriations Committee recommends additional General Fund transfers to the Ethanol Production Incentive Cash Fund (EPIC) as recommended by the Governor. A transfer of \$8,250,000 from the General Fund to the EPIC fund would be carried out in both FY09-10 and FY10-11. The need for the transfers is based upon the projected shortfall in the EPIC fund, as detailed in a December 2008 report filed by the Department of Revenue and the Nebraska Ethanol Board. This report estimates that without additional transfers, the EPIC fund would be insolvent by the end of FY09-10. Because ethanol production credits are given in the form of nonrefundable, transferable motor vehicle fuel tax credit certificates, the EPIC fund is used to reimburse the Highway Trust Fund for lost revenue

Property Tax Credit Cash Fund

Under this program transfers are made to the Property Tax Credit Cash Fund and based on the amount available, monies are allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as credit to each tax payer again based on their proportionate value. Although the original LB367 (Section 4, now Section 77-4212) only specified transfer amounts for tax year 2007 (\$105 million, FY07-08) and 2008 (\$115 million, FY08-09), the statute states that "It is the intent of the Legislature to fund the Property Tax Credit Act for tax years after tax year 2008 using available revenue". Based on this language, and the fact that the provisions related to the credits did not expire after the two years, it was assumed that the intent was to continue the credits beyond tax year 2008 if possible. Therefore in the absence of any other specific action, the projected financial status assumes that transfers would continue at the \$115 million level for at least the following biennium.

The Appropriations Committee proposed budget continues the Property Tax Credit program at the \$115 million level. Because the fund accumulates interest from the time of transfer to the time of payment to the counties, the transfer amount needed to achieve \$115 million available is \$112 million each year.

Water Resources Cash Fund

These transfers were enacted by LB 701 (2007) for the purpose of (1) aiding compliance efforts regarding the reduction of consumptive uses of water dealing with those natural resources districts which are deemed over or fully appropriated or are bound by an interstate compact or decree; and (2) for a statewide assessment of short- and long-term water management activities and funding needs that are statutorily required. The bill included actual transfers of \$2.7 million in both FY07-08 and FY08-09 and intent language for a \$2,700,000 General Fund transfer to occur annually from FY2009-10 through FY2018-19.

Nebraska Cultural Preservation Endowment Fund

The Cultural Preservation Endowment Fund was originally created in 1998 with a transfer of \$5 million from the General Fund. Investment income on the fund is transferred to the Nebraska Arts and Humanities Cash Fund and expended as state aid, matched dollar-for dollar by non-state sources and used to stabilize funding for arts and humanities organizations in the state. LB 1165 provided for an additional \$5 million for the endowment fund through a \$1 million transfer from the Cash Reserve Fund contingent on a dollar-for-dollar match of new money from qualified endowments (see Section 82-332), and intent language that \$2 million shall be transferred from the General Fund to the Nebraska Cultural Preservation Endowment Fund in both FY2009-10 and FY2010-11.

The committee proposed budget incorporates the provisions of LB359 and spreads that \$4 million over a four year period (\$500.000 in the FY10/FY11 biennium and \$1.5 million per year in the following biennium.)

GENERAL FUND TRANSFERS-IN

Of the large number of cash funds in statute, there are only a few instances where the statute allows monies in a cash fund to be transferred to the General Fund at the discretion of the Legislature. Historically, these transfers are based on estimates of monies in excess of what is needed for the original purpose of the fund, and not shown until enacted by the Legislature.

The Committee budget basically followed the Governors recommendation in terms of lapsing cash funds to General Funds for FY09-10 and FY10-11 as shown in Table 9 with the addition of several transfers from the Secretary of State. These transfers are shown as additions to the NEFAB forecast as these lapses are not included in those forecasts. The amounts shown for FY08-09 are already enacted into law and are included in the FY08-09 revenue forecast.

Table 9 General Fund Transfers-In

	FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
Securities Act Cash Fund	19,000,000	20,000,000	20,000,000	0	0
Tobacco Products Admin Cash Fund	12,000,000	7,000,000	7,000,000	0	0
Dept of Insurance Cash Fund	3,000,000	6,000,000	6,000,000	0	0
Collection Agency Cash Fund	0	250,000	0	0	0
Charitable Gaming Oper Fund	0	250,000	250,000	0	0
Uniform Commercial Code Cash Fund	0	1,250,000	0	0	0
Resource Recovery Cash Fund	0	150,000	0	0	0
Corporation Cash Fund	0	500,000	0	0	0
Total General Fund Transfers-In	34,000,000	35,400,000	33,250,000	0	0

GENERAL FUND APPROPRIATIONS

GENERAL FUND APPROPRIATIONS

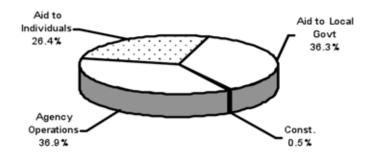
GENERAL FUND OVERVIEW

Table 10 contains a summary of the Appropriations Committee proposed General Fund budget for the FY2009-10 and FY2010-11 biennium. Subsequent sections of this report contain a more detailed explanation of the various increases and reductions which are included in the totals shown below. The average spending growth for the two years of the biennium is 1.0%.

Table 10 Appropriations Committee Proposed General Fund Budget

Month Mont		ı			Change over	Prior Vr	Change over	Prior Vr	l	
AGENCY OPERATIONS		w/o Deficits	Committe	e Pronosal					2 Yr Ava	% of Total
AGENCY OPERATIONS						,				
University/Colleges 537,499,238			1 12000 10		Ť	,,,	, , , , , , , , , , , , , , , , , , ,	,,,	Griarige	
Health & Human Services System Correctional Services Correctional Services 148,460,688 120,910,021 144,131,132 (27,550,667) 148,09 23,221,111 19.2% -1.5% Courts 67,935,364 70,042,464 71,993,997 27,7100 3.1% 1,951,523 2.8% 2.9% State Patrol 52,926,634 55,396,251 57,114,888 2,469,617 4.7% 1,718,637 3.1% 3.9% 2.9646,133 29,535,042 29,646,133 29,535,042 29,646,130 29,535,042 29,646,130 29,535,042 29,646,130 20,370,490 47,579,490 90,2275 4.6% 27,209,000 133.6% 56.3% Other 39 Agencies 140,753,844 142,947,867 145,789,045 2,194,023 1.6% 2,841,178 2.0% 1.8% Total-GF Operations 1,221,557,978 1,242,180,955 1,310,336,754 20,622,977 1.7% 68,155,799 5.5% 3.6% S.	AGENCY OPERATIONS									
Courts	University/Colleges	537,499,238	546,086,727	555,455,877	8,587,489	1.6%	9,369,150	1.7%	1.7%	16.2%
Courts State Patrol 52,926,634 70,042,464 71,993,987 2,107,100 3.1% 1,951,523 2.8% 2.9% State Patrol 52,926,634 55,396,251 57,114,888 2,469,617 4.7% 1,718,637 3.1% 3.9% Retirement Board 19,468,215 20,370,490 47,579,490 902,275 4.6% 27,209,000 133,6% 56,3% 20,400,753,844 142,947,867 145,789,045 2,194,023 1.6% 2,841,178 2.0% 1.8% 140,753,844 142,947,867 145,789,045 2,194,023 1.6% 2,841,178 2.0% 1.8% 1.221,557,978 1,242,180,955 1,310,336,754 20,622,977 1.7% 68,155,799 5.5% 3.6% 1.8% 1.221,557,978 1,242,180,955 1,310,336,754 20,622,977 1.7% 68,155,799 5.5% 3.6% 1.8% 1.246,183,183,219 1.246,183,183,219 1.246,183,183,219 1.246,183,183,183 1.246,183,1	Health & Human Services System	224,867,892	256,892,093	258,626,205	32,024,201	14.2%	1,734,112	0.7%	7.2%	7.6%
State Patrol S2,926,634 55,396,251 57,114,888 2,469,617 4.7% 1,718,637 3.1% 3.9% Revenue 29,646,103 29,646,103 (111,061) 0.4% 111,088 0.4% 0.0%	Correctional Services	148,460,688	120,910,021	144,131,132	(27,550,667)	-18.6%	23,221,111	19.2%	-1.5%	3.6%
Revenue	Courts	67,935,364	70,042,464	71,993,987	2,107,100	3.1%	1,951,523	2.8%	2.9%	2.1%
Retirement Board Other 39 Agencies	State Patrol	52,926,634	55,396,251	57,114,888	2,469,617	4.7%	1,718,637	3.1%	3.9%	1.6%
Other 39 Agencies 140,753,844 142,947,867 145,789,045 2,194,023 1.6% 2,841,178 2.0% 1.8% 1.242,180,955 1,310,336,754 20,622,977 1.7% 68,155,799 5.5% 3.6	Revenue	29,646,103	29,535,042	29,646,130	(111,061)	-0.4%	111,088	0.4%	0.0%	0.9%
Total-GF Operations	Retirement Board	19,468,215	20,370,490	47,579,490	902,275	4.6%	27,209,000	133.6%	56.3%	0.6%
Total-GF Operations	Other 39 Agencies	140,753,844	142,947,867	145,789,045	2,194,023	1.6%	2,841,178	2.0%	1.8%	4.2%
Medicaid 590,958,613 453,813,219 539,643,477 (137,145,394) -23.2% 85,830,258 18.9% -4.4% Public Assistance 241,622,331 236,141,182 248,179,818 (5,481,149) -2.3% 12,038,636 5.1% 1.3		1,221,557,978	1,242,180,955	1,310,336,754	20,622,977	1.7%	68,155,799	5.5%	3.6%	36.9%
Medicaid S90,958,613 453,813,219 539,643,477 (137,145,394) -23.2% 85,830,258 18.9% -4.4% Public Assistance 241,622,331 236,141,182 248,179,818 (5,481,149) -2.3% 12,038,636 5.1% 1.3	OTATE AIR TO INDUMENTAL O									
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Behavioral Health aid 69,273,006 74,091,067 75,428,898 4,818,061 7.0% 1,337,831 1.8% 4.3% Childrens Health Insurance (CHIP) 11,761,892 8,237,592 8,667,347 (3,524,300) -30.0% 429,755 5.2% -14.2% 4.3% 1.8% 4.3% 1.8% 4.3% 1.8% 4.3% 1.8										7.0%
Childrens Health Insurance (CHIP) 11,761,892 8,237,592 8,667,347 (3,524,300) -30.0% 429,755 5.2% -14.2% Aging Programs 7,717,193 7,918,808 8,125,625 201,615 2.6% 206,817 2.6% 2.6	•									2.5%
Aging Programs 7,717,193 7,918,808 8,125,625 201,615 2.6% 206,817 2.6% 2.6% Higher Ed Student Aid programs 6,832,315 6,992,315 7,162,315 160,000 2.3% 170,000 2.4% 2.4% Public Health Aid 4,124,776 4,786,648 4,849,448 661,872 16.0% 62,800 1.3% 8.4% Community health centers 3,525,000 3,806,575 3,990,874 281,575 8.0% 184,299 4.8% 6.4% All Other Aid to Individuals/Other 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0% STATE AID TO LOCAL GOVT State Aid to Schools (TEEOSA) 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% 0.2% Special Education 184,893,842 184,893,842 184,893,842 0.0% 0.0% 0.0% 0.0% 0.0% 1.5% 1.5% 1.5% 1.5% 1.5% 1.5% 1.5%<		, ,	, ,	., .,	, , , , , , , ,					2.2%
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Public Health Aid 4,124,776 4,786,648 4,849,448 661,872 16.0% 62,800 1.3% 8.4% Community health centers 3,525,000 3,806,575 3,990,874 281,575 8.0% 184,299 4.8% 6.4% All Other Aid to Individuals/Other 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0% STATE AID TO LOCAL GOVT State Aid to Schools (TEEOSA) 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td>0.2%</td></t<>										0.2%
Community health centers 3,525,000 3,806,575 3,990,874 281,575 8.0% 184,299 4.8% 6.4% All Other Aid to Individuals/Other 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0% STATE AID TO LOCAL GOVT State Aid to Schools (TEEOSA) 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0.2%</td>										0.2%
All Other Aid to Individuals/Other Total-GF Aid to Individuals/Other Total-GF Aid to Individuals/Other Total-GF Aid to Individuals/Other 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0%					· '					0.1%
Total-GF Aid to Individuals/Other 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0% STATE AID TO LOCAL GOVT State Aid to Schools (TEEOSA) Special Education Aid to Community Colleges Homestead Exemption Aid to ESU's Aid to ESU's Aid to Cities 11,257,193 Aid to Counties County jail cost reimbursement Early Childhood programs 3,615,426 1,015,815,632 888,246,805 996,503,156 (127,568,827) -12.6% 108,256,351 12.2% -1.0% 3,177,068 0.4% 183,669 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0% 0.0%	1				· '		. ,			0.1%
STATE AID TO LOCAL GOVT 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% 0.2% Special Education 184,893,842 184,893,842 184,893,842 0 0.0% 0 0.0% 0 0.0% 0.	All Other Aid to Individuals/Other	8,834,190	8,690,250	8,747,301	(143,940)	-1.6%	57,051	0.7%	-0.5%	0.3%
State Aid to Schools (TEEOSA) 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% 0.2% Special Education 184,893,842 184,893,842 184,893,842 0.0% 0.	Total-GF Aid to Individuals/Other	1,015,815,632	888,246,805	996,503,156	(127,568,827)	-12.6%	108,256,351	12.2%	-1.0%	26.4%
State Aid to Schools (TEEOSA) 823,527,243 826,704,311 826,887,980 3,177,068 0.4% 183,669 0.0% 0.2% Special Education 184,893,842 184,893,842 184,893,842 0.0% 0.	STATE AID TO LOCAL GOVE									
Special Education 184,893,842 184,893,842 184,893,842 0 0.0% 0 0.0		823 527 243	826 704 311	826 887 980	3 177 068	0.4%	183 669	0.0%	0.2%	24.5%
Aid to Community Colleges 87,266,476 88,575,473 89,904,105 1,308,997 1.5% 1,328,632 1.5% 1.5% Homestead Exemption 76,120,104 62,250,000 65,000,000 (13,870,104) -18.2% 2,750,000 4.4% -7.6% Aid to ESU's 16,089,570 15,887,570 15,887,570 (202,000) -1.3% 0 0.0% -0.6% Aid to Cities 11,257,193 11,777,193 11,777,193 520,000 4.6% 0 0.0% 2.3% Aid to Counties 4,965,866 4,965,866 4,965,866 0 0.0% 0 0.0% 0 0.0% County jail cost reimbursement 3,910,000 3,910,000 3,910,000 0 0.0% 0 0.0% 0 0.0% Early Childhood programs 3,615,426 3,615,426 3,615,426 0 0.0% 0 0.0% 0 0.0%	` '									5.5%
Homestead Exemption	•				_		_			2.6%
Aid to ESU's 15,089,570 15,887,570 15,887,570 (202,000) -1.3% 0 0.0% -0.6% Aid to Cities 11,257,193 11,777,193 11,777,193 520,000 4.6% 0 0.0% 2.3% Aid to Counties 4,965,866 4,965,866 4,965,866 0 0.0% 0 0.0% 0.0% County jail cost reimbursement 3,910,000 3,910,000 3,910,000 0 0.0% 0 0.0% 0 Early Childhood programs 3,615,426 3,615,426 3,615,426 0 0.0% 0 0.0% 0	, ,									1.8%
Aid to Cities 11,257,193 11,777,193 520,000 4.6% 0 0.0% 2.3% Aid to Counties 4,965,866 4,965,866 4,965,866 0 0.0% 0 0.0% 0 0.0% County jail cost reimbursement Early Childhood programs 3,910,000 3,910,000 3,910,000 0 0.0% 0 0.0% 0 0.0%					1 ' ' ' '					0.5%
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County jail cost reimbursement 3,910,000 3,910,000 3,910,000 0.0% 0.0% 0.0% 0.0% Early Childhood programs 3,615,426 3,615,426 3,615,426 0.0% 0.0% 0.0% 0.0%					· '		_			0.1%
Early Childhood programs 3,615,426 3,615,426 0 0.0% 0 0.0% 0.0%					_					0.1%
1 1 1 1 1 1							_			0.1%
Other Aid to Local Govt 24,403,090 22,309,330 22,427,307 (2,033,732) -0.376 30,049 0.376 -4.176		, ,			_		_			0.7%
Total-GF Aid to Local Govt 1,236,048,810 1,224,949,019 1,229,269,369 (11,099,791) -0.9% 4,320,350 0.4% -0.3%			l							36.3%
				, , ,						
CAPITAL CONSTRUCTION 8,238,322 15,172,233 14,652,233 6,933,911 84.2% (520,000) -3.4% 33.4%	CAPITAL CONSTRUCTION	8,238,322	15,172,233	14,652,233	6,933,911	84.2%	(520,000)	-3.4%	33.4%	0.5%
TOTAL GENERAL FUNDS 3,481,660,742 3,370,549,012 3,550,761,512 (111,111,730) -3.2% 180,212,500 5.3% 1.0% 1	TOTAL GENERAL FUNDS	3,481,660,742	3,370,549,012	3,550,761,512	(111,111,730)	-3.2%	180,212,500	5.3%	1.0%	100.0%

General Fund Appropriations By Major Category FY2009-10

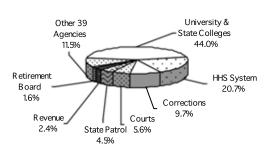


Agency Operations accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc... In the FY09-10 proposed budget, 36.5% of all General Fund appropriations are for agency operations. Although there are 47 state agencies that receive General Fund appropriations (HHS System treated as one agency), higher education (University of Nebraska and State Colleges) and the five largest agencies (Health and Human Services,

Corrections, Courts, State Patrol, and Revenue) account for 87% of state operations.

General Funds for agency operations shows a net \$20.6 million increase (1.7%) in FY09-10 and a \$68.1 million increase (5.5%) in FY10-11. Major increases in FY09-10 include salary and health insurance for state agencies (\$20.0 million), a 1.5% increase in overall state support for the University of Nebraska and State Colleges (\$8.1 million), \$7.5 million for the Beatrice State Developmental Center (BSDC) action plan and "right sizing", and a \$25 million contingency for BSDC funding to replace a likely loss of certification and federal funding.

General Fund Operations FY2009-10



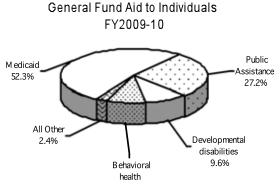
These increases were largely offset by \$8.7 million of agency budget reductions, and a \$35 million offset of General Funds for the Dept of Correctional Services (NDCS) by use of American Recovery and Reinvestment Act of 2009 (ARRA) general stabilization funds.

The spending growth in FY2010-11 is significantly higher mostly due to a lower use of ARRA general stabilization funds in Corrections (\$17 million vs \$35 million in FY10), and a large \$33.9 million increase in state contributions to defined benefit and cash balance retirement plans.

Aid to Individuals About 26% of all General Fund appropriations are classified as state aid to individuals. Aid to individuals includes programs such as Medicaid, TANF Temporary Assistance to Needy Families, student scholarships, etc... This area also includes aid to quasi-government units that are those 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.

This area actually shows a \$125.7 million (-12.6%) reduction in FY2009-10. A \$108.3 million (+12.2%) increase in FY10-11 results in a two year average change of -1.0%.

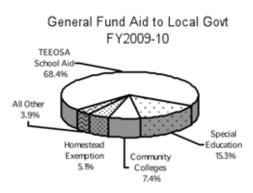
The reduction in FY2009-10 is the result of base reductions in several areas and use of \$128.4 million of ARRA federal funds to offset General Funds. Base reductions in Medicaid (\$19.9 million), Public Assistance (\$8.3 million), and Children's Health Insurance-SCHIP (\$3.7 million) contribute largely to this very low growth. These base reductions reflect the fact that the FY08-09 appropriation level is significantly higher than what will actually be expended in FY08-09. This reflects lower than projected price and utilization increases than were anticipated when the prior biennial budget was



prepared. Over the two year period, these base reductions are then offset by modest increases in eligibility and utilization (increases from the lower base level) and provider rates.

In FY2009-10, General Funds for aid to individuals was offset by funds available through the American Recovery and Reinvestment Act of 2009 (ARRA). This includes \$99.4 million of additional Medicaid matching funds through an enhanced FMAP (federal match rate), \$31 million through higher FMAP based on unemployment, and Federal Financial Participation FFP match (similar rate applicable to adoption and foster care), and \$7 million of additional child care funds.

Aid to Local Governments This area accounts for aid payments to local governments and accounts for 36% of all General Fund appropriations. This category includes those local entities that have the authority to levy a property tax such as cities, counties, and schools and includes programs such as state aid to schools (TEEOSA), special education, community colleges, and homestead exemption reimbursements. Note that state payments for teacher retirement are not included under this category as those amounts are credited directly to the teacher retirement fund and are not checks written to school districts nor do those amounts show up as a school revenue or subsequent expenditure.



Aid to local governments shows a \$11.1 million (-.9%) reduction in FY09-10 and another \$4.3 million (.4%) increase in FY2010-11. This overall reduction is attributed to two areas.

First, Homestead exemption reimbursement shows a net \$13.9 million reduction compared to the FY09 level. This does not relate to a cutback in the program but a base reduction similar to the situation in HHS aid programs. State law dictates who is eligible for the homestead exemption and in what amounts. The

reimbursement amount simply follows the actual utilization as filed by the counties. In this case, the base reduction for FY09-10 and FY10-11 relates to the fact that the FY08-09 actual reimbursement amounts were \$14.9 million below budgeted.

The second reduction occurs in TEEOSA school aid and the use of ARRA Education Stabilization funds to offset the increase in TEEOSA school aid. The Committee proposal incorporates the provisions of LB 545 (with Committee amendment as amended by the Adams amendment) which provides for a two year average growth in TEEOSA aid of 8.7%. This growth is then offset by the use of the ARRA funds in the amount of \$84.1 million in FY09-10 and \$149.9 million in FY10-11.

Capital construction which accounts for about .4% of General Fund appropriations, 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 projects are routinely done

within agencies operating budgets. Road construction and maintenance is **not** included in this category. This is included under cash fund agency operations. Because construction is such a small portion of the total, additions of individual projects can cause large fluctuations in the percent change. This occurs in this case. LB605 passed in 2006 authorized debt financing (bonds) for various University of Nebraska and Nebraska State College capital projects and directs the Legislature to appropriate amounts from the General Fund to the University of Nebraska and Nebraska State Colleges for each fiscal year beginning FY2006-07 and continuing through FY2019-20. In FY2009-10 the annual contribution from General Funds increases from \$5.5 million to \$11 million for the University of Nebraska.

HISTORICAL GENERAL FUND APPROPRIATIONS

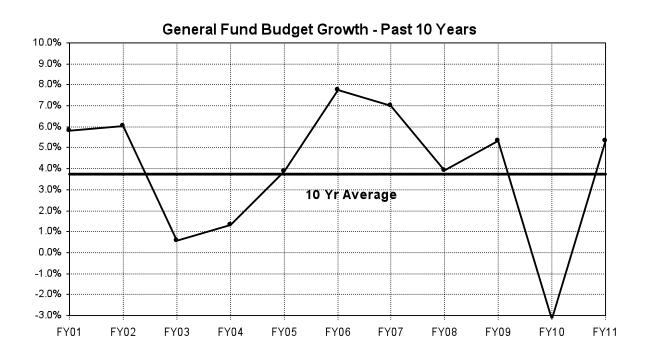
While the previous sections provide an overview of the FY2009-10 and FY2010-11 General Fund biennial budget, Table 11 provides an historical perspective showing appropriations for the twenty year period FY1990-91 through the proposed budget for FY2010-11.

Over the past 10-year period, the average annual increase in General Fund appropriations is 3.7%. Aid to individuals has the highest average increase, almost 7.6% per year largely driven by Medicaid. Aid to local government has grown at an average rate of only 5.3%. Aid to local governments has only grown at an average rate of 3.2%. This is somewhat understated in that the FY11 level utilizes \$149 million of ARRA stabilization funds. The 3.6% average growth in agency operations reflects budget cuts in the early 2000's, restoration of some funds in subsequent years and then modest growth in this biennial budget. Table 11 also includes the average annual budget growth for each of the five biennial budgets contained in this 10-year period. The 1.0% average growth in the proposed biennial budget is the lowest of the past five.

Table 11 Historical General Fund Appropriations

	Agency	Aid to	Aid to			%
(Excludes deficits)	Operations	Individuals	Local Govt	Construction	Total	Change
FY1990-91 Approp	628,674,380	240,400,698	520,530,440	25,493,478	1,415,098,996	16.6%
FY1991-92 Approp	636,491,819	250,284,030	628,828,141	17,318,861	1,532,922,851	8.3%
FY1992-93 Approp	662,252,737	320,457,672	608,472,921	4,976,777	1,596,160,107	4.1%
FY1993-94 Approp	676,413,141	346,829,183	597,466,962	7,264,678	1,627,973,964	2.0%
FY1994-95 Approp	695,515,177	384,690,537	632,796,916	5,954,449	1,718,957,079	5.6%
FY1995-96 Approp	725,857,466	410,620,962	652,868,725	20,831,107	1,810,178,260	5.3%
FY1996-97 Approp	750,780,005	440,564,731	674,622,322	19,843,088	1,885,810,146	4.2%
FY1997-98 Approp	781,597,662	461,238,934	695,680,295	41,250,742	1,979,767,633	5.0%
FY1998-99 Approp	818,104,542	489,445,789	860,034,724	60,994,066	2,228,579,121	12.6%
FY1999-00 Approp	877,214,679	523,395,392	868,657,713	54,676,163	2,323,943,947	4.3%
FY2000-01 Approp	928,262,744	598,336,773	885,742,858	46,446,858	2,458,789,233	5.8%
FY2001-02 Approp	989,205,923	646,333,088	944,027,473	27,384,852	2,606,951,336	6.0%
FY2002-03 Approp	1,003,728,744	647,793,727	951,729,511	18,044,257	2,621,296,239	0.6%
FY2003-04 Approp	999,655,261	705,616,238	929,503,078	20,515,031	2,655,289,608	1.3%
FY2004-05 Approp	1,018,017,210	785,572,536	935,446,662	19,046,316	2,758,082,724	3.9%
FY2005-06 Approp	1,079,894,592	850,904,771	1,018,289,225	23,350,481	2,972,439,069	7.8%
FY2006-07 Approp	1,151,463,639	938,524,594	1,058,983,563	31,878,981	3,180,850,777	7.0%
FY2007-08 Approp	1,172,764,317	978,026,675	1,146,759,149	8,150,822	3,305,700,963	3.9%
FY2008-09 Approp	1,221,557,978	1,015,815,632	1,236,048,810	8,238,322	3,481,660,742	5.3%
FY2009-10 Proposed	1,242,180,955	888,246,805	1,224,949,019	15,172,233	3,370,549,012	-3.2%
FY2010-11 Proposed	1,310,336,754	996,503,156	1,229,269,369	14,652,233	3,550,761,512	5.3%
Average Annual Growth						
FY02/FY03 Biennium	4.0%	4.1%	3.7%	-37.7%	3.3%	

	Agency	Aid to	Aid to			%
(Excludes deficits)	Operations	Individuals	Local Govt	Construction	Total	Change
_						
FY04/FY05 Biennium	0.7%	10.1%	-0.9%	2.7%	2.6%	
FY06/FY07 Biennium	6.4%	9.3%	6.4%	29.4%	7.4%	
FY08/FY09 Biennium	3.0%	4.0%	8.0%	-49.2%	4.6%	
FY10/FY11 Biennium	3.6%	-1.0%	-0.3%	33.4%	1.0%	
Avg FY91 to FY01 (10 yr)	4.0%	9.5%	5.5%	6.2%	5.7%	
Avg FY01 to FY11 (10 yr)	3.6%	5.3%	3.2%	-10.9%	3.7%	
Avg FY91 to FY11 (20 yr)	3.8%	7.4%	4.3%	-2.7%	4.7%	



SIGNIFICANT GENERAL FUND INCREASES AND REDUCTIONS

The FY09-10 / FY10-11 proposed budget represents the result of numerous areas where the budget was increased, offset to some extent by areas that were reduced. TEEOSA School Aid reflects the single largest increase to fund the certified aid.

Table 12 Significant General Fund Increases / Reductions In Rank Order

		Committee Proposed		
	Numbers are \$ change compared to FY09 base	FY2009-10	FY2010-11	Two Yr total
1	SIGNIFICANT INCREASES:			
2	TEEOSA Aid to Schools (per LB545, without Stabilization)	87,245,818	153,247,913	240,493,731
3	BSDC contingency, termination of federal funding	25,000,000	24,477,558	49,477,558
4	Retirement, K-12 School/Judges/Patrol/Cash Balance	902,275	28,391,275	29,293,550
5	Salaries (Agencies)	12,596,768	23,084,653	35,681,421
6	Developmental Disability-rates+transition+BSDC+waiting list	12,602,833	20,541,737	33,144,570
7	University & State Colleges (2.0% & 1.5% annual increase)	8,062,489	16,245,915	24,308,404
8	Health Insurance (Agencies)	7,407,063	15,316,498	22,723,561
9	Public Assistance (w/o ARRA FFP and Child Care change)	3,146,566	10,590,035	13,736,601
10	BSDC, action plan & "rightsizing" (HHS)	7,500,000	7,500,000	15,000,000
11	Capital Construction	6,933,911	6,413,911	13,347,822
12	Medicaid (w/o ARRA FMAP change)	(8,769,217)	11,767,347	2,998,130
13	Behavioral health aid - reallocate regional center savings	3,500,000	3,500,000	7,000,000
14	Behavioral health aid (exclude reg cntr shifts)	1,318,061	2,655,892	3,973,953
15	Inmate per diem costs (Corrections)	1,925,000	2,520,000	4,445,000
16	Operating costs, other adds, fund shifts (HHS facilities)	2,001,623	2,360,154	4,361,777
17	Community Colleges (2.0% & 1.5% annual increase)	1,308,997	2,637,629	3,946,626
	Public safety communications system (operations)	1,292,861	1,331,944	2,624,805
18	Public Health Aid	943,447	1,190,546	2,133,993
19				
20	Norfolk College of Nursing operations (University)	425,000	1,460,724	1,885,724
21	Utilities and equipment (Corrections)	983,520	1,218,388	2,201,908
22	Fuel and other operating costs (Patrol)	693,800	693,800	1,387,600
23	Substance abuse treatment (Corrections)	586,830	615,363	1,202,193
24	Student assessment / testing (Education)	345,000	815,000	1,160,000
25	Aid to Cities	520,000	520,000	1,040,000
26	Litigation costs, Attorney General	500,000	0	500,000
27	Aging programs	201,615	408,432	610,047
29	Subtotal-Increases Listed	179,174,260	339,504,714	518,678,974
30	SIGNIFICANT REDUCTIONS:			
31	ARRA Education Stabilization.offset TEEOSA Gen Funds	(84,068,750)	(149,887,176)	(233,955,926)
32	ARRA FMAP, FFP, and Child Care, offset Gen Funds	(137,003,892)	(67,115,031)	(204,118,923)
33	ARRA General Stabilization, offset Gen Funds (DCS)	(35,000,000)	(17,000,000)	(52,000,000)
34	Homestead Exemption (net)	(13,870,104)	(11,120,104)	(24,990,208)
35	Agency / base reductions	(8,667,625)	(11,637,316)	(20,304,941)
36	Regional Center savings to behavioral health aid (HHS)	(3,500,000)	(3,500,000)	(7,000,000)
37	Childrens Health Insurance (SCHIP)	(3,524,300)	(3,094,545)	(6,618,845)
38	Riparian Vegetation grants (sunset June 09)	(2,000,000)	(2,000,000)	(4,000,000)
39	Transfer Prog 39 funds to Prog 347 (HHS) oper/aid shift	(1,889,556)	(1,889,556)	(3,779,112)
40	BSDC, adjustment to reflect declining census at BSDC	0	(3,325,001)	(3,325,001)
38	Subtotal-Reductions Listed	(289,524,227)	(270,568,729)	(560,092,956)
39	OTHER NOT LISTED (NET)	(761,763)	164,785	(596,978)
40	TOTAL GENERAL FUND CHANGE	(111,111,730)	69,100,770	(42,010,960)

Table 13 Significant General Fund Increases / Reductions by Budget Category

	Co	Committee Proposed	
Numbers are \$ change compared to FY09 base	FY2009-10	FY2010-11	Two Yr total
-	97 94F 949	152 247 042	240 402 724
TEEOSA Aid to Schools (per LB545, without Stabilization) Learning Communities Aid	87,245,818 500,000	153,247,913 525,000	240,493,731 1,025,000
Homestead Exemption (net)	(13,870,104)	(11,120,104)	(24,990,208)
Riparian Vegetation grants (sunset June 09)	(2,000,000)	(2,000,000)	(4,000,000)
Governors Emergency Program	500,834	500,834	1,001,668
Community Colleges	1,308,997	2,637,629	3,946,626
Superfund cleanup	(211,600)	(193,000)	(404,600)
Aid to Cities	520,000	520,000	1,040,000
Aid to ESU's	(202,000)	(202,000)	(404,000)
NRD Water Management grants	(100,000)	(100,000)	(200,000)
ARRA Education Stabilization.offset TEEOSA Gen Funds	(84,068,750)	(149,887,176)	(233,955,926)
Other Not Listed (net)	(722,986)	(708,537)	(1,431,523)
AID TO LOCAL GOVERNMENTS	(11,099,791)	(6,779,441)	(17,879,232)
	(
Medicaid (w/o ARRA FMAP change)	(8,769,217)	11,767,347	2,998,130
Public Assistance (w/o ARRA FFP and Child Care change) Developmental Disability-rate	3,146,566	10,590,035	13,736,601
equity+transition+BSDC+waiting list	12,602,833	20,541,737	33,144,570
Behavioral health aid (exclude reg cntr shifts)	1,318,061	2,655,892	3,973,953
Behavioral health aid - reallocate regional center savings	3,500,000	3,500,000	7,000,000
Childrens Health Insurance (SCHIP)	(3,524,300)	(3,094,545)	(6,618,845)
Aging programs	201,615	408,432	610,047
Higher Ed Student aid programs	160,000	330,000	490,000
Public Health Aid	943,447	1,190,546	2,133,993
ARRA Child Care funds, offset GF increase	(7,000,000)	(3,200,000)	(10,200,000)
ARRA ehanced FMAP and FFP	(130,003,892)	(63,915,031)	(193,918,923)
Other Not Listed (net)	(8,769,217)	11,767,347	2,998,130
AID TO INDIVIDUALS / OTHER	(127,568,827)	(19,312,476)	(146,881,303)
Salaries (State Agencies)	12,596,768	23,084,653	35,681,421
Health Insurance (State Agencies)	7,407,063	15,316,498	22,723,561
Salary enhancements, Court/Probation/Judges	65,336	131,980	197,316
Litigation costs, Attorney General	500,000	0	500,000
Student assessment / testing (Education)	345,000	815,000	1,160,000
BSDC, action plan & "rightsizing" (HHS)	7,500,000	7,500,000	15,000,000
Operating costs, other adds, fund shifts (HHS facilities)	2,001,623	2,360,154	4,361,777
Transfer Prog 39 funds to Prog 347 (HHS) oper/aid shift	(1,889,556)	(1,889,556)	(3,779,112)
Regional Center savings to behavioral health aid (HHS)	(3,500,000)	(3,500,000)	(7,000,000)
BSDC contingency, termination of federal funding	25,000,000	24,477,558	49,477,558
BSDC, adjustment to reflect declining census at BSDC	1.025.000	(3,325,001)	(3,325,001)
Inmate per diem costs (Corrections)	1,925,000	2,520,000	4,445,000
Substance abuse treatment (Corrections) Utilities and equipment (Corrections)	586,830 983,520	615,363 1,218,388	1,202,193 2,201,908
University & State Colleges (2.0% & 1.5% annual increase)	8,062,489	16,245,915	24,308,404
South Sioux City College Center operations (State Colleges)	100,000	250,000	350,000
Norfolk College of Nursing operations (University)	425,000	1,460,724	1,885,724
Fuel and other operating costs (Patrol)	693,800	693,800	1,387,600
Public safety communications system (operations)	1,292,861	1,331,944	2,624,805
Retirement, K-12 School/Judges/Patrol/Cash Balance	902,275	28,391,275	29,293,550
Agency / base reductions	(8,667,625)	(11,637,316)	(20,304,941)
ARRA General Stabilization, offset Gen Funds (DCS)	(35,000,000)	(17,000,000)	(52,000,000)
Other Not Listed (net)	(707,407)	(282,603)	(990,010)
AGENCY OPERATIONS	20,622,977	88,778,776	109,401,753
CAPITAL CONSTRUCTION	6,933,911	6,413,911	13,347,822
TOTAL GENERAL FUND CHANGE (without deficits)	(111,111,730)	69,100,770	(42,010,960)
(,		. ,

GENERAL FUND AID TO INDIVIDUALS

BEHAVIORAL HEALTH AID

The Committee proposed budget translates to a 7.0% increase in General Funds in FY09-10. The bulk of the increase comes from an additional \$3.5 million of "savings" transferred from the regional centers pursuant to behavioral health reform. LB 1083 (2004) the Behavioral Reform Act, provides for the transfer of funds from the regional centers to community behavioral health programs when savings are

r				
	Current Biennium		Committee Proposed	
(General Funds only)	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Base Year appropriation	44,577,915	44,577,915	69,273,006	69,273,006
Mental Health provider rates	1,532,304	4,802,573	1,318,061	2,655,892
Reallocate regional center savings	14,092,518	19,892,518	3,500,000	3,500,000
Medicaid match, Heartland	126,044	0	0	0
Total	60,328,781	69,273,006	74,091,067	75,428,898
\$ Change over Prior Year	15,750,866	8,944,225	4,818,061	1,337,831
% Change over Prior Year	35.3%	14.8%	7.0%	1.8%

achieved at the regional centers from the closing of beds. Through FY09-10 (excluding deficits), a total of \$30.4 million has been transferred from the regional centers to behavioral health operations and aid.

COMMUNITY BASED DEVELOPMENTAL DISABILITIES AID

The Committee proposed budget reflects a relatively large increase in developmental disability aid

First, the committee includes \$1,844,913 in FY09-10 and \$3,735,949 in FY10-11 for rate equity (2.5% per year) and \$560,000 in FY09-10 and \$1,280,000 in FY10-11 for clients transitioning from K-12 school

	Current Biennium		Committee Proposed		
(General Funds only)	FY2007-08	FY2008-09	FY2009-10	FY2010-11	
Base Year Appropriation	64,415,818	64,415,818	71,166,316	71,166,316	
Service Coordination	0	0	0	0	
Provider Rates/Rate Equity	1,509,224	6,033,540	1,844,913	3,735,949	
Transition	709,452	1,166,958	560,000	1,280,000	
Waiting List	0	0	5,197,920	10,525,788	
Transitioning from BSDC		0	5,000,000	5,000,000	
Client leave days paid	0	(450,000)	0	0	
Total - New Appropriation	66,634,494	71,166,316	83,769,149	91,708,053	
\$ Change over Prior Year	2,218,676	4,531,822	12,602,833	7,938,904	
% Change over Prior Year	3.4%	6.8%	17.7%	9.5%	

programs to community based programs. These two items amount to a 3.5% per year increase.

The committee proposal includes \$5,000,000 each year for aid funds to transition Beatrice Developmental Center (BSDC) clients into community based services. The Committee proposal also includes an amount of funding intended to

ensure that the waiting list for persons with developmental disabilities does not increase in the next biennium. The proposal includes a total of \$5,197,920 of General Funds for FY09-10 and \$10,525,788 of General Funds for FY10-11 to be used for services for persons with developmental disabilities who are on the waiting list for such services, beginning with those who have been on the waiting list for the greatest length of time past their date of need. The

general funds will be matched by federal Medicaid funds. Two-thirds of such funds, \$3,467,013 in FY2009-10 and \$7,020,700 in FY2010-11, shall be provided for services to persons waiting the longest past their date of need. One-third of such funds, \$1,730,907 FY09-10 and \$3,505,088 in FY10-11, shall be provided to persons waiting the longest for services past their date of need who opt for supported services. The Department of Health and Human Services is required to provide quarterly reports to the Legislature regarding the usage of general and federal funds for the waiting list.

CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

This program provides medical coverage for children up to age 19 who do not have credible health insurance and whose family income is below 185% of poverty. Approximately 23,000 children receive benefits under this program. Funding for this program began in 1998 and had originally been funded through a one-time \$25 million transfer from the Health Care Cash Fund. Those funds were exhausted in FY2003-04. A combination of General Funds and a \$5 million allocation from the Health Care Cash fund offset the expiration of the original amounts.

The amount of General Funds appropriated for the SCHIP program shows a significant reduction compared to the prior year mostly due to a \$3.7 million base reduction. The current base level FY08-09 appropriation level was too high due to three categories of services being lower than estimated at the time the budget was set; inpatient hospital, inpatient mental and drugs. Drug costs were assumed to increase 10% a year; the actual increase was 6% each year. The reason for lower hospital utilization is unknown.

The committee budget includes funds for a 1.5% provider rate increase and small increases in eligibility and utilization (\$296,255 FY09-10 and \$851,400 FY10-11). Reductions other than the base reduction noted above include a higher federal match rate (\$144,337 FY09-10 and \$149,697 FY10-11), two-tiered payment rate (\$62,122 FY10-11) and outpatient reimbursement (\$56,689 FY10-11). The two tiered payment rate would provide for a 20% payment differential between procedures delivered in an inpatient or outpatient setting compared to the same procedures performed in an office. The outpatient reimbursement rates would be changed to 75% from 82.45% of the hospital specific cost-to-charge ratio. In some cases, because rates have not been rebased in a number of years, reimbursement may exceed costs.

PUBLIC ASSISTANCE

This budget area includes many different social service programs such as TANF/ADC, educational assistance for state wards, child welfare services, foster care, subsidized childcare, and adoption assistance. Overall the proposed budget reflects a decrease of 2.3% in FY09-10 (\$5.5 million) but from that lower level, a 5.1% increase in FY10-11.

The reduction in FY09-10 is attributed to a \$8.3 million base reduction due to lower than projected expenditures in the FY09 base. Also in FY09-10, a \$7 million increase in child care costs was offset by use of available ARRA Child Care funds. The 5.1% increase in FY10-11, compared to the lower FY09-10 level, is higher due to a lower use of the ARRA Child Care funds (\$3.2 million versus the \$7 million) and the fact that the base reduction which offset rate and utilization increases in FY10 remains constant in both years and does not offset the second year rate and utilization increase amounts.

Table 14 Public Assistance by Program (General Funds Only)

		Committee Proposed		\$ Change vs	\$ Change vs FY09 base	
(General Funds only)	FY2008-09	FY2009-10	FY2010-11	FY09-10	FY10-11	
Food stores	222.445	240.000	207.000	40.057	24447	
Food stamps	333,145 690,000	349,802	367,292	16,657	34,147	
Adoption incentives	,	0 2,646,712	0 2,740,141	(690,000)	(690,000)	
AABD (Aged/blind/disabled) Special Rates	2,556,469		, ,	90,243	183,672	
Food stamp employment	185,395	185,395	185,395	0	70.770	
Medically handicapped children	1,367,937	1,404,051	1,440,707	36,114	72,770	
Title IV-E Foster Care	4,512,714	3,757,003	3,936,057	(755,711)	(576,657)	
Title IV-E Adoption	5,937,276	5,675,009	7,072,407	(262,267)	1,135,131	
Energy Assistance	0	0	0	0	0 000 700	
State subsidized adoption	9,355,129	10,924,651	12,748,891	1,569,522	3,393,762	
Domestic Violence	1,347,300	1,347,300	1,347,300	0	0	
Education Assistance, State Wards	17,194,761	17,366,709	17,540,376	171,948	345,615	
Disabled persons/family support	910,000	910,000	910,000	0	0	
State Disability-Medical	8,323,419	8,701,718	9,097,211	378,299	773,792	
State Disability-Maintenance	758,043	795,945	835,743	37,902	77,700	
Title XX Social Services	5,552,568	5,667,327	5,783,807	114,759	231,239	
State supplement-SSI	7,519,290	7,895,255	8,290,018	375,965	770,728	
AFDC / TANF	20,467,461	20,467,461	20,467,461	0	0	
Title IV-D Child Care	32,146,903	32,244,539	38,012,692	97,636	5,865,789	
Emergency Assistance	1,265,900	1,392,490	1,531,739	126,590	265,839	
Employment First	11,989,080	10,201,815	10,416,677	(1,787,265)	(1,572,403)	
Child Welfare Services	100,471,590		102,960,625	1,241,131	2,489,035	
Winnebago/TANF/MOE	299,187	299,187	299,187	0	0	
Birth Certificates	150,000	150,000	150,000	0	0	
Protection and Safety of Children (Prog 039)	0	1,889,556	1,889,556	1,889,556	1,889,556	
Juvenile predisposition detention (Prog 316)	0	156,536	156,536	156,536	156,536	
Unallocated base savings	8,288,764	0	0	(8,288,764)	(8,288,764)	
Total Public Assistance (General Funds)	241,622,331	236,141,182	248,179,818	(5,481,149)	6,557,487	
Base reductions				(8,288,764)	(8,288,764)	
ARRA Enhanced Fed Financial Participation-IV	(956,235)	(518,412)				
ARRA Enhanced Fed Financial Participation-IV	(671,480)	(314,136)				
ARRA Child Care funds, offset GF increase	(7,000,000)	(3,200,000)				
Eliminate funding for adoption incentive program	(690,000)	(690,000)				
Transfer in Prog 316 & 39				2,046,092	2,046,092	
Fund shift, Employment First				(2,000,000)	(2,000,000)	
and sime, Employment i not				(2,000,000)	(2,000,000)	
Total Public Assistance (General Funds)				(5,481,149)	6,557,487	

Public Assistance - Base adjustment The department has used significant resources to find permanent placements for children through guardianships with relatives, increased adoptions and returning children to their homes. Although utilization of child welfare services was projected to be flat over the current biennium, the total number of state wards declined by 4% in FY 08 and by 5% in FY 09. Out-of-home placements declined by 2% and 8%, during FY 08 and FY 09, respectively. This resulted in under spending in child welfare programs and in the state education for state wards program. The programs serving the elderly and disabled population were projected to increase by 3% each year in the current biennium. The population has been flat, savings funds in the State Supplement and State Disabled – Medical Program. (-\$8,288,764 FY10, -\$8,288,764 FY11)

<u>State Food Stamp Program</u> The state food stamp program provides food stamps to certain legal immigrants. The federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) made certain legal immigrants ineligible for food stamps. Nebraska established its own program to continue coverage. Approximately 600 people receive food stamps each month. The increase is calculated in the same manner as the federal food stamp program, using the CPI and an

increase in clients. A 5% increase in utilization per year is assumed in the committee recommendation. In the past year, the increase was 21%. (\$16,657 FY10, \$34,147 FY11)

Adoption Incentive This program provided a \$1,000 per year bonus payment for the first five years for families adopting state wards. It was eliminated in the special session in 2002. The payments in FY07 were \$220,000 and no payments were made in FY 08. The committee proposal eliminates funding for this program resulting in a \$690,000 per year reduction.

AABD Special Rates rate The state instituted an higher rate for individuals who live in assisted living facilities who are not covered by Medicaid because prior rates did not cover the costs to these providers. Prior to the provision of this additional rate, residential facilities were on the verge of closing and one, Paxton Manor, did close. Many of these facilities serve mentally ill clients. Provider rates are increased by 1.5% per year. (\$90,243 FY10, \$183,672 FY11)

<u>Food Stamp Training and Employment</u> provides job search, training, and supportive services to unemployed (but employable) individuals who are eligible for food stamps. Persons who receive both food stamps and ADC participate in the Job Support Program. The program pays a capped amount for work expenses including child care while adults are participating in the program. The agency request and committee budget assumes no change in eligibility and/or utilization. No change in funding is proposed for FY10 or FY11.

<u>Medically Handicapped Children</u> This program pays for diagnosis, referral and medical treatment of children with severe handicaps and chronic medical conditions and adults with certain specific medical conditions. Medicaid does not cover these children and adults. Approximately 2,420 children and adults receive services. For children, the major conditions covered are cleft lip/palates, cerebral palsy, heart defects, hemophilia, orthopedic problems, midline birth defects, cystic fibrosis, hyper alimentation, neoplasm and premature births. For adults, the only conditions covered are cystic fibrosis, hemophilia and sickle cell anemia. Provider rates are increased by 1.5% per year. (\$36,114, FY10, \$72,770 FY11)

<u>IV-E Adoption Assistance</u> The two adoption Programs provide monthly maintenance payments and assistance for non-recurring expenses to families adopting a state ward when the adoption would not be possible without the financial assistance. Provider rates of 1.5% per year are provided. The projected change in the number of clients by service type ranges from 3% to 15%. (\$693,968 FY10, \$1,653,543 FY11). Some of these increases are offset by an ARRA enhanced Federal Financial Participation (FFP) match as described at the end of this public assistance narrative

IV-E Foster Care This program provides services to state wards meeting the requirements of the federal Title IV-E Program who are living in out-of-home placements. The services provided include assessment, referral, case planning and supportive services such as counseling and maintenance payments. Provider rate increases of 1.5% per year are included. The projected change in the number of clients varies by service and ranges from -7 to 5% resulting in an overall reduction in funding for this area. (-\$123,211 FY10, -\$320,417 FY11). These General Fund reductions are increased by the availability of an ARRA enhanced Federal Financial Participation (FFP) match rate as described later.

<u>Subsidized Adoption</u> This program is the same as the IV-E Adoption Assistance Program, except the children are not eligible for a federal match. Provider rate increases of 1.5% per year. The projected change in the number of clients is 10%. (\$1,569,522 FY10, \$3,393,762 FY11)

<u>Domestic Violence Program</u> provides funding to 22 community-based programs. These local programs provide services such as crisis lines, transportation, medical services, legal counseling, financial aid, shelter, protection order forms and application assistance. Several programs also provided counseling services for the abuser. The proposed budget reflects no change in funding from the current FY09 level.

Education Assistance-State Wards Any minor child who is adjudicated as a ward of the court or the state or who is placed under the guardianship of the Department of Health and Human Services will have their education and transportation costs reimbursed by the state, if the child is placed outside of the resident school district of the child or the child's parents and the child is not residing in family foster care. A 1% increase is provided each year. (\$171,948 FY10, \$345,615 FY11)

<u>Disabled Persons and Family Support</u> coordinates and purchases services to assist employed disabled adults or to help families keep a family member with disabilities in their home. All other resources are explored before this program will pay for any items. A committee of local advocacy agencies and HHS review applications and make recommendations. Maximum cost for a service cannot exceed \$300 per month averaged over the number of months in eligibility. Some examples of assistance include home modifications to remove barriers, attendant care, counseling and training, and home health care. There is no change in state funding in FY10/FY11 proposal.

<u>State Disabled – Medical</u> Coverage is provided to low-income individuals with a disability lasting between 6 and 12 months. If the disability continues beyond 12 months, Medicare coverage begins. Income must be at or below \$867 for one person or \$1,167 for a two-person household. A retroactive reimbursement is claimed if the person later becomes Medicare eligible. This program covers about 157 people each month. The request includes a utilization increase of 3% and a provider rate increase of 1.5% per year. (\$292,568 FY10, \$639,572 FY11)

<u>State Disabled – Maintenance</u> The maintenance program provides monthly income for persons with a disabilities lasting between 6 and 12 months. If the disability continues beyond 12 months, Social Security coverage begins. A retroactive reimbursement is claimed if the person later becomes eligible for Social Security. This program covers about 160 people each month. The request includes a combined utilization and cost-of-living increase of 5% each year. (\$37,902 FY10, \$77,700 FY11)

<u>Title XX Social Services</u> These services are directed at promoting self-sufficiency, preventing abuse and neglect and preventing inappropriate institutional care for elderly individuals and persons with disabilities. The services provided are: chore services, home-delivered and congregate meals, respite care, adult day care, and transportation services. A provider rate increase of 1.5% per year is provided. (\$114,759 FY10, \$231,239 FY11).

<u>State Supplement SSI</u> This program provides a supplement to low income individuals receiving Social Security payments to bring their income up to the standard of need in Nebraska. The request includes a combined utilization and cost-of-living increase of 5% each year. (\$375,965 FY10, \$770,728 FY11)

Temporary Assistance to Need Families (TANF) provides monthly subsistence payments to low-income families with children under age 18 who are deprived of parental support because of death, physical or mental incapacity, continued absence from the home, or partial or complete unemployment of the primary wage earner. The monthly payment is based on family size. A family is only eligible for assistance for 24 consecutive months and there is a 60-month lifetime cap on assistance. There are exceptions for hardships. The state receives monies from the Temporary Assistance to Needy Families Block Grant with a state maintenance of effort requirement. TANF funds are used for the ADC Program, Employment First, child care and administrative costs. The committee proposed budget reflects no change in funding level from the current FY09 level.

<u>Child Care</u> This program funds child care services for low-income families participating in training, education or employment. The program provides full payment of child care costs for families on ADC, those transitioning off of ADC and families in the child welfare system. For low-income families above the ADC level up to 120 percent of federal poverty guidelines and those transitioning off of ADC, up to 185% of poverty, the program covers child care costs on a sliding fee scale. In FY 2008, the average monthly

number of families receiving subsidized child care was 17,108. By state statute, the department is required to pay rates between the 60th and 75th percentile. The rates are adjusted every two years. The next rate adjustment will be on July 1, 2009 and ranges from 5% to 11%, depending on the type of care. This funds the schedule at the 60th percentile. Utilization is projected to increase in a range from 0 to 3%, depending on the type of child care. Funding increases total \$7,097,636 in FY10 and \$9,065,789) in FY11. These increases are subsequently offset by additional ARRA Child Care funds as described below

Emergency Assistance Low-income families may receive emergency assistance once a year for food, shelter, clothing, utilities and other basic needs. A 10% increase in requests is anticipated. (\$126,590 FY10, \$265,839 FY11)

Employment First Families receiving assistance under TANF are required to participate in work requirements unless exempt. Federal law requires 50% of single parent families and 90% of two-parent families to be involved in work requirements which can include education. Work activities must be supervised on a daily basis. During the FY 07 and 08 biennium, general funds were increased by \$2.2 million and federal TANF were reduced by that amount. The fund mix is changed back to the prior allocation. This offsets a 1% per year increase in utilization amounting to \$212,735 in FY10 and 427,597 in FY11. The net impact of the fund shift and utilization increase is a General Fund reduction of \$1,787,265 in FY10 and\$1,572,403 in FY11.

<u>Child Welfare</u> This program provides services to state wards living with their families and in out-of-home placements. The services provided include assessment, referral, case planning, and supportive services such as counseling and maintenance payments. The committee proposal includes provider rate increase of 1.5% per year. The projected change in the number of clients by service type ranges from -7% to 5%. (\$1,241,131 FY10, \$2,489,035 FY11)

<u>Predisposition detention</u> This program was previously budgeted in Program 316 and was transferred to Program 347. No change in funding from the current \$156,536 General Fund level.

<u>Child welfare program enhancements</u> This program was previously budgeted as operations in program 039. The programs were those established per the recommendations for the Governor's Children's Task Force in 2004 and include a child abuse public awareness campaign, funding for the eight Child Advocacy Centers in the state, training funds for medical and law enforcement professionals and home visitation programs. No change in funding from the current \$1,889,556 General Fund level.

ARRA Enhanced Federal Financial Participation The American Recovery and Reinvestment Act of 2009 (ARRA) enacted in February 2009 contained a provision whereby states received an enhanced federal Medicaid match rate of 6.2% from October 1, 2008 to December 31, 2010. This higher match rate also applies to two public assistance program but is referred to as Federal Financial Participation (FFP) rate. General Fund savings are in the IV-E Adoption program (-\$956,235 FY10 and -\$518,412 FY11) and IV-E Foster Care (-\$671,480 FY10, -\$314,136 FY11)

ARRA Child Care Funding ARRA funding available for the low-income child care subsidy program is \$11.7 million. The funds must be used to supplement and not supplant state general funds. Of the amount available, approximately 12.7% \$1,498,473 is designated for activities such as consumer education, parental choice and quality and availability of child care. Of that amount, 36% (\$539,450) is designated for programs that improve the quality of infant and toddler care

From the federal guidance recently issued on the supplement / supplant issue, Nebraska could reduce general funds for the child care subsidy since Nebraska is not changing rules or statutes and the state budget establishing the appropriation for child care had not been enacted when ARRA was passed. This allows these ARRA federal funds not set aside for quality initiatives to be used to pay for provider rate

increase and utilization without violating the supplant provisions. The committee proposal uses \$7 million in FY09-10 and \$3.2 million in FY10-11 to offset General Funds used for increased rates and utilization

MEDICAID

For the FY09-10/FY10-11 biennium the proposed budget reflects an average <u>decline</u> in General Fund appropriations for Medicaid of -4.3% per year. This two year average consists of a 17.6% reduction in FY09-10 and an 11.3% increase in FY10-11. These percentages fluctuate substantially due to the impacts of a \$19.9 million base reduction and a two year total of \$161 million of enhanced federal match rate funds pursuant to the American Recovery and Reinvestment Act of 2009 (ARRA). Adjusting for these impacts, the underlying growth in Medicaid is 2.3% in FY09-10, 3.4% in FY10-11 with a two year average of 2.8%

Base Reduction Expenditures for FY09-10 are projected to be \$19.9 million lower than the FY09 base year appropriation allowing for a base reduction of a like amount as the starting point for developing the FY10 and FY11 budget. Two areas account for the majority of under spending from the projections done in 2007: prescription drugs and nursing facilities. Drugs were projected to increase 10% per year; the actual increase was 6%. In addition, the "clawback," the amount the state must pay the federal government for the saving to the Medicaid Program because of Part D coverage was also lower than projected, by approximately \$4 million in FY 08 and by \$6.2 million in FY 09.

Federal Match Rate The federal match rate, adjusted for the state fiscal years, is changing from 59.54% to 60.56% in FY 10 and an estimated change in FY11 to 60.31%. This allows for a General Fund reduction of \$6,016,183 in FY09-10 and \$6,210,186 in FY10-11.

Rates and Clients Increases relating to eligibility, utilization, and provider rates result in additional General Fund dollars of \$19.5 million in FY09-10 and \$42.7 million in FY10-11. The committee provided a rate increase of 1.5 per year for all services. Prescription drugs are increasing 6.0%. Overall utilization is anticipated to grow 1.69%; 1% per year for aged, 3% per year for disabled, 1.5% per year for children while adults are projected to decline by 1% per year

<u>Program Changes</u> The committee proposal includes five program changes offered by the agency as part of their budget request. The changes and associated reduction in General fund appropriations are as follow.

- (1) The two tiered payment rate would provide for a 20% payment differential between procedures delivered in an inpatient or outpatient setting compared to the same procedures performed in an office. (-\$637,878 FY10-11).
- (2) The indirect medical education (IME) factor. Medicaid reimburses teaching facilities at a higher reimbursement level because those facilities have more costs due to time, procedures and equipment required in a teaching environment. This proposal would lower the factor from 72.64% to 70%. (-\$49,556 FY10-11)
- (3) The outpatient reimbursement rates would be changed to 75% from 82.45% of the hospital specific cost-to-charge ratio. (-\$843,137 FY10-11)
- (4) Institute premium payments for families at 185% of poverty and above. Families with children receiving Medicaid services through home and community-based waivers and the Katie Beckett provisions qualify without regard to the parents' income. This would institute a premium payment on families receiving Medicaid services with incomes above 185% of poverty. Approximately 790 families would have a premium payment obligation. The premiums would be on a sliding fee scale, starting at 1% of income and ranging up to 5%. A child's eligibility would not be discontinued until the premium was 60 days past due. This provision would be not be implemented until January 1, 2011 to avoid an ARRA enhanced FMAP violation. (-\$213,215 FY10-11)

(5) Change child care payment for disabled children to the amount exceeding regular child care. The federal government has taken an exception to coverage for the entire cost of child care. Medicaid should only be responsible for the cost of specialized care above the cost of regular child care. Regulations are in the process of being changed to bring the state into compliance. (-\$725,380 FY10-11)

ARRA Enhanced FMAP The American Recovery and Reinvestment Act of 2009 (ARRA) enacted in February 2009 contained a provision whereby all states received an enhanced federal Medicaid match rate of 6.2% from October 1, 2008 to December 31, 2010, if states meet certain conditions. Program 348 is the main Medicaid budget program. Other budget programs also contain expenditures that are eligible for the Medicaid match. Those budget programs are: 365 Regional Centers, 424 Community-Based

Developmental Disabilities, 421 BSDC and 38 Behavioral Health. These programs provide the state general fund match and the federal fund match is passed though Program 348 to the other programs. To facilitate the flow of funding into the state general fund in the most streamlined manner and to assist in clearly identifying the FMAP savings, the enhanced FMAP will flow through Program 348, although all eligible expenditures from all budget programs will be claimed.

Total Use of ARRA FMAP	
FY2009-10 enhanced	(97,376,177)
FY2009-10 employment	(31,000,000)
FY2010-11 enhanced	(63,082,483)
Subtotal	(191,458,660)
FY2008-09 deficit	\$(64,840,697)
Total	(256, 299, 357)

The budget also assumes the state will qualify for additional FMAP funds based on an unemployment factor adjustment. The reduction in the state share will be based on the state's unemployment rate in the most recent three-month period for which data are available compared to its lowest unemployment rate in any three-month period beginning on or after January 1, 2006. In Nebraska the lowest quarterly rate was 2.8%. To qualify, the state's rate must be 4.3% or more. There are three unemployment tiers. For each tier, the federal match rate increases. The unemployment tiers are: unemployment increase of at least 1.5 but less than 2.5 percentage points, unemployment increase of at least 2.5 but less than 3.5 percentage points, unemployment increase of 3.5 percentage points or more. The state's percentage reduction could increase over time as its unemployment rate increases, but if unemployment decreased, the state share would not decrease until the fourth quarter of federal FY2010, which begins July 1, 2010, assuming all other FMAP conditions are met. In no case will the state unemployment reduction factor applied for a state for a quarter (beginning on or after January 1, 2009 and ending before July 1, 2010) be less than the reduction factor applied to the state for the previous quarter.

Table 15 Medicaid (General Funds)

	Current Biennium		Committee	Proposed
	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Base Year appropriation	558.888.505	558,888,505	590,958,613	590,958,613
Base Adjustments	, ,	(13,542,498)		, ,
Provider rates / Eligibility /		65,6778,578		, , ,
Medicaid match rate (FMAP)	4,463,328	0	(6,016,183)	
ARRA Enhanced FMAP	0	0	(97,376,177)	(63,082,483)
ARRA Unemployment FMAP	0	0	(31,000,000)	0
Two-tiered payment rate	0	0	0	(637,878)
Indirect Medical Education Factor	0	0	0	(49,556)
Outpatient Reimbursement	0	0	0	(843,137)
Premium payment for families	0	0	0	(213,215)
Disabled Child Care	0	0	0	(725,380)
Medicaid "reform" provisionsr	(7,584,800)	(19,871,600)	In base	In base
LB 247 Misc HHS changes, LB 554 Adopt a new Parenting Act	(49,970)	(49,970)	In base	In base
LB 928 Mixc changes relating to public health and welfare	0	(144,402)	In base	In base
Medicaid Total General Funds	551,107,861	570,998,570	453,813,219	539,643,477
Annual \$ Change	17,826,976	14,243,132	(137,145,394)	85,830,258
Annual % Change	3.2%	2.5%	-23.2%	18.9%
Annual \$ Change – Excluding ARRA Enhanced FMAP	17,826,976	14,243,132	(8,769,217)	20,536,564
Annual % Change- Excluding ARRA Enhanced FMAP	3.2%	2.5%	-1.5%	3.5%

COMMUNITY HEALTH CENTER AID

In the 2005 session, the Legislature included new general fund support for aid to certain community health centers. There were five community health centers funded through Federal Program 330, located in Omaha (2), Lincoln, Columbus and Gering. These centers serve low-income individuals and a high number of uninsured. Each center receives a base amount of \$100,000 with the balance of the funding distributed proportionally based on in the previous state fiscal year's number of uninsured clients as reported on the Uniform Data System Report. The Committee budget includes new general fund support of \$281,575 (8.0%) in FY09-10 and an additional \$184,299 (4.8%) in FY09-10. This includes a provider rate increase of 1.5% per year and an additional \$100,000 each year as the base funding amount for a public health center in Norfolk which meets all the same criteria as the currently funded centers.

PUBLIC HEALTH AID

The committee proposes a significant increase in public health aid; \$661,872 (16.0%) in FY10 and an additional \$62,800 (1.3%) in FY11. This includes a provider rate increase of 1.5% per year and additional funds in two areas: \$200,000 each year for the Every Woman Matters Program for mammograms, breast examinations, pap smears and colposcopy and associated laboratory costs and \$400,000 each year for the Stay in the Game Program, screening and early detection of colon and rectal cancer.

AID TO AGING SERVICES

The committee budget includes a 3% per year increase for area agencies on aging (\$171,716 FY10, \$348,582 FY11) and 1.5% per year increase for care management (\$29,899 FY10, \$59,850 FY11).

HIGHER EDUCATION STUDENT AID

Overall increases in student scholarship aid, General and Cash funds, amount to 9% in FY09-10 and 6.6% in FY10-11. While there are no increases in General Fund support for the Nebraska Scholarship Program, there is a significant increase in the amount of lottery funds for scholarships, \$1 million in FY10 and \$1.75 million in FY11. With respect to the relatively new Access College Early Scholarship program, the committee more than doubled the size of the program by providing additional General Funds amounting to \$160,000 in FY10 and \$330,000 in FY11.

Table 16 Coordinating Commission Student Aid Programs

Current B	iennium	Committee	Proposed
FY2007-08	FY2008-09	FY2009-10	FY2010-11
6,717,065	6,717,065	6,717,065	6,717,065
49,750	49,750	275,250	445,250
6,766,815	6,766,815	6,992,315	7,162,315
4,750,000	6,000,000	7,000,000	7,750,000
11,516,815	12,832,315	13,992,315	14,912,315
1,000,000	1,315,500	1,160,000	920,000
9.5%	11.4%	9.0%	6.6%
	6,717,065 49,750 6,766,815 4,750,000 11,516,815 1,000,000	6,717,065 49,750 6,717,065 49,750 49,750 6,766,815 6,766,815 4,750,000 6,000,000 11,516,815 12,832,315 1,000,000 1,315,500	FY2007-08 FY2008-09 FY2009-10 6,717,065 6,717,065 6,717,065 49,750 49,750 275,250 6,766,815 6,766,815 6,992,315 4,750,000 6,000,000 7,000,000 11,516,815 12,832,315 13,992,315 1,000,000 1,315,500 1,160,000

GENERAL FUND AID TO LOCAL GOVERNMENTS

STATE AID TO K-12 SCHOOLS

Table 17 shows the total amount of General Fund state aid to K-12 schools from the various aid programs. In terms of General Funds, the average percent change over the two year period is a negative .4%. However, this is due to the use of \$234 million ARRA Education Stabilization funds used to fund TEEOSA along with General Funds and Insurance Premium Tax.

When looking at combined General and ARRA funds, the two year average growth in overall aid to K-12 schools is 6.8%. A description of the various programs follows the table

Table 17 Total General Fund State Aid to K-12 Schools

	Approp	Approp	Approp	Approp	Committee	Proposed
	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
State Aid to Education (TEEOSA)	683,473,181	701,346,228	753,555,548	823,527,243	826,704,311	826,887,980
Special Education	169,204,057	174,280,179	179,508,584	184,893,842	184,893,842	184,893,842
High ability learner programs	2,336,921	2,336,921	2,336,921	2,336,921	2,336,921	2,336,921
Early Childhood program	3,680,471	3,680,471	3,626,267	3,615,426	3,615,426	3,615,426
School Lunch	421,087	421,087	421,087	421,087	421,087	421,087
Textbook loan program	420,000	420,000	435,000	450,000	500,000	500,000
School Breakfast reimbursement	271,378	271,378	379,071	411,100	412,811	427,260
Adult Education	230,574	230,574	230,574	230,574	230,574	230,574
Vocational Education	0	450,000	450,000	450,000	450,000	450,000
Learning Communities Aid	0	0	0	500,000	1,000,000	1,025,000
Total Gen Fund Aid - K-12 Districts	860,037,669	884,086,838	940,943,052	1,016,836,193	1,020,564,972	1,020,788,090
ARRA Education Stabilization	0	0	0	0	84,068,750	149,887,176
Gen Fund + ARRA	860,037,669	884,086,838	940,943,052	1,016,836,193	1,104,633,722	1,170,675,266
General Funds:						
\$ Change over Prior Yr	74,613,792	24,049,169	56,856,214	75,893,141	3,728,779	223,118
% Change over Prior Yr	9.5%	2.8%	6.4%	8.1%	0.4%	0.0%
General + ARRA Funds:						
\$ Change over Prior Yr	74,613,792	24,049,169	56,856,214	75,893,141	87,797,529	66,041,544
% Change over Prior Yr	9.5%	2.8%	6.4%	8.1%	8.6%	6.0%

Special Education The Committee proposal continues special education reimbursement at the current \$184,893,842 level. Originally, the preliminary budget included a 3% per year increase. However, these amounts were removed post hearing after taking into consideration the amount of additional IDEA special education funds that will be available over the next two years per the American Recovery and Reinvestment Act of 2009 (ARRA).

Other K-12 Aid Programs The committee budget includes no change in the high ability learner program (\$2,336,921), School Lunch (\$421,087), Adult Education (\$230,574), Early Childhood program (\$3,615,426), and Vocational Education (\$450,000). There are some small increases in School Breakfast reimbursement (\$1,711 FY10 and 14,449 FY11) based on claims required to be funded by law. Also base on existing law, there is a \$500,000 increase in funding for the new Learning Community Board. Lastly, the committee included a \$50,000 increase in the textbook loan program increasing the overall funding from \$450,000 to \$500,000.

Tax Equity and Educational Opportunities Support Act (TEEOSA)

The Committee budget includes funding for state aid to schools (TEEOSA) <u>based on the provisions of LB 545 as sent to the floor with the Education Committee amendments as amended by the Adams amendment.</u> With these changes, the overall increase in TEEOSA state aid is \$86.1 million (10.3%) in FY09-10 and an additional \$66.4 million (7.2%) in FY10-11. Note the dollar and percent change in FY10 compares to the FY09 level INCLUDING DEFICITS. Other dollar and percent changes in this report exclude deficits.

From this overall level of TEEOSA aid, the committee proposal then funds this aid amount with a combination of (1) allocated Insurance Premium Tax monies under current law, (2) Education Stabilization funds available through the American Recovery and Reinvestment Act of 2009 (ARRA), and (3) state General Funds.

Table 18 provides a summary of TEEOSA aid showing the original estimate per current law (LB988-2008) through the projected amount funded per LB545 with committee amendments. Also shown then is the allocation of the overall aid amount by funding source and the dollar and percent change in both total aid and General Fund amounts. Note in line 3 and 4 of the table the increased aid attributed to the no growth in Special Education reimbursement in FY10 and FY11. In the TEEOSA formula, Special Education reimbursement is considered as part of "other receipts". The original estimate assumed a 5% per year increase, therefore a lower reimbursement amount results in lower "other receipts" after a two year lag and thus higher TEEOSA equalization aid.

Table 18 TEEOSA Aid LB 545 with Education Committee amendment as amended by Adams Amendment

		Includes deficit	Estimated	Estimated	Estimated	Estimated
_		FY2008-09	FY2009-10	FY2010-11	FY2011-12	FY2012-13
1	Estimation of TEEOSA School Aid					
2	NDE Model A (current law)	839,390,579	941,380,498	1,032,918,967	1,131,021,478	1,200,517,505
3	SPED reimbursement to 3% (Committee Prelim)	0	0	0	3,612,375	7,513,741
4	SPED reimbursement to 0% (Committee Post Hrng	0	0	0	5,418,563	10,999,683
5	NDE Model A (current law with revise SPED)	839,390,579	941,380,498	1,032,918,967	1,140,052,416	1,219,030,929
6	Averaging adjustment changes	0	(17,722,281)	(42,731,898)	(44,868,493)	(47,106,831)
7	Cost Growth factor to 1.04	0	0	0	(41,284,104)	(43,348,309)
8	Allowable growth rate change impact	0	0	0	(14,372,520)	(30,278,154)
9	Retirement assistance	0	1,647,456	1,647,456	0	0
10	Learning community hold harmless	0	159,455	0	0	0
11	Total per Scenario	839,390,579	925,465,128	991,834,525	1,039,527,300	1,098,297,636
12	TEEOSA School Aid by Funding Source					
13	General Funds	825,056,855	826,704,311	826,887,980	1,024,091,447	1,082,475,886
14	Insurance Premium Tax	14,333,724	14,692,067	15,059,369	15,435,853	15,821,750
15	ARRA Stablization Funds	0	84,068,750	149,887,176	0	0
16	Total per Scenario	839,390,579	925,465,128	991,834,525	1,039,527,300	1,098,297,636
17	All Funds: \$ Change	70,776,606	86,074,549	66,369,397	47,692,775	58,770,336
18	All Funds: % Change	9.2%	10.3%	7.2%	4.8%	5.7%
19	All Funds: Five Year Avg % Change					7.4%
20	General Funds: \$ Change	71,501,307	1,647,456	183,669	197,203,467	58,384,439
21	General Funds: % Change	9.5%	0.2%	0.0%	23.8%	5.7%
00	General Funds: Five Year Avg % Change					7.5%

A chronology of TEEOSA estimates for the FY10 / FY11 biennium is shown in Table 19. Numbers shown are increases in aid compared to the FY08-09 base year (with deficit) from the estimates at Sine Die 2008 through the current LB545 estimate with Education Committee amendments as sent to the floor which was the basis of the funds included in the Appropriations Committee budget proposal.

Table 19 Chronology of TEEOSA Estimates

Chronology of TEEOSA Estimates	Dollar Ir	crease over FY0	% Change over Prior Yr		
(Amounts on a Biennial Basis, includes FY09 deficit)	FY2009-10	FY2010-11	2 Yr Total	FY2009-10	FY2010-11
May 2008 Recertified per LB988	111,637,463	215,435,761	327,073,224	13.2%	11.1%
October 2008 Joint Meeting	73,443,225	177,143,157	250,586,382	8.8%	11.5%
December 2008 updated estimate	64,738,207	165,923,278	230,661,485	7.7%	11.3%
NDE Model A (current law)	101,989,916	193,528,387	295,518,302	12.2%	9.8%
Appropriations Committee Prelim & Governor	33,828,728	64,196,031	98,024,759	4.0%	3.5%
LB545 (Included in Approp Committee Budget)	86,074,549	152,443,946	238,518,495	10.3%	7.2%

Under current law (and based on the Dept of Education's Model A printout) TEEOSA school aid was projected to increase by \$102 million (12.2%) in FY09-10 and an additional \$91.5 million (9.8%) in FY10-11. These large increases, providing a total of \$295 million of additional aid over the biennium, were the result of annualizing LB988 (especially an unanticipated \$40 million increase in the averaging adjustment) and assumed lower property valuation growths in FY10-11. These higher growths are moderated under LB545 with Education Committee amendment (with the Adams amendment) modifying the averaging adjustment. Growth in the following biennium is lowered with a lowering of the cost growth factor and assumed lower overall spending growth attributed to the lower basic allowable growth rate in the FY10 / FY11 biennium.

AID TO ESU'S

The committee budget provides no increase in aid to ESU's and actually reduces aid by \$202,000 as part of annualizing the impact of LB 1208 (2006).

	Biennial	Budget	Biennial	Budget	Committee	Proposal
(General Funds only)	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
D	10 504 040	10 501 010	44.540.400	11 510 100	10 000 570	10 000 570
Base Year Appropriation	10,564,913	10,564,913	11,546,488	11,546,488	16,089,570	16,089,570
Cost increases-core services	100,778	204,076	0	0	0	0
Cost increases-technology	31,284	63,349	0	0	0	0
LB 1208 (2006) Distance education services	0	0	(183,850)	(183,850)	(202,000)	(202,000)
LB 603 Change core service/technology funding	0	0	0	4,726,932	0	0
2006 - LB 1208 Distance education services	0	714,150	see above	see above	see above	see above
Total - New Appropriation	10,696,975	11,546,488	11,362,638	16,089,570	15,887,570	15,887,570
\$ Change over Prior Yr	132,062	849,513	(183,850)	4,726,932	(202,000)	0
% Change over Prior Yr	1.3%	7.9%	-1.6%	41.6%	-1.3%	0.0%

AID TO MUNICIPALITIES

The Committee budget includes a \$520,000 increase in aid to municipalities to replace the expiration of MIRF funds. In FY2004-05 as part of budget and aid reductions, MIRF funding was reduced to \$520,000 per year but limited to allocation to cities of the primary class. As an offset, the aid to municipalities allocation was altered so that cities of the primary class did not receive aid in the amount of MIRF funding they did receive. With the sunset of the MIRF program, the distribution of aid to municipalities needs to change so that cities of the primary class are not harmed once MIRF funding ceases. Current statute

states: "Beginning with fiscal year 2009-10, the amount of aid to municipalities appropriated shall be increased by five hundred twenty thousand dollars."

AID TO COUNTIES

There are three aid programs from which counties receive assistance, general <u>aid to counties program</u> in the State Treasurer's budget, the <u>County Property Tax Relief</u> program budgeted under the Dept of Revenue and the <u>county jail reimbursement program</u> under the Dept of Correctional Services. The committee proposed budget reflects no change in funding for these three aid programs and simply extends the FY08-09 level of funding for the next two years.

AID TO NRD'S

The committee proposed budget reflects no change in funding for aid to NRD's at least through this program.

HOMESTEAD EXEMPTION

The committee proposed budget reflects a significant reduction in the funding requirements of the homestead exemption program. This does not reflect a "cut" in the homestead exemption program. The eligibility requirements, income levels, and percent of exemption are all set in statute. The reduction in the funding amount relates to lower actual claims in previous years.

In the Homestead Exemption program, the FY2007-08 actual claims were \$7 million below budgeted. This excess FY08 amount was removed in the deficit adjustments last session but the FY08-09 base was not changed as it was unknown whether that below budget expenditure was attributed to a slow implementation of the homestead changes made in LB968 passed in 2006. The actual exemption claims attributed to the 2008 taxes levied are now known and are \$14.9 million below the FY09 budgeted. This \$14.9 million below budgeted amount appears to be a continuation of the \$7 million reduction in FY08 and an additional \$7.9 million reduction. While there is no question that this \$14.9 million is not needed to pay actual exemption claims filed based on existing law, there are still questions about why the lower level of claims. More analysis is needed to attempt to isolate the cause.

After the base adjustment reflecting the FY08 deficit, the committee proposed funding level reflects an average growth of 3% per year.

	Biennial	Budget	Biennial	Budget	Committee	Proposed
Homestead Exemption	FY2005-06	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Base Year appropriation	48,838,100	48,838,100	56,473,000	56,473,000	76,120,104	76,120,104
Base reduction per base yr actual data	0	0	0	0	(14,870,104)	(14,870,104)
Cost/Client increases	4,081,900	7,634,900	6,689,960	12,579,104	1,000,000	3,750,000
LB968 (2006) Changed maximum values/exemptio	0	0	6,894,000	7,068,000	0	0
Total General Funds (without deficits)	52,920,000	56,473,000	70,056,960	76,120,104	62,250,000	65,000,000
Deficit	907,000	260,000	(7,000,000)	(14,870,104)	0	0
Total General Funds (with deficits)	53,827,000	56,733,000	63,056,960	61,250,000	62,250,000	65,000,000
\$ Change (including deficits)	3,425,724	2,906,000	6,323,960	(1,806,960)	1,000,000	2,750,000
% Change (including deficits)	6.8%	5.4%	11.1%	-2.9%	1.6%	4.4%

GOVERNOR'S EMERGENCY PROGRAM

The Committee proposed budget provides General Fund support for the Governors Emergency Program at \$1,000,000 each year. Deficit funding for FY08-09 includes a \$7.5 million cash fund appropriation financed by a like transfer from the Cash Reserve Fund.

AID TO COMMUNITY COLLEGES

Aid to community colleges would increase by \$ 1,745,329 (2.0%) in FY09-10 and an additional \$1,328,632 (1.5%) in FY10-11. This is consistent with the increases provided the State Colleges and University of Nebraska.

GENERAL FUND AGENCY OPERATIONS

AGENCY BUDGET / BASE REDUCTIONS

In many executive branch agencies, the agency request included a variety of budget reductions to fully or partially offset the added costs of salary and health insurance cost increases. For the most part, these were "code" agencies or those agencies whose director is appointed by the Governor, The Committee proposed budget includes many of those reductions as well as reductions in other agencies using either a general "base" reduction or some combination of issues offered in the modification process. About half of the reductions occur in the Dept of Health and Human Services. The Court System and Dept of Corrections were excluded from these reductions.

These reductions are listed individually under each agency in the second part of this report. A summary at the agency level is shown below:

Age	ncy Number and Name	FY2009-10	FY2010-11
3	Legislative Council	(30,150)	(30,150)
8	Lt. Governor	(1,952)	(1,952)
10	Auditor	(124,277)	(197,121)
11	Attorney	(150,000)	(250,000)
12	Treasurer	(10,700)	(10,700)
13	Education	(196,608)	(196,608)
14	Public Service Comm	(105,970)	(117,542)
16	Revenue	(990,991)	(1,722,395)
18	Agriculture	(214,096)	(280,060)
21	Fire Marshal	(145,000)	(145,000)
23	Labor	(26,877)	(26,877)
25	HHS-System	(4,378,682)	(5,778,789)
27	Roads	(15,574)	(15,574)
28	Veterans Affairs	(32,330)	(63,681)
31	Military Dept	0	(53,604)
34	Library Commission	(102,490)	(195,618)
35	Liquor Control	(15,832)	(15,832)
47	NETC	(368,145)	(368,145)
48	Postsecond Coord Comm	(35,432)	(71,271)
54	Historical Society	(113,662)	(232,089)
64	State Patrol	(625,646)	(642,649)
65	Admin Services	(667,721)	(814,136)
67	Equal Opportunity Comm	(94,654)	(95,681)
68	Mexican-American Comm	(17,283)	(17,283)
69	Arts Council	(10,029)	(31,957)
76	Indian Commission	(16,019)	(16,019)
77	Industrial Relations	(3,183)	(3,183)
78	Crime Commission	(40,000)	(80,000)
82	Deaf & Hard of Hearing	(22,488)	(23,423)
87	Accountability/Disclosure	(20,000)	(20,000)
93	TERC	(25,211)	(49,658)
Tota	al	(8,601,002)	(11,566,997)

COURT SYSTEM

The Appropriations Committee proposal includes \$65,336 in FY09-10 and \$131,980 in FY10-11 for an additional salary increase for county court employees of approximately one-half of one percent (0.5%) per year. This is in addition to the general 2.5% per year salary funding. The committee also included \$105,500 each year for increased interpreter usage. The increasing number of limited English speaking litigants and the growing number of languages means the courts must provide more hours of interpreter services each year. Also included are increases of \$82,864 in FY09-10 and \$85,255 in FY10-11 for increased usage of retired judges to allow the Supreme Court to manage the workload of its busiest district courts.

DEPT OF HEALTH AND HUMAN SERVICES

Besides funding of salary and health insurance costs, and funding issues at the Beatrice State Developmental Center (BSDC) the Committee proposed budget for the operation of the HHS System has minimal changes.

Annualize LB830-2008 The cash funds from the Health Care Cash Fund were provided for the start up costs of the multi-state purchasing pool and development of the preferred drug list. The ongoing state match is from general funds once savings start to accrue to the Medicaid Program in FY 10. The annual projected savings in the Medicaid budget due to the Medicaid Prescription Drug Act are \$3.5 million (\$1,254,303 in both FY10 and FY11)

<u>Capped federal funds</u> Several block grants such as the Mental Health and Substance Abuse Block Grant and the Child Care Block Grant have not increased. Others have had a reduction in the amount charged. (\$1,143,332 in both FY10 and FY11)

Inflationary Increases: The Committee recommendation includes inflationary increases for food, drugs, medical and clinical services and medical supplies for the regional centers, veterans homes, youth rehabilitation and treatment centers, Norfolk Sex Offender Treatment Center, and the Beatrice State Developmental Center. Requests for these items are considered to be unique operating costs for 24 hour facilities. The Department of Health and Human Services (HHS) guidelines for increases in these line items were as follows: food increased 5% each year; drugs costs increased 6% each year; and, medical services and supplies increased 2% each year. Medical supplies include laboratory supplies, contracts with doctors, and costs to take clients to medical appointments. The increases are based upon historical inflationary increases in these line items. Additional funds added for these operating expenses for all of the 24 facilities operated by HHS totaled \$681,676 General Funds in FY2009-10 and \$1,397,931 General Funds in FY2010-11.

27th Payroll: The Committee recommendation also includes additional cash and general funds for a 27th payroll at the regional centers and Norfolk Sex Offender Treatment Center. In 2009-10 there will be 27 biweekly payrolls. The extra payroll occurs every ten years or so. HHS requested increased funding to cover the extra payroll at the regional centers and sex offender treatment center. All of the other facilities have enough budget reserved to meet the obligation. The department indicates that regional center funds were used to complete behavioral health reform legislation. The recommendation includes \$339,376 General Funds and \$1,021,260 Cash Funds for this obligation in FY2009-10.

<u>Recruitment and Retention</u>: The Committee recommendation includes a continuation of funding provided in the deficit for the 24 hour facilities at HHS for recruitment and retention incentives for front-line direct care staff. In FY2007-08, the turnover rate for facility direct care workers ranged from 14% for Mental Health Security Specialists to 50% for Staff Care Technicians/Specialist, with an average turnover

rate for direct care staff of 32%. The vacancy rate is also high at 19% for FY2007-08. The incentives will be given to Psychiatric Tech/Specialists, Mental Health Specialists, Staff Care Tech/Specialists, Developmental Tech/Specialists and Youth Security Specialists.

The three types of incentives are as follows: (1) Recruitment/Retention -\$500 for each new hire successfully completing six months of probation – add'l \$500 after one year, (2) Retention/Performance -\$500 for each current employee on anniversary date, (3) Referral - \$500 for each referral by an employee in one of the classes after the new employee successfully completes six months of probation.

The recommendation includes a total increase of \$200,464 Cash Funds and \$592,920 General Funds in each year of the biennium for the 24 hour facilities. Funding is provided as follows: \$200,464 regional centers; \$73,409 youth rehabilitation and treatment centers; \$241,403 BSDC; \$222,204 veterans homes; and \$55,904 Norfolk Sex Offender Treatment Center.

Maintenance and Depreciation: The budgets of the 24 hour facilities were decreased by a total of \$2,325,135 General Funds in FY2009-10 and FY2010-11 to reflect requested decreases in the maintenance contract and depreciation. The decreases by facility are as follows: \$1,102,791 regional centers; \$193,533 youth rehabilitation and treatment centers; \$402,910 BSDC; \$417,441 veterans homes; and \$208,460 Norfolk Sex Offender Treatment Center.

<u>Worker's Compensation</u>: The budgets of the 24 hours facilities were also decreased by a net total of \$396,219 General Funds in FY2009-10 and FY2010-11 per the agency request for worker's compensation. The decreases by facility are as follows: \$238,047 regional centers; \$29,446 youth rehabilitation and treatment centers; \$76,821 BSDC; \$77,093 veterans homes; and the Norfolk Sex Offender Treatment Center was increased by \$25,188.

Beatrice State Developmental Center (BSDC) funding issues The Committee recommendation includes funding over a three-year period to address needed services at the Beatrice State Developmental Center (BSDC) pursuant to concerns by regulatory entities as to the quality of care for residents. An additional \$7 million of General Funds is appropriated as a deficit in the current year, FY2008-09, and \$5 million in each year of the next biennium, to Program 421, to pursue a plan of action to continue federal participation in the operation of BSDC.

The funding is in response to notification by the Centers for Medicare and Medicaid Services (CMS) of the termination of BSDC's Medicaid approval in March of 2007 due to non-compliance with four of eight conditions of participation. The decertification results in the loss of over \$25 million of annual funding for the center. The decertification has been appealed and an administrative law judge heard the case in November, 2008. A decision is expected sometime in the near future. Medicaid funding for BSDC continues until the case is decided. The Committee recommendation includes a contingency general fund appropriation in Program 422 of \$25 million in FY2009-10 and \$24,477,558 in FY2010-11 in the event the decertification is upheld.

In another issue related to the quality of care of residents, the Department of Health and Human Services entered into an agreement with the Department of Justice (DOJ) on July 2, 2008 to achieve and /or maintain desired outcomes for BSDC residents and ensure they are provided with the protections, supports and services they need to ensure their constitutional and statutory rights are protected. The agreement is anticipated to be in effect for about four years. The Committee recommendation includes an additional \$2.5 million of General Funds in each year of the next biennium for the Department of Justice agreement.

In order to provide needed services in response to CMS and DOJ concerns, the department must fill a number or staffing vacancies and/or reduce the census at BSDC. Additional direct care staff need to be hired and shift supervisor positions need to be created. Administrative positions must be filled in the areas

of active treatment, residential services, quality improvement and investigations. The state must also pay the expenses of an independent expert and/or any consultants needed for the duration of the DOJ agreement.

Additional specialized licensed and/or certified staff must also be hired to provide medical, nursing, neurology, psychology, psychiatry, developmental therapy and communication services. Clinical assessments must be completed for all the residents of BSDC to determine needs and placement options. Transition expenses must also be paid for 47 residents, deemed medically fragile, that were transferred from BSDC to other settings pursuant to the Chief Medical Officer's order. The Outreach Treatment and Intensive Services program at BSDC is also being expanded to serve residents placed in the community.

The Committee recommendation also includes \$5 million of General Funds in FY2009-10 and \$5 million of General Funds in FY2010-11 appropriated to Program 424 to fund services for residents of BSDC who are moved into community-based services. The general funds will be matched with federal Medicaid funds.

In summary, an additional \$32 million of General Funds has been appropriated to BSDC over the three year period, FY2008-09, FY2009-10 and FY2010-11 to address CMS and DOJ deficiencies. Quarterly reports to the Legislature detailing the expenditure of these funds are required. A contingency general fund appropriation of \$25 million in FY2009-10 and \$24,477,558 in FY2010-11 is also provided, in a newly created Program 422, to replace federal Medicaid funds in the event the decertification of BSDC is upheld.

DEPT OF CORRECTIONAL SERVICES

In terms of the FY09-10 and FY10-11 biennium, the dollar and percent increase in funding for the Dept of Correctional Services is skewed by the inclusion of the ARRA stabilization funds. The actual percent changes show a 18% reduction in FY09-10 and a 18.6% increase in FY10-11. Adjusting out the impact of the ARRA funds, the percent increases are 5% in FY09-10 and 3.3% in FY10-11. Significant changes in their appropriations are noted below.

ARRA General Fiscal Stabilization funds Under the American Recovery and Reinvestment Act of 2009 (ARRA), Nebraska was allocated \$52 million of general fiscal stabilization funds. As stated in the Act, these funds can be used for public safety and other government services. In light of the significant state budget shortfall, the committee proposal utilizes all these monies to offset General Funds in the "public safety" area, namely the Dept of Correctional Services. Implementation and record keeping of these funds is kept to a minimum by using all the monies in a single area, yet the General Funds saved here avoids significantly higher cuts in other areas. Of the total \$52 million, 67% or \$35 million is used to offset General Funds in FY2009-10 with the other 33%, \$17,000,000 used in FY2010-11.

Annualize Expanded Substance Abuse and Mental Health Plan This is an annualization of a previous proposal approved and funded in 2007. As an alternative to funding a new substance abuse treatment facility a 2007 DCS proposal expanded residential substance abuse and mental health treatment capacity in existing facilities. This would add staff (40 FTE) that would treat substance abuse, mental health, and sex offenders. Capacity would be increased by 182 beds at the following facilities: Nebraska State Penitentiary (100), Omaha Correctional Center (72), and the Nebraska Correctional Center for Women (10). Initial funding was provided in FY07-08 (\$200,000) and FY08-09 (\$1,511,516). The additional funding provided here fully fund the plan costs. (\$586,830 FY10, \$615,363 FY11)

<u>Electronic monitoring of lifetime sex offenders</u> LB1199, 2006, required that certain sex offenders be subject to community supervision by Parole for the remainder of their lives. There were no

funds included for electronic monitoring of Lifetime Sex Offenders (LSO) in LB1199, and there is no statutory authority allowing DCS to charge LSO for electronic monitoring. (\$80,000 FY10, \$120,000 FY11)

<u>Utilities Increase</u> The agency is projecting the cost for utilities will increase based on an estimated overall 5.75% increase in costs in FY09, a 9.2% increase in FY10, and another 5% in FY11. DCS operates ten 24-hour facilities housing inmates (made up of 122 individual buildings), and a central office building. DCS has completed energy savings projects over the years such as new windows and energy efficient lighting. They have also started practices to help reduce energy usage, such as setting thermometers at certain maximum and minimum presets. (\$783,520 FY10, \$1,018,388 FY11)

Inmate Medical Costs DCS notes that the last 10 years have seen average per year increases of 15% while the inmate population has increased about 2.4%. The agency notes that the increases would have been significantly larger except for two initiatives which were put in place in FY04: Use of Medicaid funds and negotiating PPO rates with the hospitals. Since then, the increase per year has been only 2.5% per year. Unfortunately, the major savings from these two initiatives has already been realized. The inmate population is becoming older and sicker, and treatment and prescription costs continue to increase. Contract medical costs with the medical provider at Tecumseh are expected to increase over the next biennium. Hospital visits and costs continue to increase. Even with PPO BCBS rates, the cost of medical services continues to escalate (\$1,500,000 FY10, \$2,000,000 FY11)

Inmate Food Cost Increases Similar to what is occurring nationally, DCS is experiencing higher food costs. Even though Nebraska's cost per meal is one of the lowest in the country, costs continue to significantly increase. DCS looks for opportunities to manage costs, such as utilizing garden produce and opportunity buys. Opportunity buys are purchases of canned or dry goods usually that the agency makes as the opportunity arises for the purchase. (\$325,000 FY10, \$400,000 FY11)

<u>Suspended LB1100 assessments</u> Under current law, agencies are levied a depreciation assessment of 2% of construction projects. These funds are then credited to the 309 Task Force for future maintenance. The committee proposal suspends this assessment allowing for a reduction of \$938,339 in both FY10 and FY11)

STATE COLLEGES

The Committee budget reflects a General Fund increase of 1.7% in FY09-10 and 1.8%% in FY10-11. This increase has two components. First is an overall increase of 1.5% per year. This general increase is provided in lieu of specific funding for salary, health insurance and other cost increases. The dollar amounts provided by this general increase, \$680,898 in FY09-10 and \$1,372,009 in FY10-11, are less than the cost of salary and health insurance increases alone, \$2,856,823 in FY09-10 and \$5,214,032 in FY10-11.

The second component is operating funding for the South Sioux City College Center amounting to \$100,000 for FY09-10 and \$250,000 for FY10-11. In the 2005-07 biennium, the Legislature appropriated \$265,850 to support planning for an education center to be jointly operated by Wayne State College and Northeast Community College in South Sioux City. For the 2007-09 biennium, the Legislature appropriated \$3,500,000 to the Nebraska State College System (NSCS) for construction of the South Sioux City College Center with accompanying intent language providing that project costs to be financed by Northeast Community College were to at least equal amounts appropriated by the Legislature. Federal, private and other funds were also authorized to support the project. Funds were requested by NSCS for the 2009-11 biennium to support one-half of costs associated with operating the Center. The balance of funds to meet such costs is to be met by the Northeast Community College Area. For 2009-10, NSCS requested \$123,524 (General Fund) for preliminary organizational operating expenses in

advance of planned opening of the Center in 2010-11. For 2010-11, NSCS requested \$400,182 (General Fund) for first year operating costs for the Center. The Appropriations Committee recommendation includes partial funding of the amounts requested.

Although no additional funding was provided, the Appropriations Committee recommendation includes a suspension of the LB1100 depreciation assessments (LB318) which helps mitigate the impact of only nominal increases in General Fund appropriations.

UNIVERSITY OF NEBRASKA

The Committee budget reflects a General Fund increase of 2.1% in FY09-10 and 1.7%% in FY10-11. Included in this overall General Fund increase is a basic across the board increase of 1.5% per year. This general increase is provided in lieu of specific funding for salary, health insurance and other cost increases. The dollar amounts provided by this general increase, \$7,381,591 in FY09-10 and \$14,873,906 in FY10-11, are less than the cost of salary and health insurance increases alone, \$18,866,745 in FY09-10 and \$38,563,149.

The Committee budget also includes \$425,000 in FY09-10 and \$1,460,724 in FY10-11 for a UNMC College of Nursing Division in Norfolk. A feasibility study conducted by the UNMC College of Nursing in the Fall of 2006 indicated the northeast region of Nebraska has one of the most significant registered nurse shortages in the state. Funding is recommended to implement the academic plan for a new UNMC College of Nursing Division in Norfolk. The University's partners in establishing this new division are Northeast Community College, Faith Regional Health Services and the Norfolk community. The Norfolk community has raised \$10.7 million for a new College of Nursing facility and \$350,000 annually for operating expenses to support the new facility. The first class of UNMC nursing students will begin in the Fall of 2010.

Although no additional funding was provided, the Appropriations Committee recommendation includes a suspension of the LB1100 depreciation assessments (LB318) which helps mitigate the impact of only nominal increases in General Fund appropriations.

STATE PATROL

The committee proposal includes several funding items for the State Patrol. The largest increase is \$1,144,429 in FY09-10 and \$1,182,139 in FY10-11 to annualize the implementation of the public safety communication system authorized in LB322 passed in the 2007 Session. The current year budget includes the original funding amount of \$257,097.

The committee also included \$275,000 in each year for gasoline cost increases, and \$168,000 each year for new information systems and program maintenance contracts, and \$280,000 starting in FY11 for an additional 1% retirement contribution.. The committee also included <u>cash funds</u> in FY09-10 (\$580,000) and FY10-11 (\$609,000) to replace the current fleet of 3 fixed-wing aircraft. The Patrol plans to replace 1 plane each in FY10 and FY11. Additionally, the Patrol will replace 1 plane with carryover funds in FY09.

The committee also incorporated a reduction of \$625,646 in FY09-10 and \$642,649 in FY10-11 for vacancy savings due to turnover of personnel. For Program 100 Public Protection (Troopers), the Patrol is estimating that there will be the equivalent of 15 vacant positions during the biennium, the committee recommendation took 7 of these positions.

LB1100 DEPRECIATION ASSESSMENTS

LB318 was introduced at the request of the Governor and is advanced to General File without amendment by the Appropriations Committee. The bill would suspend certain depreciation charges assessed by the Department of Administrative Services (DAS). Legislation enacted in 1998 (LB1100) provided, with certain exclusions, that in the year following completion of a capital construction project, DAS was to annually thereafter assess depreciation charges to the relevant state agency on the basis of 2% of the total project cost. In the case of acquisition of an existing facility, the depreciation charge was based upon 2% of the greater of the acquisition price or the value of the facility as determined by DAS. The charges were suspended for 2003-04 and 2004-05 by LB410 [2003] and LB1092 [2004]. The charges were reinstated at a 1% rate for 2005-06 and have remained at this level through the current fiscal year, 2008-09. Amounts remitted by state agencies for these 'LB1100' depreciation charges are credited, as applicable, to the State Building Renewal Assessment Fund (Sec. 81-188.01), University Building Renewal Assessment Fund (Sec. 81-188.05). The funds are administered by the "309" Task Force for Building Renewal (a division of DAS). In general terms, amounts from the respective funds are authorized to be expended for building renewal projects and other building improvements incident to approved building renewal projects.

LB318 would suspend assessment of 'LB1100' depreciation charges for 2009-10 and 2010-11. Under provisions of the bill, the depreciation charges would resume at the 1% rate for 2011-12 and future years. As such, the bill would result in a reduction of revenue accruing to the three building renewal assessment funds to support building renewal projects. Correspondingly, affected state agencies would not be subject to the depreciation charges for 2009-11.

For the Nebraska State College System, related depreciation charges for 2008-09 are \$530,060. For each year of the 2009-11 biennium, these charges to the College System would amount to \$750,984 if LB318 is not enacted. Related depreciation charges for the University of Nebraska for 2008-09 are \$3,771,149. Such charges for the University would amount to \$6,166,106 for 2009-10 and \$7,751,634 for 2010-11 if LB318 is not enacted. The Appropriations Committee recommendation (including LB318) effectively frees up funds for the State Colleges and University that otherwise would be required to be applied to payment of 'LB1100' depreciation charges. Suspension of the depreciation charges mitigates the impact of only nominal increases in General Fund appropriations to support University and Nebraska State College System operations.

STATE EMPLOYEE SALARY INCREASES

Collective bargaining agreements have been negotiated with the various bargaining units and are described in the following narrative. All percent increases shown are to be implemented July 1. Table 21 shows the General Fund amount funded by the Committee.

Table 20 shows the historical salary increases over the past 10 years based on the NAPE master contract. Also shown is how these pay increases would be reflected as an annual percent change on a fiscal year basis for an average state employee (base FY85 salary of \$18,000). Note this table does not reflect salary increases for higher education or other bargaining units such as SLEBEC. Also not reflected is the impact of specific reclassifications or pay grade changes that may have occurred over the years. Over the 10-year period FY01 to FY11, employee salary increases averaged 3.0% per year almost exactly the rate of the Consumer Price Index.

Nebraska Association of Public

Employees (NAPE-AFSCME) Collective bargaining agreements have been reached with NAPE-AFSCME on a labor contract for FY2008-09 and FY2009-10. The contract calls for a salary increase of 2.9% on July 1, 2009 and 2.5% on July 1, 2010. For budgeting purposes, the Appropriations Committee (and Governor) funded a 2.5% per year increase. The remaining .4% salary increase in FY09-10 would be absorbed by agencies within their appropriation level. The exception is the Engineering bargaining unit which went to impasse. The Special Master ruling is being appealed by the state.

Annualize FY2008-09 Salary Increases

The NAPE salary agreements in the last biennium called for some increases to occur on an employees anniversary date or dates other than July 1. Because of this, the FY09 base budget did not include a fully year cost of the salary increase. Additional amounts to add to the FY09 base to fully "annualize" these salary increases amounts to \$2,354,516 General Funds.

Non-Bargaining Employees This category covers employees who are not eligible for bargaining. This includes certain supervisory and management positions, and employees under constitutional agencies such as the Legislative Council, Governor, Secretary of State, Attorney General, etc... For budgeting purposes, the

Table 20 Historical NAPE Master Contracts

Fiscal Year	General Salary Policy	FY basis % Chnge
	•	
FY2000-01	2% on July 1, 2.5% on Jan 1	4.04%
FY2001-02	1.5% on July 1, 2.5% on Jan 1	4.04%
FY2002-03	1.5% on July 1, 2.5% on Jan 1	4.04%
FY2003-04	1.5% on July 1	2.75%
FY2004-05	2.0% on July 1	2.00%
FY2005-06	3.0% on July 1	3.00%
FY2006-07	3.25% on July 1	3.25%
FY2007-08 *	3.0% on July 1	3.00%
FY2008-09*	2.5% on July 1	2.50%
FY2009-10	2.9% on July 1	2.90%
FY2010-11	2.5% on July 1	2.5%
	Ten Year Average (FY97 to FY07)	3.00%

^{*}additional amounts for specific units

Table 21 Funded Salary Increases

General Funds Only	FY2009-106	FY2010-11
NAPE Master Contract	4,718,333	9,549,734
Non-Classified Employees	4,977,961	10,075,385
SLEBEC (law enforcement)	545,958	1,105,018
State Colleges	na	na
University of Nebraska	na	na
FY10/FY11 Increases	10,242,252	5,387,036
Associate FVOO Colonias	0.054.540	0.050.400
Annualize FY09 Salaries	2,354,516	2,356,486
Total General Fund Salaries		

committee budget includes funding for salary increases at a 2.5% per year level, the same as for the NAPE/AFSCME Master Contract as noted above.

State Law Enforcement Bargaining Council (SLEBEC) also reached settlement for the two years of the biennial budget. Pay increases vary but the average increase is 4.9% in FY09-10 and 5% in FY10-11. Similar to the NAPE Master Contract, for budgeting purposes, the Appropriations Committee (and Governor) funded a 2.5% per year increase. The remaining amount would be absorbed by agencies within their appropriation level

<u>State Colleges</u> As noted in the previous narrative regarding the State Colleges, the Committee did not provide specific funding amounts for salary increase but provided a general overall percent increase. While bargaining has concluded with the two non-faculty bargaining units, no agreement was reached with the State College System faculty bargaining unit. Conclusion of the bargaining issues with respect to the faculty unit awaits a ruling the Commission of Industrial Relations (CIR).

<u>University of Nebraska</u> With respect to the UNO and UNK faculty bargaining units, there has been no contract agreement and they currently are at the CIR stage of the process. As noted in the narrative regarding the University of Nebraska, the Committee did not provide specific funding amounts for salary increase but provided a general overall percent increase

STATE EMPLOYEE HEALTH INSURANCE

State Employees In prior years, health insurance contracts ran on a calendar year basis. The January 2009 contract only ran for six months as the state now is converting back to a fiscal year basis starting July 1, 2009. The projected health insurance costs are based on the latest data and dollar and

Table 22 Health Insurance Cost Increases

General Funds Only	FY2009-10	FY2010-11
State Employees State Colleges University of Nebraska	7,407,063 na na	15,316,498 na na
Total General Fund costs	7,407,063	15,316,498

percent amounts are converted to a fiscal year basis. Health insurance rates are projected to increase – on a fiscal year basis – by 10.4% in FY2009-10 based on the April 2009 open enrollment data. For planning and budgeting purposes,the FY2010-11 costs are projected to increase by an additional 10%. These estimates are based on the plan enrollment data from the January 2009 contract. The actual cost

increases may vary depending on any changes or shifts in enrollments. The cost share remains at the current level 79% employer 21% employee contribution ratio. General Fund cost increases, on a fiscal year basis, are budgeted at \$4.4 million in FY07-08 and \$11.2 million in FY08-09.

<u>University of Nebraska</u> For the University of Nebraska, health insurance costs are expected to increase by 10% per year. As noted under the salary section, the Committee did not provide specific funding amounts for salary increase but provided a general overall percent increase

State Colleges The state colleges are covered under the NSEA health insurance plan with costs expected to increase by 10% in both years. As noted under the salary section, the Committee did not provide specific funding amounts for salary increase but provided a general overall percent increase

Table 23 shows the historical trends in health insurance rates using the health insurance plan most commonly utilized by employees, Blue Cross/Blue Shield. As noted earlier, the percent changes in this table are on a fiscal year basis and differ from percent changes when considering the contracts that run on a calendar year basis. Also other coverages have different costs and rate changes. The ten-year average annual increase is 9.8%.

Table 23 Historical Health Insurance Rates - BC/BS Family Coverage

	Dollar	Cost Per Em	ployee - FY	Basis	Pe	ercent of Total	
BC/BS (Family)	Employee	Employer	Total	% Change	Employee	Employer	Trust
F)/0000 04	0.007.50	0.004.00	10 510 10	7.40	04.00/	70.00/	400.00/
FY2000-01	2,207.58	8,304.60	10,512.18	7.1%	21.0%	79.0%	100.0%
FY2001-02	2,360.94	8,881.62	11,242.56	6.9%	21.0%	79.0%	100.0%
FY2002-03	2,503.20	9,416.76	11,919.96	6.0%	21.0%	79.0%	100.0%
FY2003-04	2,686.26	10,105.50	12,791.76	7.3%	21.0%	79.0%	100.0%
FY2004-05	2,859.60	10,758.00	13,617.60	6.5%	21.0%	79.0%	100.0%
FY2005-06	3,313.56	12,465.96	15,779.52	15.9%	21.0%	79.0%	100.0%
FY2006-07	3,776.28	14,206.56	17,982.84	14.0%	21.0%	79.0%	100.0%
FY2007-08	4,206.72	15,825.48	20,032.20	11.4%	21.0%	79.0%	100.0%
FY2008-09	4,647.48	17,483.28	22,130.76	10.5%	21.0%	79.0%	100.0%
FY2009-10 Current Est	5,132.83	19,309.10	24,441.93	10.4%	21.0%	79.0%	100.0%
FY2010-11 Current Est	5,646.11	21,240.01	26,886.13	10.0%	21.0%	79.0%	100.0%
Average Annual Change							
	0.00/	0.00/	0.00/				
FY01 to FY11 (10 Yr)	9.8%	9.8%	9.8%				
							,

DEFINED BENEFIT / CASH BALANCE RETIREMENT PLANS

The Public Employees Retirement Board (PERB) is the entity through which the state contributes funding for the three defined benefit plans for K-12 school employees, judges, and State Patrol. Financing for the benefits provided by these three defined benefit plans comes from employee and matching employer contributions as set in statute, court fees (for the judges plan) and the investment return on those contributions. There also are two cash balance plans which are what could be termed "defined return" plans where the state in essence guarantees an annual return on the investment not a guaranteed benefit amount. In both cases, when revenue from these sources is not actuarially sufficient, state appropriations are required. For all these programs, the state General Fund is responsible for financing any actuarial shortfalls in these programs at statutory employee and employer contribution rates.

Each fall, actuaries provide an assessment as to the status of the defined benefit plans as of the preceding July 1. The fall 2008 report showed some negative returns but with the five year smoothing method and amortizing these losses over a 30 year period it was shown that additional contributions for FY2009-10 were relatively small. However, with the performance of the stock market since July 2008, it appeared very likely that subsequent reports would reveal higher levels of losses which would require significant increases in state funding in future years. At the request of the Retirement and Appropriations Committees, the state contracted with actuaries to do a four year estimate to attempt to identify what those future obligations might be. The actuary provided three scenarios of slow, modest and strong economic recovery.

Table 24 shows (1) the projected actuarial shortfalls by plan using the modest economic recovery scenario (2) projected net offsets based on the Retirement Committee proposals at the time the Appropriations Committee finalized their recommendation, and (3) the net amount of additional State Contributions after the proposed changes in employer and employee contributions.

The majority of this shortfall is due to investment losses in 2008 and projected for 2009. The full impact of these large losses are not fully reflected until the future years in the financial status due to the five-year smoothing method. This methodology spreads variances from an 8% expected return over a five-year period in an attempt to avoid sharp changes from year to year. Until the following biennium, high investment returns in earlier years were mostly offsetting the projected losses in 2008 and 2009. However starting in the following biennium, the higher returns from earlier years have fallen out of the five year smoothing period causing the large increase in the funding for amortizing accrued liability bases. Without changing existing law, the state is ultimately responsible for all the actuarial shortfalls.

The committee incorporated potential offsets to complete state funding of this actuarial shortfall by incorporating the net impact of proposed changes being discussed by the Retirement Committee at the time the Appropriations Committee finalized their recommendation. The biggest dollar offset is attributed to the school plan. Changes to the school plan reflected in these estimates includes an additional 1% increase in the school and employee contribution rate, an increase in the state basic contribution from .7% to 1.0% of payroll, and a lump sum state contribution of \$20 million in FY11-12 and \$40 million in FY12-13. Other changes include additional Judge and Patrol employee contributions.

Table 24 Defined Benefit / Cash Balance Plan Shortfall

Market Return Assumptions

Defined Benefit Plans				
Plan Year End	June 2008	June 2009	June 2010	June 2011
Modest Recovery	-5.8%	-22.0%	11.5%	13.5%
Cash Balance Funds				
Plan Year End	Dec 2008	Dec 2009	Dec 2010	Dec 2011
Modest Recovery	-27.5%	4.0%	15.0%	12.0%

Estimated Additional State Contribution

	FY2009-10	FY2010-11	FY2011-12	FY2012-13
School System	0	31,587,000	82,493,000	120,608,000
Judges System	0	0	462,000	1,290,000
State Patrol System	0	2,326,000	4,390,000	5,974,000
State Cash Balance	0	0	0	2,212,000
County Cash Balance	0	0	0	1,659,000
Total Projected Shortfall	0	33,913,000	87,345,000	131,743,000
Net Change with Retirement Committee Proposed Changes	0	(6,424,000)	(23,849,000)	(67,896,000)
Net Additional Contribution by state after changes	0	27,489,000	63,496,000	63,847,000

GENERAL FUND APPROPRIATIONS BY AGENCY

FY10 / FY11 Biennial Budget as Proposed by the Appropriations Committee

		Type	Current Yr FY2008-09	Committee FY2009-10	Committee FY2010-11	FY10 vs Pr \$ Chnge %	ior Yr Chnge	FY11 vs F \$ Chnge %	
		Туре	F12000-09	F12009-10	F12010-11	y Chinge 70	Chinge	φ Cringe /	o Chinge
#03 #03	Legislative Council Legislative Council	Oper Total	17,680,147 17,680,147	17,877,154 17,877,154	18,758,084 18,758,084			880,930 880,930	4.9% 4.9%
#05	Supreme Court	Oper	67,935,364	70,042,464	71,993,987	2,107,100		1,951,523	2.8%
#05	Supreme Court	Total	67,935,364	70,042,464	71,993,987	2,107,100		1,951,523	2.8%
#07	Governor	Oper	1,742,569	1,744,580	1,746,716	2,011	0.1%	2,136	0.1%
#07	Governor	Total	1,742,569	1,744,580	1,746,716	2,011	0.1%	2,136	0.1%
#08	Lt. Governor	Oper	143,839	143,805	145,847	(34)		2,042	1.4%
#08	Lt. Governor	Total	143,839	143,805	145,847	(34)		2,042	1.4%
#09	Secretary of State	Oper	734,475	467,491	473,277	(266,984)	-36.4%	5,786	1.2%
#09	Secretary of State	Total	734,475	467,491	473,277	(266,984)		5,786	1.2%
#10	State Auditor	Oper	2,557,746	2,506,238	2,508,031	(51,508)	-2.0%	1,793	0.1%
#10	State Auditor	Total	2,557,746	2,506,238	2,508,031	(51,508)	-2.0%	1,793	0.1%
#11	Attorney General	Oper	6,154,481	6,792,887	6,373,906	638,406		(418,981)	-6.2%
#11	Attorney General	Total	6,154,481	6,792,887	6,373,906	638,406		(418,981)	-6.2%
#12	State Treasurer	Aid	17,768,561	18,288,561	18,288,561	520,000	-3.3%	0	0.0%
#12	State Treasurer	Oper	1,646,026	1,591,056	1,620,525	(54,970)		29,469	1.9%
#12	State Treasurer	Total	19,414,587	19,879,617	19,909,086	465,030		29,469	0.1%
#13 #13 #13	Education Education Education	Oper	1,034,925,763 16,513,039 1,051,438,802	1,038,452,542 17,148,051 1,055,600,593	1,027,235,363 18,148,565 1,045,383,928	3,526,779 635,012 4,161,791	3.8%	(11,217,179) 1,000,514 (10,216,665)	-1.1% 5.8% -1.0%
#14 #14	Public Service Comm	Oper Total	2,659,081 2,659,081	2,605,037 2,605,037	2,657,624 2,657,624	(54,044) (54,044)	-2.0%	52,587 52,587	2.0% 2.0%
#15	Parole Board	Oper	800,540	809,458	821,516	8,918		12,058	1.5%
#15	Parole Board	Total	800,540	809,458	821,516	8,918		12,058	1.5%
#16	Revenue	Aid	77,620,104	63,750,000	66,500,000	(13,870,104)	-0.4%	2,750,000	4.3%
#16	Revenue	Oper	29,646,103	29,535,042	29,646,130	(111,061)		111,088	0.4%
#16	Revenue	Total	107,266,207	93,285,042	96,146,130	(13,981,165)		2,861,088	3.1%
#18	Agriculture	Aid	2,000,000	60,000	120,000	(1,940,000)	-1.9%	60,000	100.0%
#18	Agriculture	Oper	6,506,350	6,382,179	6,462,627	(124,171)		80,448	1.3%
#18	Agriculture	Total	8,506,350	6,442,179	6,582,627	(2,064,171)		140,448	2.2%
#21 #21	Fire Marshal Fire Marshal	Oper Total	4,334,612 4,334,612	4,471,830 4,471,830	4,584,655 4,584,655	137,218 137,218	3.2%	112,825 112,825	2.5% 2.5%
#23	Labor	Oper	636,831	567,044	582,247	(69,787)		15,203	2.7%
#23	Labor	Total	636,831	567,044	582,247	(69,787)		15,203	2.7%
#25 #25 #25	HHS System HHS System HHS System	Oper	1,000,667,731 224,867,892 1,225,535,623	872,926,308 256,892,093 1,129,818,401	980,955,608 258,626,205 1,239,581,813	(127,741,423) 32,024,201 (95,717,222)	14.2%	108,029,300 1,734,112 109,763,412	12.4% 0.7% 9.7%
#27 #27	Roads Roads	Oper Total	18,184 18,184	2,610 2,610	2,610 2,610	(15,574) (15,574)		0	0.0% 0.0%
#28 #28	Veterans Affairs Veterans Affairs	Oper Total	1,032,894 1,032,894	959,393 959,393	1,198,455 1,198,455	(73,501) (73,501)		239,062 239,062	
#29	Natural Resources	Aid	8,474,374	8,175,755	8,175,755	(298,619)	3.2%	0	0.0%
#29	Natural Resources	Oper	9,417,678	9,716,126	9,994,000	298,448		277,874	2.9%
#29	Natural Resources	Total	17,892,052	17,891,881	18,169,755	(171)		277,874	1.6%

		Туре	Current Yr FY2008-09	Committee FY2009-10	Committee FY2010-11	FY10 vs Pr \$ Chnge %	ior Yr Chnge	FY11 vs F \$ Chnge %	
#31	Military Dept	Aid	1,024,166	1,525,000	1,525,000	500,834	2.5%	0	0.0%
#31	Military Dept	Oper	3,748,283	3,842,878	3,872,195	94,595		29,317	0.8%
#31	Military Dept	Total	4,772,449	5,367,878	5,397,195	595,429		29,317	0.5%
#32	Ed Lands & Funds	Oper	414,455	348,468	360,161	(65,987)		11,693	3.4%
#32	Ed Lands & Funds	Total	414,455	348,468	360,161	(65,987)		11,693	3.4%
#33	Game & Parks	Aid	50,000	47,500	47,500	(2,500)	-5.0%	0	0.0%
#33	Game & Parks	Oper	11,288,991	11,688,903	12,066,066	399,912	3.5%	377,163	3.2%
#33	Game & Parks	Total	11,338,991	11,736,403	12,113,566	397,412	3.5%	377,163	3.2%
#34	Library Commission	Aid	1,220,998	1,218,177	1,215,228	(2,821)	-0.2%	(2,949)	-0.2%
#34	Library Commission	Oper	2,667,938	2,670,759	2,673,708	2,821	0.1%	2,949	0.1%
#34	Library Commission	Total	3,888,936	3,888,936	3,888,936	0	0.0%	0	0.0%
#35	Liquor Control	Oper	982,122	998,654	1,028,754	16,532	1.7%	30,100	3.0%
#35	Liquor Control	Total	982,122	998,654	1,028,754	16,532	1.7%	30,100	3.0%
#46 #46 #46	Correctional Services Correctional Services Correctional Services	Aid Oper Total	3,910,000 148,460,688 152,370,688	3,910,000 120,910,021 124,820,021	3,910,000 144,131,132 148,041,132	0 (27,550,667) (27,550,667)	-18.6%	0 23,221,111 23,221,111	
#47	NETC	Oper	10,136,091	9,968,024	10,202,739	(168,067)		234,715	2.4%
#47	NETC	Total	10,136,091	9,968,024	10,202,739	(168,067)		234,715	2.4%
#48	Coordinating Comm	Aid	6,832,315	6,992,315	7,162,315	160,000	2.3%	170,000	2.4%
#48	Coordinating Comm	Oper	1,303,819	1,303,819	1,303,819	0	0.0%	0	0.0%
#48	Coordinating Comm	Total	8,136,134	8,296,134	8,466,134	160,000	2.0%	170,000	2.0%
#50	State Colleges	Oper	45,393,201	46,174,099	47,015,210	780,898	1.7%	841,111	1.8%
#50	State Colleges	Total	45,393,201	46,174,099	47,015,210	780,898	1.7%	841,111	1.8%
#51	University of Nebraska	Oper	492,106,037	499,912,628	508,440,667	7,806,591	1.6%	8,528,039	1.7%
#51	University of Nebraska	Total	492,106,037	499,912,628	508,440,667	7,806,591	1.6%	8,528,039	1.7%
#54	Historical Society	Oper	4,514,311	4,505,813	4,505,813	(8,498)	-0.2%	0	0.0%
#54	Historical Society	Total	4,514,311	4,505,813	4,505,813	(8,498)	-0.2%	0	0.0%
#64	State Patrol	Oper	52,926,634	55,396,251	57,114,888	2,469,617	4.7%	1,718,637	3.1%
#64	State Patrol	Total	52,926,634	55,396,251	57,114,888	2,469,617	4.7%	1,718,637	3.1%
#65	Admin Services (DAS)	Oper	9,128,050	9,013,668	8,581,401	(114,382)		(432,267)	-4.8%
#65	Admin Services (DAS)	Total	9,128,050	9,013,668	8,581,401	(114,382)		(432,267)	-4.8%
#67 #67	Equal Opportunity Equal Opportunity	Oper Total	1,373,311 1,373,311	1,326,333 1,326,333	1,370,691 1,370,691	(46,978) (46,978)		44,358 44,358	3.3% 3.3%
#68	Mexican-American	Oper	215,312	200,461	210,352	(14,851)		9,891	4.9%
#68	Mexican-American	Total	215,312	200,461	210,352	(14,851)		9,891	4.9%
#69 #69 #69	Arts Council Arts Council Arts Council	Aid Oper Total	861,654 618,060 1,479,714	861,654 626,894 1,488,548	861,654 623,722 1,485,376	0 8,834 8,834	1.4%	0 (3,172) (3,172)	
#70 #70	Foster Care Review Foster Care Review	Oper Total	1,336,371 1,336,371	1,421,906 1,421,906	1,458,318 1,458,318	85,535 85,535		36,412 36,412	
#72	Economic Development Economic Development Economic Development	Aid Oper Total	2,225,000 4,441,717 6,666,717	1,597,500 5,076,018 6,673,518	1,597,500 5,069,360 6,666,860	(627,500) 634,301 6,801		0 (6,658) (6,658)	
#76 #76	Indian Commission Indian Commission	Oper Total	198,763 198,763	195,000 195,000	195,000 195,000	(3,763) (3,763)		0	0.0% 0.0%
#77 #77	Industrial Relations Industrial Relations	Oper Total	335,155 335,155	332,955 332,955	332,955 332,955	(2,200) (2,200)		0	0.0% 0.0%
#78	Crime Commission	Aid	2,166,328	2,166,328	2,166,328	0	0.0%	0	0.0%
#78	Crime Commission	Oper	8,980,494	9,110,557	9,236,393	130,063	1.4%	125,836	1.4%
#78	Crime Commission	Total	11,146,822	11,276,885	11,402,721	130,063	1.2%	125,836	1.1%

		Туре	Current Yr FY2008-09	Committee FY2009-10	Committee FY2010-11	FY10 vs Pr \$ Chnge %	<u>ior Yr</u> Chnge	FY11 vs F \$ Chnge %	
#81	Blind & Visually Impaired	Aid	190,000	190,000	190,000	0	10.9%	0	0.0%
#81	Blind & Visually Impaired	Oper	779,684	864,557	897,202	84,873		32,645	3.8%
#81	Blind & Visually Impaired	Total	969,684	1,054,557	1,087,202	84,873		32,645	3.1%
#82	Deaf & Hard of Hearing	Oper	874,210	875,312	898,083	1,102		22,771	2.6%
#82	Deaf & Hard of Hearing	Total	874,210	875,312	898,083	1,102		22,771	2.6%
#83	Community Colleges	Aid	87,266,476	88,575,473	89,904,105	1,308,997	1.5%	1,328,632	1.5%
#83	Community Colleges	Total	87,266,476	88,575,473	89,904,105	1,308,997	1.5%	1,328,632	1.5%
#84	Environmental Quality	Aid	4,660,972	4,458,711	4,477,311	(202,261)	-4.3%	18,600	0.4%
#84	Environmental Quality	Oper	3,532,038	3,490,063	3,506,790	(41,975)	-1.2%	16,727	0.5%
#84	Environmental Quality	Total	8,193,010	7,948,774	7,984,101	(244,236)	-3.0%	35,327	0.4%
#85	Retirement Board	Oper	19,468,215	20,370,490	54,283,490	902,275	4.6%	33,913,000	
#85	Retirement Board	Total	19,468,215	20,370,490	54,283,490	902,275	4.6%	33,913,000	
#87	Account/Disclosure	Oper	430,726	426,435	441,387	(4,291)		14,952	3.5%
#87	Account/Disclosure	Total	430,726	426,435	441,387	(4,291)		14,952	3.5%
#93	Tax Equal/Review Comm	Oper	875,451	875,451	875,451	0	0.0%	0	0.0%
#93	Tax Equal/Review Comm	Total	875,451	875,451	875,451		0.0%	0	0.0%
Con	struction-Total	Total	8,238,322	15,172,233	14,652,233	6,933,911	84.2%	(520,000)	-3.4%
OPE	RATIONS		1,221,557,978	1,242,180,955	1,310,336,754	20,622,977	1.7%	68,155,799	5.5%
STA	TE AID ISTRUCTION		2,251,864,442 8,238,322	2,113,195,824 15,172,233	2,225,772,525 14,652,233		-6.2%	112,576,701 (520,000)	5.3% -3.4%
тот	AL GENERAL FUNDS	3	3,481,660,742	3,370,549,012	3,550,761,512	(111,111,730)	-3.2%	180,212,500	5.3%

GENERAL FUND STATE AID BY AID PROGRAM

FY10 / FY11 Biennial Budget as Proposed by the Appropriations Committee

		w/o Deficits	Committee	Committee		ge over FY09
Agency	Aid Program	FY2008-09	FY2009-10	FY2010-11	FY09-10	FY10-11
#12 Treasurer	Aid to NRD's	1,545,502	1,545,502	1,545,502	0	0
#12 Treasurer	Aid to Cities	11,257,193	11,777,193	11,777,193	520,000	520,000
#12 Treasurer	Aid to Counties	4,965,866	4,965,866	4,965,866	0	0
#13 Education	State Aid to Education (TEEOSA)	823,527,243	826,704,311	826,887,980	3,177,068	3,360,737
#13 Education		184,893,842	184,893,842	184,893,842	0	0
#13 Education	Aid to ESU's	16,089,570	15,887,570	15,887,570	(202,000)	(202,000)
#13 Education	High ability learner programs	2,336,921	2,336,921	2,336,921	0	0
#13 Education	Early Childhood program	3,615,426	3,615,426	3,615,426	0	0
#13 Education	School Lunch	421,087	421,087	421,087	0	0
#13 Education	Textbook loan program	450,000	500,000	500,000	50,000	50,000
#13 Education	School Breakfast reimbursement	411,100	412,811	427,260	1,711	16,160
#13 Education	Adult Education	230,574	230,574	230,574	0	0
#13 Education	Vocational Education	450,000	450,000	450,000	0	0
#13 Education	Learning Communities Aid	500,000	1,000,000	1,025,000	500,000	525,000
#13 Education	Vocational Rehabilitation	2,000,000	2,000,000	2,000,000	0	0
#16 Revenue	County Property Tax Relief	1,500,000	1,500,000	1,500,000	0	0
#16 Revenue	Homestead Exemption	76,120,104	62,250,000	65,000,000	(13,870,104)	(11,120,104)
#18 Agriculture	Riparian Vegetation grants	2,000,000	0	0	(2,000,000)	(2,000,000)
#18 Agriculture	Food Supply Animal Vet Incentive		60,000	120,000	60,000	120,000
#25 HHS System	Behavioral Health Aid	69,273,006	74,091,067	75,428,898	4,818,061	6,155,892
#25 HHS System	Medical student assistance/RHOF		362,068	362,068	0	0
#25 HHS System	Juvenile predisposition detention	156,536	0	0	(156,536)	(156,536)
#25 HHS System	Childrens Health Insurance	11,761,892	8,237,592	8,667,347	(3,524,300)	(3,094,545)
#25 HHS System		241,622,331	236,141,182	248,179,818	(5,481,149)	6,557,487
#25 HHS System		590,958,613	453,813,219		(137,145,394)	(51,315,136)
#25 HHS System	Community developmental disabi			91,708,053	12,602,833	20,541,737
#25 HHS System	Community health centers	3,525,000	3,806,575	3,990,874	281,575	465,874
#25 HHS System	Public Health Aid	4,124,776	4,786,648	4,849,448	661,872	724,672
#25 HHS System	Care Management	1,993,340	2,023,239	2,053,190	29,899	59,850
#25 HHS System	Area agencies on aging	5,723,853	5,895,569	6,072,435	171,716	348,582
#29 Nat Resources	Nebr Water Conservation Fund	2,688,454	2,489,835	2,489,835	(198,619)	(198,619)
	Resources Development Fund	3,373,066	3,373,066	3,373,066	0	0
	NRD Water Management grants	2,412,854	2,312,854	2,312,854	(100,000)	(100,000)
#31 Military Dept	Governors Emergency Program	499,166	1,000,000	1,000,000	500,834	500,834
#31 Military Dept	Guard tuition assistance	525,000	525,000	525,000	0	0
#33 Game & Parks	Niobrara Council	50,000	47,500	47,500	(2,500)	(2,500)
#34 Library Comm	Aid to Local libraries	1,220,998	1,218,177	1,215,228	(2,821)	(5,770)
#46 Corrections	County jail cost reimbursement	3,910,000	3,910,000	3,910,000	0	0
#48 Coord. Comm	Nebr Scholarship Program	6,717,065	6,717,065	6,717,065	0	0
#48 Coord. Comm	Access College Early Scholarship		275,250	445,250	160,000	330,000

		w/o Deficits	Committee	Committee	\$ Chan	ge over FY09
Agency	Aid Program	FY2008-09	9 FY2009-10	FY2010-11	FY09-10	FY10-11
					_	
#69 Arts Council	Aid to arts programs	661,654	661,654	661,654	0	0
#69 Arts Council	Council on Humanities	200,000	200,000	200,000	0	0
#72 Econ Develop	Managing Mainstreet	100,000	100,000	100,000	0	0
#72 Econ Develop	Microenterprise Development Act	497,500	497,500	497,500	0	0
#72 Econ Develop	Ag Opportunities/Value-Added gra	ants850,000	850,000	850,000	0	0
#72 Econ Develop	Building Entrepreneurial Commun	ities277,500	150,000	150,000	(127,500)	(127,500)
#72 Econ Develop	Tourism matching grant program	500,000	0	0	(500,000)	(500,000)
#78 Crime Comm	Juvenile services grants	587,812	587,812	587,812	0	0
#78 Crime Comm	County Juvenile Services aid	1,492,500	1,492,500	1,492,500	0	0
#78 Crime Comm	Crimestoppers program	13,457	13,457	13,457	0	0
#78 Crime Comm	Victim Witness assistance	52,559	52,559	52,559	0	0
#78 Crime Comm	Crime Victims reparations	20,000	20,000	20,000	0	0
#81 Blind & Vis Imp	Blind rehabilitation	190,000	190,000	190,000	0	0
#83 Comm Colleges	s Aid to Community Colleges	87,266,476	88,575,473	89,904,105	1,308,997	2,637,629
#84 Environ Cntrl	Superfund cleanup	2,173,000	1,961,400	1,980,000	(211,600)	(193,000)
#84 Environ Cntrl	Storm Water Management grants	2,487,972	2,497,311	2,497,311	9,339	9,339
Individuals/Other	•	015,815,632	888,246,805		(127,568,827)	(19,312,476)
Local Government	1,2	236,048,810	1,224,949,019	1,229,269,369	(11,099,791)	(6,779,441)
Total State Aid	2,2	251,864,442	2,113,195,824	2,225,772,525	(138,668,618)	(26,091,917)

APPROPRIATIONS ALL FUND SOURCES

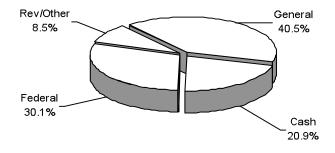
APPROPRIATIONS - ALL FUND SOURCES

This section of the report reflects the committee budget recommendation for all funds sources, not just General Funds. Table 25 contains the overall total appropriations by fund source broken down by operations, state aid and capital construction. Following the table is a description of each type of fund source and highlights of major increases inside of each fund category. For a more detailed explanation of the changes in appropriations from other fund sources, please refer to the specific agency pages later on in this report.

Table 25 Committee Proposed Budget - All Fund Sources

	General	Cash	Federal	Rev/Other	Total
FY2008-09 (without deficits)					
Agency Operations	1 221 557 978	1,300,439,755	657,100,528	671 710 601	3,850,808,862
State Aid	2,251,864,442		1,631,810,451	, ,	4,276,394,499
Capital Construction	8,238,322	, ,		39,762,762	
FY2008-09 Total	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
FY2009-10					
Agency Operations	1,242,180,955	1,308,833,168	716,113,754	690,261,569	3,957,389,446
State Aid	2,113,195,824	405,690,545	1,820,427,671	3,695,556	4,343,009,596
Capital Construction	15,172,233	41,767,868	0	22,702,671	79,642,772
FY2009-10 Total	3,370,549,012	1,756,291,581	2,536,541,425	716,659,796	8,380,041,814
Change over prior year					
Dollar	(111,111,730)	18,693,098	242,140,446	4,341,683	154,063,497
Percent	-3.2%	1.1%		0.6%	1.9%
FY2010-11					
Agency Operations	1,310,336,754	1,314,955,974	710,059,858	714,319,501	4,049,672,087
State Aid	2,225,772,525	398,177,278	1,871,151,536	844,750	4,495,946,089
Capital Construction	14,652,233			18,757,819	72,002,049
FY2010-11 Total	3,550,761,512	1,751,725,249	2,581,211,394	733,922,070	8,617,620,225
Change over prior year					
Dollar	180,212,500	(4,566,332)	44,669,969	17,262,274	237,578,411
Percent	5.3%	-0.3%	1.8%	2.4%	2.8%

FY2009-10 Total Appropriations by Fund



CASH FUNDS

These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there are more than 200 individual cash funds contained in 70 different agencies. Only 7 agencies do not have some cash funds although many are very small amounts. In many instances, an agency has multiple cash funds. For example, the Dept of Agriculture has over 20 different cash funds. Monies held in these funds generally can only be used for the specific purpose for which the fund was created. Cash funds are used to account for revenues such as University and State College tuition and fees, hunting/fishing permits, highway revenues (gas tax and sales tax on motor vehicles), and agricultural commodity check-off fees. In addition, most inspection, regulatory, and license fees and charges, are dedicated to and accounted for through the use of cash funds.

CASH FUNDS	FY2008-09	FY2009-10	FY2010-11
CASITI UNDS	F 12000-09	F12009-10	F12010-11
Roads	655,159,003	659,759,003	661,759,003
University of Nebraska	314,016,991	318,335,812	322,350,839
HHS System	146,855,146	150,177,470	149,147,671
Revenue	137,262,884	147,031,504	147,723,125
Public Service Comm	79,271,625	76,213,640	76,277,053
Game and Parks	60,118,354	59,651,218	61,203,526
All Other	344,914,480	345,122,934	333,264,032
Total - Cash Funds	1,737,598,483	1,756,291,581	1,751,725,249

The Dept of Roads alone accounts for 38% of cash fund revenues and expenditures. The University of Nebraska accounts for 18% and HHS (including the Health Care Cash Fund) accounts for 9%. The Dept of Revenue accounts for 8.4% of the total as the \$115 million property tax credits are expended as cash funds. No other agency accounts for more than 4.3% of the total.

The proposed budget for FY09-10 reflects only a 1% growth in cash fund appropriations. Significant increases include the annualized impact of LB1001 Home Energy Improvement passed last session (+\$8.5 million) pass through aid for airport improvement projects (+\$5.9 million). Significant reductions include a \$5 million reduction in DED job training reflecting no additional transfers from the Cash Reserve Fund and a \$5 million reduction due to the one-time nature of the FY09 appropriation for the relocation of the State Fair.

Dept of Roads

The cash fund numbers shown in the table above for the Dept of Roads include state, federal, and local funds and reflect the best estimate of the cash flow of expenditures as projects are completed. These numbers do not include any ARRA federal funding that will flow through the department. The following provides information on "state" highway funding and the impact of the Appropriations Committee's recommendation on the fuel tax.

The recommendation for the Department of Roads provides \$368 million of state funding in FY10 and \$370 million in FY11 by setting the Highway Cash Fund (HCF) appropriation at these levels. The current year's (FY09) appropriation is \$370,316,930, so the proposed HCF appropriation represents a decrease of \$2.3 million in FY10, and a decrease of \$316,930 in FY11, when compared to the current year.

Based on April 2009 revenue projections provided by the Department, the estimated total fuel tax required to generate sufficient revenue to meet the Highway Cash Fund appropriation is 26.4¢ in FY10 and FY11. The current tax is also 26.4¢. It is estimated that the Committee's recommendation will continue the current tax with no change.

One item not included in the Committee's final recommendation is the agency's request to use General Funds (\$7.4 million/yr.) to fund the State Patrol's Carrier Enforcement Division. Carrier Enforcement will continue to be funded from the department's cash fund as it has been in the past.

Health Care Cash Fund

The Health Care Cash Fund receives funding from the Medicaid Intergovernmental Trust Fund and the Tobacco Settlement Trust Fund. The revenue source for the Medicaid Intergovernmental Trust Fund was a previously allowable intergovernmental transfer of extra Medicaid reimbursements to the state from publicly-owned nursing facilities. The source of the Tobacco Settlement Trust Fund is payments from tobacco companies pursuant to a nation wide settlement entered into several years ago. Each year the state investment officer determines the amount of the transfer from each of these respective funds totaling the amount required by statute. The current year appropriations and requested appropriations for the biennium as shown Table 26.

Two changes in funding are annualization of the impacts of prior legislation. LB830 was funded through the Health Care Cash Fund in FY08-09 for the start up costs of the multi-state purchasing pool and development of the preferred drug list (\$682,637). The ongoing state match was to come from General Funds once savings start to accrue to the Medicaid program. The other annualization is for Medicaid coverage of tobacco cessation program. The program started in FY09 for a partial year with a \$200,000 increase in FY10 and FY11 to reflect full year costs. Also, the Behavioral Health Commission had received \$10,000 from the fund. As the Commission sunsets June 30, 2009 the funding is removed in FY10 and FY11.

On item to note is the funding change in two programs, Tobacco Prevention and Stem Cell research. This does not change the overall funding level for these programs as previously anticipated but simply changes the accounting for the funds. Currently funding for these programs, noted as "intercept" in the flow chart of the Health Care Cash Fund, comes directly from the Tobacco Settlement Trust Fund prior to any transfer to the Health Care Cash Fund. LB316 harmonizes the funding flow so in FY10 and FY11 allocation of these funds would come from the Health Care Cash Fund after transfers from the Tobacco Settlement Trust Fund.

Every other year the state investment officer is required to provide a ten year projection of the sustainability of the fund. The report showed and 8/31/08 balance of \$415.2 million. Since that point, the fund balance has dropped to \$280.4 million by 11/30/08 and \$265.6 million by 1/31/09. Using the same assumptions as the Investment Officer but extending the projection out further, the projection shows that all funds would be exhausted by 2042 at the current rate of utilization.

Table 26 Health Care Cash Fund

Agency	Current Yr	Prop	osed
Program	FY2008-09	FY2009-10	FY2010-11
26-038	2,599,660	2,599,660	2,599,660
26-347	2,734,444	2,734,444	2,734,444
26-348	2,165,896	2,165,896	2,165,896
26-348	2,600,000	2,600,000	2,600,000
	10,100,000	10,100,000	10,100,000
26-38	6,500,000	6,500,000	6,500,000
25-250	1,000,000	1,000,000	1,000,000
	7,500,000	7,500,000	7,500,000
	26-038 26-347 26-348 26-348	Program FY2008-09 26-038 2,599,660 26-347 2,734,444 26-348 2,165,896 26-348 2,600,000 10,100,000 26-38 6,500,000 25-250 1,000,000	Program FY2008-09 FY2009-10 26-038 2,599,660 2,599,660 26-347 2,734,444 2,734,444 26-348 2,165,896 2,165,896 26-348 2,600,000 2,600,000 10,100,000 10,100,000 26-38 6,500,000 6,500,000 25-250 1,000,000 1,000,000

	Agency Program	Current Yr FY2008-09	Propo FY2009-10	osed FY2010-11
Emergency Protective Custody	26-38	1,500,000	1,500,000	1,500,000
Respite Care Respite regions and personnel Respite aid	25-033 26-347	404,643 810,000	404,643 810,000	404,643 810,000
Subtotal		1,214,643	1,214,643	1,214,643
Developmental Disability Waiting List	26-424	5,000,000	5,000,000	5,000,000
Public Health Public Health Staff County Public Health county aid	25-033 26-502	100,000 5,600,000	100,000 5,600,000	100,000 5,600,000
Subtotal		5,700,000	5,700,000	5,700,000
Minority Health Qualified health clinics Minority health aid Minority health satelites	26-502 26-502 25-033	1,400,000 1,580,000 220,000	1,400,000 1,580,000 220,000	1,400,000 1,580,000 220,000
Subtotal		3,200,000	3,200,000	3,200,000
CHIP - Replace cash from original \$25M	26-344	5,000,000	5,000,000	5,000,000
Biomedical Research	26-623	14,000,000	14,000,000	14,000,000
<u>Human Service Studies</u>	03-122	100,000	100,000	100,000
Attorney General	11-507	250,000	250,000	250,000
EMS Technicians	25-033	3,688	13,688	13,688
Revenue Auditor Specialist	16-102	52,686	52,686	52,686
Compulsive Gamblers Operations support Aid	25-033 26-038	25,000 225,000	25,000 225,000	25,000 225,000
Subtotal		250,000	250,000	250,000
- Autism Treatment Program Act				
Autisim admin	25-33	37,509	37,509	37,509
Medicaid services (non intensive early intervention) Autism Center	25-348 51-xxx	61,690 900,801	61,690 900,801	61,690 900,801
Subtotal		1,000,000	1,000,000	1,000,000
Nebraska Regional Poison Control Center	51-515	200,000	200,000	200,000
-		·	·	·
Parkinson's Disease Registry -	25-33	26,000	26,000	26,000
Tobacco Prevention Tobacco Prevention Smoking cessation contract amendment Medicaid coverage, smoking cessation	25-030 25-033 25-348	"intercept" 6,000 250,000	0 6,000 450,000	3,000,000 6,000 450,000
Subtotal	25-030	256,000	456,000	3,456,000
LB 830 Medicaid Prescription Drug Act	25-32	682,637	0	0
Behavioral Health Commission	25-33	10,000	0	0
BSDC Study (LB311)	25-33	100,000	0	0
Soukup Trust Fund (LB316)	na	100,000	0	0
Stem Cell Research	25-623	"intercept"	500,000	500,000

	Agency	Agency Current Yr		osed
	Program	FY2008-09	FY2009-10	FY2010-11
Behavioral Health cost/rate study	26-341	0	0	0
Meth Study	78-220	0	0	0
Medicaid (General Fund offset)	26-348	0	0	0
<u>Unallocated</u>		144,346	36,983	36,983
TOTAL USE OF HEALTH CARE CASH FUND		56,400,000	56,100,000	59,100,000

FEDERAL FUNDS

Federal funds account for monies received from the federal government either as grants, contracts, or matching funds. Unlike other fund sources, federal fund appropriations are an estimate and agencies are not limited to the amount shown in the appropriation bills though receipts must meet expenditures. Similar to cash funds, there are numerous individual federal funds contained in the accounting system and they are generally limited to specific uses as authorized by the federal program from which the funds came from. Of the 77 state agencies, 34 receive some level of federal funds.

FEDERAL FUNDS	FY2008-09	FY2009-10	FY2010-11
HHS System	1,517,844,689	1.605.620.459	1,575,381,743
Education	305.459.346	415,978,954	494.328.099
University of Nebraska	292,862,174	307,260,149	320,645,342
Labor	45,173,756	43,752,890	44,115,954
Environmental Quality	29,710,706	29,704,292	29,690,009
All Other	103,350,308	134,224,681	117,050,247
Total - Federal Funds	2,294,400,979	2,536,541,425	2,581,211,394

Health and Human Services System counts for over 60% of federal fund expenditures, a large portion for programs such as Medicaid, AFDC, and other public assistance program. Federal funds in the Dept of Education account for 17.5% of the total. This is mostly flow through monies to local K-12 schools for programs such as Title 1, School Lunch, and Special Education.

Estimated federal funds increase by 10.6% in FY09-10 and 1.8% in FY10-11. Most of the net increase in FY09-10 can be attributed to the use of ARRA funds to offset General Funds as shown below. Excluding these ARRA funds, federal funds would have increased by an average of 1.2% per year

ARRA Funds in Budget Numbers	FY2008-09	FY2009-10	FY2010-11
ARRA - Child Care	0	7,000,000	3,200,000
ARRA - Ehanced FMAP	64,840,697	97,775,576	63,278,095
ARRA - Unemployment FMAP	0	31,000,000	0
ARRA - Ehanced FFP	0	1,671,630	879,445
ARRA - General Stabilization	0	35,000,000	17,000,000
ARRA - Education Stabilization	0	84,068,750	149,887,176
Total - ARRA Fed Funds in budget nu	64,840,697	256,515,956	234,244,716

REVOLVING / OTHER FUNDS

These type of funds account for transactions where one agency provides goods or services to another agency. For example, the Dept of Education pays DAS-Building Division rent for the State Office Building. The expenditure is charged against the Departments budget (be it General, Cash, or Federal). DAS then receives these funds which are credited to a revolving fund from which DAS pays staff salaries, utilities, cleaning costs, etc... This in essence double-counts expenditures; once when an agency pays another agency for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. Excluding the University and State Colleges, DAS accounts for 80% of all revolving funds. The Dept of Correctional Services (through Cornhusker State Industries) accounts for another 7.8%.

REVOLVING / OTHER	FY2008-09	FY2009-10	FY2010-11
University/Colleges	465,090,402	488,011,383	509,382,276
Admin Services	186,225,874	180,969,990	183,864,043
Corrections	17,644,507	17,900,770	18,073,965
All Other	8,326,062	20,068,639	6,826,307
Total - Revolving Funds	677,286,845	706,950,782	718,146,591
Nebr Capital Const Fund (NCCF)	35,031,268	9,709,014	15,775,479
Total - Revolving/Other Funds	712,318,113	716,659,796	733,922,070

About 68% of all revolving fund appropriations are contained within the University and State Colleges. However, unlike the revolving fund definition noted above, revolving funds used by the University and State Colleges account for revenues from dormitories, student unions, agricultural experiment stations, other "enterprise" operations. This separates these revenues from those generated from student tuition and fees that are accounted for as cash funds.

HISTORICAL APPROPRIATIONS-ALL FUNDS

Table 27 contains historical appropriations from all fund sources for the past 20 years. All years exclude deficit appropriations. Also shown are average growth figures for the past 20 years as well as historical growth in biennial budgets.

One significant item to note is the cash fund decline in FY98-99. This relates to the merger of Clarkson Hospital and the University of Nebraska Medical Center Hospital into a non-profit private corporation, Nebraska Health Systems. Because the new entity is "private", this took the University Hospital's patient revenues (and cash fund expenditures) out of the state's accounting system amounting to over \$200 million.

Table 27 Historical Appropriations-All Funds

	General Funds	Cash Funds	Federal Funds	Revolving/Other	Total Funds
FY1989-90 Approp	1,213,239,466	669,923,305	592,886,952	251,071,830	2,727,121,553
FY1990-91 Approp	1,415,098,996	736,361,772	694,819,456	266,341,766	3,112,621,990
FY1991-92 Approp	1,532,922,851	821,901,188	755,923,617	281,938,493	3,392,686,149
FY1992-93 Approp	1,596,160,107	871,907,067	839,384,006	302,998,215	3,610,449,395
FY1993-94 Approp	1,628,020,298	908,707,645	934,011,649	313,568,194	3,784,307,786
FY1994-95 Approp	1,718,957,079	970,926,826	1,004,037,357	330,821,777	4,024,743,039
FY1995-96 Approp	1,810,178,260	1,016,908,962	1,187,791,863	346,310,774	4,361,189,859

1					
FY1996-97 Approp	1,885,810,146	1,073,119,105	1,148,329,975	370,061,527	4,477,320,753
FY1997-98 Approp	1,979,767,634	1,121,968,313	1,179,866,825	393,815,064	4,675,417,836
FY1998-99 Approp	2,228,579,121	937,301,414	1,288,860,855	445,357,561	4,900,098,951
FY1999-00 Approp	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
FY2000-01 Approp	2,458,789,233	1,130,234,910	1,528,364,447	472,171,086	5,589,559,676
FY2001-02 Approp	2,606,951,336	1,210,661,243	1,602,142,264	492,780,254	5,912,535,097
FY2002-03 Approp	2,621,296,239	1,252,852,263	1,750,158,602	516,844,018	6,141,151,122
FY2003-04 Approp	2,655,289,608	1,285,728,367	1,814,045,740	509,307,018	6,264,370,733
FY2004-05 Approp	2,758,082,724	1,348,606,437	2,150,399,990	538,811,896	6,795,901,047
FY2005-06 Approp	2,972,439,069	1,599,561,441	2,183,758,870	546,381,840	7,302,141,220
FY2006-07 Approp	3,180,850,777	1,515,042,477	2,293,382,276	600,297,850	7,589,573,380
FY2007-08 Approp	3,305,700,963	1,637,701,761	2,215,900,086	643,850,466	7,803,153,276
FY2008-09 Approp	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
FY2009-10 Approp	3,370,549,012	1,756,291,581	2,536,541,425	716,659,796	8,380,041,814
FY2010-11 Approp	3,550,761,512	1,751,725,249	2,581,211,394	733,922,070	8,617,620,225
Average Annual Growth					
FY00 / FY01 Biennium	5.0%	9.8%	8.9%	3.0%	6.8%
FY02 / FY03 Biennium	3.3%	5.3%	7.0%	4.6%	4.8%
FY04 / FY05 Biennium	2.6%	3.8%	10.8%	2.1%	5.2%
FY06 / FY07 Biennium	7.4%	6.0%	3.3%	5.6%	5.7%
FY08 / FY09 Biennium	4.6%	7.1%	0.0%	8.9%	4.1%
FY10 / FY11 Biennium	1.0%	0.4%	6.1%	1.5%	2.4%
Avg FY91 to FY01 (10 yr)	5.7%	4.4%	8.2%	5.9%	6.0%
Avg FY01 to FY11 (10 yr)	3.7%	4.5%	5.4%	4.5%	4.4%
Avg FY01 to FY11 (20 yr)	4.7%	4.4%	6.8%	5.2%	5.2%

APPROPRIATIONS BY AGENCY - ALL FUNDS

FY10/FY11 Biennial Budget as Proposed by the Appropriations Committee

			w/o Deficits	Total	Total	FY10 vs P	rior Year	FY11 vs P	rior Year
		Fund	FY2008-09	FY2009-10	FY2010-11	\$ Chnge	% Chnge	\$ Chnge	% Chnge
_			47.000.447	47.077.454	10.750.001	107.007	4.407		4.00/
3	Legislative	Gen	17,680,147	17,877,154	18,758,084	197,007	1.1%	880,930	4.9%
	Council	Cash	268,966	268,966	268,966	0	0.0%	0	0.0%
		Fed	39,270	39,270	39,270	0	0.0%	0	0.0%
		Rev	0	0	0	0	na	0	na
		Total	17,988,383	18,185,390	19,066,320	197,007	1.1%	880,930	4.8%
5	Supreme	Gen	67,935,364	70,042,464	71,993,987	2,107,100	3.1%	1,951,523	2.8%
	Court	Cash	16,143,556	16,887,401	17,072,241	743,845	4.6%	184,840	1.1%
		Fed	931,925	952,148	973,336	20,223	2.2%	21,188	2.2%
		Rev	0	0	0	0	na	0	na
		T-1-1	05.040.045	07.000.040			0.40/		
		Total	85,010,845	87,882,013	90,039,564	2,871,168	3.4%	2,157,551	2.5%
7	Governor	Gen	1,742,569	1,744,580	1,746,716	2,011	0.1%	2,136	0.1%
		Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,742,569	1,744,580	1,746,716	2,011	0.1%	2,136	0.1%
8	Lt. Governor	Gen	143,839	143,805	145,847	(34)	0.0%	2,042	1.4%
U	Et. Governor	Cash	0	0	0	0		2,042	
		Fed	0	0	0	0	na		na
							na	0	na
		Rev	0	0	0	0	na	0	na
		Total	143,839	143,805	145,847	(34)	0.0%	2,042	1.4%
9	Secretary	Gen	734,475	467,491	473,277	(266,984)	-36.4%	5,786	1.2%
•	of State	Cash	6,085,402	6,391,189	6,441,347	305,787	5.0%	50,158	0.8%
	or otato	Fed	98,300	98,300	98,300	0	0.0%	0	0.0%
		Rev	970,582	1,506,809	1,028,938	536,227	55.2%	(477,871)	
		Total	7,888,759	8,463,789	8,041,862	575,030	7.3%	(421,927)	-5.0%
		Total	7,000,739	0,403,769	0,041,002	575,030	1.3%	(421,927)	-5.0%
10	Auditor	Gen	2,557,746	2,506,238	2,508,031	(51,508)	-2.0%	1,793	0.1%
		Cash	1,078,988	1,078,988	1,078,988	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
					_	_		^	na
		Rev	0	0	0	0	na	0	
		Rev Total	3,636,734	3,585,226	3,587,019	(51,508)	na -1.4%	1,793	0.1%
11	Attorney	Total	3,636,734	3,585,226	3,587,019	(51,508)	-1.4%	1,793	0.1%
11	Attorney	Total Gen	3,636,734	3,585,226	3,587,019	(51,508)	-1.4% 10.4%	1,793	-6.2%
11	Attorney General	Total Gen Cash	3,636,734 6,154,481 934,596	3,585,226 6,792,887 848,490	3,587,019 6,373,906 862,915	(51,508) 638,406 (86,106)	-1.4% 10.4% -9.2%	1,793 (418,981) 14,425	-6.2% 1.7%
11		Total Gen Cash Fed	3,636,734 6,154,481 934,596 1,017,246	3,585,226 6,792,887 848,490 1,496,293	3,587,019 6,373,906 862,915 1,556,085	(51,508) 638,406 (86,106) 479,047	-1.4% 10.4% -9.2% 47.1%	1,793 (418,981) 14,425 59,792	-6.2% 1.7% 4.0%
11		Total Gen Cash	3,636,734 6,154,481 934,596	3,585,226 6,792,887 848,490	3,587,019 6,373,906 862,915	(51,508) 638,406 (86,106)	-1.4% 10.4% -9.2%	1,793 (418,981) 14,425	-6.2% 1.7%

		Fund	w/o Deficits FY2008-09	Total FY2009-10	Total FY2010-11	FY10 vs F \$ Chnge	<u>Prior Year</u> % Chnge	FY11 vs P \$ Chnge	rior Year % Chnge
12	Treasurer	Gen	19,414,587	19,879,617	19,909,086	465,030	2.4%	29,469	0.1%
		Cash	5,954,093	5,515,568	5,553,559	(438,525)	-7.4%	37,991	0.7%
		Fed	2,407,454	2,083,263	2,127,597	(324,191)	-13.5%	44,334	2.1%
		Rev	0	0	0	0	na	0	na
		Total	27,776,134	27,478,448	27,590,242	(297,686)	-1.1%	111,794	0.4%
13	Education	Gen	1,051,438,802	1,055,600,593	1,056,824,225	4,161,791	0.4%	1,223,632	0.1%
		Cash	8,905,291	10,200,051	10,224,733	1,294,760	14.5%	24,682	0.2%
		Fed	305,459,346	415,978,954	494,328,099	110,519,608	36.2%	78,349,145	18.8%
		Rev	162,872	162,872	162,872	0	0.0%	0	0.0%
		Total	1,365,966,311	1,481,942,470	1,561,539,929	115,976,159	8.5%	79,597,459	5.4%
14	Public	Gen	2,659,081	2,605,037	2,657,624	(54,044)	-2.0%	52,587	2.0%
	Service	Cash	79,271,625	76,213,640	76,277,053	(3,057,985)	-3.9%	63,413	0.1%
	Commission	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	81,930,706	78,818,677	78,934,677	(3,112,029)	-3.8%	116,000	0.1%
15	Dorolo	Con	900 F40	900 459	004 546	0.040	4 40/	12,058	4 50/
15	Parole	Gen	800,540	809,458	821,516	8,918	1.1%	•	1.5%
	Board	Cash	0	0	0	0	na	0	na
		Fed Rev	0	0	0	0	na na	0	na na
		Total	800,540	809,458	821,516	8,918	1.1%	12,058	1.5%
16	Revenue	Gen	107,266,207	93,285,042	96,146,130	(13,981,165)	-13.0%	2,861,088	3.1%
		Cash	137,262,884	147,031,504	147,723,125	9,768,620	7.1%	691,621	0.5%
		Fed	500	0	500	(500)	-100.0%	500	na
		Rev	0	0	0	0	na	0	na
		Total	244,529,591	240,316,546	243,869,755	(4,213,045)	-1.7%	3,553,209	1.5%
17	Aeronautics	Gen	0	0	0	0	na	0	na
.,	Actoriadiles	Cash	25,439,900	31,555,455	22,058,389	6,115,555	24.0%	(9,497,066)	
		Fed	0	0	0	0	na	0,107,000)	na
		Rev	0	0	0	0	na	0	na
		Total	25,439,900	31,555,455	22,058,389	6,115,555	24.0%	(9,497,066)	-30.1%
		_							
18	Agriculture	Gen	8,506,350	6,442,179	6,582,627	(2,064,171)	-24.3%	140,448	2.2%
		Cash	7,039,522	6,989,065	7,079,977	(50,457)	-0.7%	90,912	1.3%
		Fed	2,487,909	2,774,498	2,821,676	286,589	11.5%	47,178	1.7%
		Rev	485,727	519,490	553,664	33,763	7.0%	34,174	6.6%
		Total	18,519,508	16,725,232	17,037,944	(1,794,276)	-9.7%	312,712	1.9%
		Con	0	0	0	0	na	0	na
19	Banking	Gen	U	U					
19	Banking	Cash				43,442	0.7%	7,701	0.1%
19	Banking		6,582,860 0	6,626,302 0	6,634,003 0				
19	Banking	Cash	6,582,860	6,626,302	6,634,003	43,442	0.7%	7,701	0.1%

		Fund	w/o Deficits FY2008-09		Total FY2010-11	FY10 vs F \$ Chnge	<u>Prior Year</u> % Chnge	FY11 vs P \$ Chnge	rior Yea % Chng
						+ -····g-	70 0111190	¥ • · · · · · · · · · · ·	,, ,,,,,
21	Fire	Gen	4,334,612	4,471,830	4,584,655	137,218	3.2%	112,825	2.5%
_ '	Marshal	Cash	1,580,506	1,688,892	1,727,695	108,386	6.9%	38,803	2.3%
	Maishai								
		Fed	319,596	325,677	332,038	6,081	1.9%	6,361	2.0%
		Rev	0	0	0	0	na	0	na
		Total	6,234,714	6,486,399	6,644,388	251,685	4.0%	157,989	2.4%
22	Insurance	Gen	0	0	0	0	na	0	na
		Cash	11,327,260	11,244,547	11,140,085	(82,713)	-0.7%	(104,462)	-0.9%
		Fed	315,630	319,819	324,168	4,189	1.3%	4,349	1.4%
		Rev	0	0	0	0	na	0	na
		Total	11,642,890	11,564,366	11,464,253	(78,524)	-0.7%	(100,113)	-0.9%
23	Labor	Gen	636,831	567,044	582,247	(69,787)	-11.0%	15,203	2.7%
_0	Labo.	Cash	1,962,765	1,942,994	1,980,032	(19,771)	-1.0%	37,038	1.9%
		Fed	45,173,756	43,752,890	44,115,954	(1,420,866)	-3.1%	363,064	0.8%
		Rev	45,175,750	43,732,690	0	(1,420,000)	-3.176 na	0	na
		Total	47,773,352	46,262,928	46,678,233	(1,510,424)	-3.2%	415,305	0.9%
24	Motor	Gen	0	0	0	0	na	0	na
	Vehicles	Cash	20,808,041	25,357,338	26,247,045	4,549,297	21.9%	889,707	3.5%
		Fed	2,648,418	2,661,667	2,677,879	13,249	0.5%	16,212	0.6%
		Rev	2,010,110	0	0	0	na	0	na
		Total	23,456,459	28,019,005	28,924,924	4,562,546	19.5%	905,919	3.2%
25	HHS	Gen	1,225,535,623	1,129,818,401	1,239,581,813	(95,717,222)	-7.8%	109,763,412	9.7%
20		Cash	146,855,146	150,177,470	149,147,671		2.3%		-0.7%
	System					3,322,324		(1,029,799)	
		Fed	1,517,844,689		1,575,381,743	87,775,770	5.8%	(30,238,716)	-1.9%
		Rev	0	0	0	0	na	0	na
		Total	2,890,235,458	2,885,616,330	2,964,111,227	(4,619,128)	-0.2%	78,494,897	2.7%
27	Roads	Gen	18,184	2,610	2,610	(15,574)	-85.6%	0	0.0%
		Cash	655,159,003	659,759,003	661,759,003	4,600,000	0.7%	2,000,000	0.3%
		Fed	0	0	0	0	na	0	na
		Rev	0	2,850,806	0	2,850,806	na	(2,850,806)	-100.0%
		Total	655,177,187	662,612,419	661,761,613	7,435,232	1.1%	(850,806)	-0.1%
28	Veterans	Gen	1,032,894	959,393	1,198,455	(73,501)	-7.1%	239,062	24.9%
_5	Affairs	Cash	0	0	0	(73,301)	na	233,002	na
	,a.io	Fed	0	0	0	0		0	
		rea Rev	0	0	0	0	na na	0	na na
		Total	4.022.004	050.202	1 100 155	(72.504)	7.40/		24.00/
		Total	1,032,894	959,393	1,198,455	(73,501)	-7.1%	239,062	24.9%
29	Natural	Gen	17,892,052	17,891,881	18,169,755	(171)	0.0%	277,874	1.6%
	Resources	Cash	5,944,090	5,944,090	5,944,090	0	0.0%	0	0.0%
		Fed	703,214	503,214	503,214	(200,000)	-28.4%	0	0.0%
		Rev	0	0	0	0	na	0	na
		Total	24,539,356	24,339,185	24,617,059	(200,171)	-0.8%	277,874	1.1%
		iotal	∠4,339,35b	∠4,339,185	24,017,059	(200,171)	-0.8%	211,014	1.1%

		Fund	w/o Deficits FY2008-09	Total FY2009-10	Total FY2010-11	FY10 vs F \$ Chnge	<u>Prior Year</u> % Chnge	FY11 vs P \$ Chnge	rior Year % Chng
						+9-	7	+ + + + + + + + + + + + + + + + + + + 	,, ,,,,,
30	Electrical	Gen	0	0	0	0	na	0	na
	Board	Cash	1,532,813	1,617,199	1,667,929	84,386	5.5%	50,730	3.1%
	200.0	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,532,813	1,617,199	1,667,929	84,386	5.5%	50,730	3.1%
31	Military	Gen	4,772,449	5,386,304	5,415,621	613,855	12.9%	29,317	0.5%
-	Dept	Cash	961,844	963,440	970,650	1,596	0.2%	7,210	0.7%
		Fed	17,652,525	18,113,192	18,358,061	460,667	2.6%	244,869	1.4%
		Rev	0	0	0	0	na	0	na
		Total	23,386,818	24,462,936	24,744,332	1,076,118	4.6%	281,396	1.2%
32	Ed Lands	Gen	414,455	348,468	360,161	(65,987)	-15.9%	11,693	3.4%
32	& Funds	Cash	9,104,806	9,368,270	9,648,625	263,464	2.9%	280,355	3.0%
	& Fullus	Fed	9,104,800	9,308,270	9,048,023	203,404	2.970 na	200,333	3.0 % na
		Rev	0	0	0	0	na	0	na
		Total	9,519,261	9,716,738	10,008,786	197,477	2.1%	292,048	3.0%
33	Game and	Gen	11,338,991	11,717,977	12,095,140	378,986	3.3%	377,163	3.2%
	Parks	Cash	60,118,354	59,651,218	61,203,526	(467,136)	-0.8%	1,552,308	2.6%
		Fed	371,554	2,240,795	2,356,337	1,869,241	503.1%	115,542	5.2%
		Rev	0	0	0	0	na	0	na
		Total	71,828,899	73,609,990	75,655,003	1,781,091	2.5%	2,045,013	2.8%
34	Library	Gen	3,888,936	3,888,936	3,888,936	0	0.0%	0	0.0%
34	Commission	Cash	94,085	94,085	94,085	0	0.0%	0	0.0%
	Commission			94,065 1,499,056	•			_	
		Fed	1,499,056		1,499,056 0	0	0.0%	0	0.0%
		Rev	0	0			na 	0	na
		Total	5,482,077	5,482,077	5,482,077	0	0.0%	0	0.0%
35	Liquor	Gen	982,122	998,654	1,028,754	16,532	1.7%	30,100	3.0%
	Commission	Cash	74,441	74,441	74,441	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,056,563	1,073,095	1,103,195	16,532	1.6%	30,100	2.8%
26	Paging	Con	0	0	0	0	~~	2	-
36	Racing	Gen	1 064 101	1 064 019	0 1 065 579	0 727	na o 1%	0 660	na n 19/
	Commission	Cash Fed	1,064,191	1,064,918	1,065,578	727 0	0.1%	660 0	0.1%
		Rev	0 0	0 0	0	0	na na	0	na na
		NOV							
		Total	1,064,191	1,064,918	1,065,578	727	0.1%	660	0.1%
37	Workers	Gen	0	0	0	0	na	0	na
	Compensation	Cash	4,850,783	5,166,867	5,538,554	316,084	6.5%	371,687	7.2%
		Fed	31,512	50,386	33,208	18,874	59.9%	(17,178)	
		Rev	0	0	0	0	na	0	na

		Fund	w/o Deficits FY2008-09	Total FY2009-10	Total FY2010-11	FY10 vs \$ Chnge	Prior Year % Chnge	FY11 vs P \$ Chnge	rior Year % Chnge
		i unu	1 12000-09	1 12009-10	1 12010-11	y Chinge	70 Chinge	ψ Chinge	70 Cillige
38	Status of	Gen	0	0	0	0	na	0	na
30	Women	Cash	5,000	5,000	5,000	0	0.0%	0	0.0%
	Women	Fed	3,000	5,000	5,000	0	na	0	
		Rev	0	0	0	0		0	na
		Rev					na		na
		Total	5,000	5,000	5,000	0	0.0%	0	0.0%
39	Brand	Gen	0	0	0	0	na	0	na
	Committee	Cash	4,456,362	4,456,362	4,456,362	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	4,456,362	4,456,362	4,456,362	0	0.0%	0	0.0%
40	Motor Vehicle	Gen	0	0	0	0	na	0	na
40	Dealers	Cash	675,886	699,080	719,756	23.194	3.4%	20,676	3.0%
	Dealers	Fed	073,880	099,000	719,730	23,194		20,070	
		Rev	0	0	0	0	na na	0	na na
		Total	675,886	699,080	719,756	23,194	3.4%	20,676	3.0%
		Total	075,000	699,000	719,756	23,194	3.4%	20,676	3.0%
41	Real Estate	Gen	0	0	0	0	na	0	na
	Commission	Cash	1,105,262	1,115,476	1,148,972	10,214	0.9%	33,496	3.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,105,262	1,115,476	1,148,972	10,214	0.9%	33,496	3.0%
45	Barber	Gen	0	0	0	0	no	0	no
45				_	_	_	na	0	na
	Examiners	Cash	146,472	150,655	154,780	4,183	2.9%	4,125	2.7%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0		na	0	na
		Total	146,472	150,655	154,780	4,183	2.9%	4,125	2.7%
46	Correctional	Gen	152,370,688	124,820,021	148,041,132	(27,550,667)	-18.1%	23,221,111	18.6%
	Services	Cash	1,851,764	2,075,808	2,010,768	224,044	12.1%	(65,040)	-3.1%
		Fed	375,217	35,953,754	17,970,288	35,578,537	9482.1%	(17,983,466)	-50.0%
		Rev	17,644,507	17,900,770	18,073,965	256,263	1.5%	173,195	1.0%
		Total	172,242,176	180,750,353	186,096,153	8,508,177	4.9%	5,345,800	3.0%
47	Educational	Gen	10,136,091	9,968,024	10,202,739	(168,067)	-1.7%	234,715	2.4%
	Telecomm.	Cash	255,532	255,532	255,532	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	10,391,623	10,223,556	10,458,271	(168,067)	-1.6%	234,715	2.3%
	_								_
48	Postsecondary	Gen	8,136,134	8,296,134	8,466,134	160,000	2.0%	170,000	2.0%
	Coord Comm	Cash	6,010,037	7,010,037	7,760,037	1,000,000	16.6%	750,000	10.7%
		Fed	998,736	998,736	998,736	0	0.0%	0	0.0%
		Rev	0	0	0	0	na	0	na
		Total	15,144,907	16,304,907	17,224,907	1,160,000	7.7%	920,000	5.6%

50 Nebrasi State College 51 Univers of Nebra	S Fe Re Re Re Ity Ge aska Ca Fe Re	n 45,393,20 25,129,72 d 18,091,09 v 7,291,34 eal 95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	1 46,174,099 1 25,129,721 0 18,091,090 7,291,348 0 96,686,258 7 499,912,628	FY2010-11 47,015,210 25,129,721 18,091,090 7,291,348 97,527,369	\$ Chnge 780,898 0 0	% Chnge 1.7% 0.0% 0.0% 0.0%	\$ Chnge 5	4.8% 0.0% 0.0%
State College 51 Univers	S Fe Re Re Re Ity Ge aska Ca Fe Re	sh 25,129,72 d 18,091,09 v 7,291,34 eal 95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	1 25,129,721 0 18,091,090 8 7,291,348 0 96,686,258 7 499,912,628	25,129,721 18,091,090 7,291,348	0	0.0% 0.0%	0	0.0%
State College 51 Univers	S Fe Re Re Re Ity Ge aska Ca Fe Re	sh 25,129,72 d 18,091,09 v 7,291,34 eal 95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	1 25,129,721 0 18,091,090 8 7,291,348 0 96,686,258 7 499,912,628	25,129,721 18,091,090 7,291,348	0	0.0% 0.0%	0	0.0%
College 51 Univers	s Fe Re To ity Ge aska Ca Fe Re	18,091,09 v 7,291,34 eal 95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	18,091,090 7,291,348 0 96,686,258 7 499,912,628	18,091,090 7,291,348	0	0.0%		
51 Univers	Re To ity Ge aska Ca Fe Re	7,291,34 95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	7,291,348 96,686,258 499,912,628	7,291,348			U	
	To ity Ge aska Ca Fe Re	95,905,36 n 492,106,03 sh 314,016,99 d 292,862,17	96,686,258 7 499,912,628				0	0.0%
	ity Ge aska Ca Fe Re	n 492,106,03 sh 314,016,99 d 292,862,17	7 499,912,628	97,527,369				
	aska Ca Fe Re	sh 314,016,99 d 292,862,17			780,898	0.8%	841,111	0.9%
	aska Ca Fe Re	sh 314,016,99 d 292,862,17		508,440,667	7,806,591	1.6%	8,528,039	1.7%
	Re		1 318,335,812	322,350,839	4,318,821	1.4%	4,015,027	1.3%
			4 307,260,149	320,645,342	14,397,975	4.9%	13,385,193	4.4%
		v 457,799,05	4 480,720,035	502,090,928	22,920,981	5.0%	21,370,893	4.4%
	То	al 1,556,784,25	6 1,606,228,624	1,653,527,776	49,444,368	3.2%	47,299,152	2.9%
52 Board o	of Ge	n	0 0	0	0	na	0	na
Agricult	ure Ca	sh 7,500,00	0 2,500,000	2,500,000	(5,000,000)	-66.7%	0	0.0%
	Fe	b	0 0	0	0	na	0	na
	Re	V	0 0	0	0	na	0	na
	То	7,500,00	2,500,000	2,500,000	(5,000,000)	-66.7%	0	0.0%
53 Real Pro	operty Ge	n	0 0	0	0	na	0	na
Apprais				291,170	(10,610)	-3.6%	4,455	1.6%
	Fe		0 0	0	0	na	0	na
	Re	v	0 0	0	0	na	0	na
	То	al 297,32	5 286,715	291,170	(10,610)	-3.6%	4,455	1.6%
54 Historic	al Ge	n 4,514,31	1 4,505,813	4,505,813	(8,498)	-0.2%	0	0.0%
Society				1,847,997	136,901	8.3%	58,716	3.3%
Society	Fe			803,251	12,178	1.6%	11,216	1.4%
	Re		0 0	0	0	na	0	na
	To	al 6,946,54	7,087,129	7,157,061	140,581	2.0%	69,932	1.0%
	10	0,540,04	7,007,120	7,107,001	140,001	2.070	00,002	1.070
56 Nebrasi	ka Ge		0 0	0	0	na	0	na
Wheat	Ca			1,410,422	0	0.0%	0	0.0%
Board	Fe		0 0	0	0	na	0	na
	Re	V	0 0	0	0	na	0	na
	То	al 1,410,42	2 1,410,422	1,410,422	0	0.0%	0	0.0%
57 Oil & Ga	as Ge	n	0 0	0	0	na	0	na
Commis		sh 585,60	8 788,772	790,067	203,164	34.7%	1,295	0.2%
	Fe		1 88,964	91,028	(10,727)	-10.8%	2,064	2.3%
	Re	V	0 0	0	0	na	0	na
	То	al 685,29	9 877,736	881,095	192,437	28.1%	3,359	0.4%
58 Engine	ers Ge	n	0 0	0	0	na	0	na
Archited				794,909	15,905	2.1%	16,350	2.1%
	Fe		0 0	0	0	na	0	na
	Re	V	0 0	0	0	na	0	na
	То	al 762,65	778,559	794,909	15,905	2.1%	16,350	2.1%

			w/o Deficits	Total	Total	FY10 vs F		FY11 vs P	rior Year
		Fund	FY2008-09	FY2009-10	FY2010-11	\$ Chnge	% Chnge	\$ Chnge	% Chnge
59	Geologists	Gen	0	0	0	0	na	0	na
	Board	Cash	33,850	32,461	33,002	(1,389)	-4.1%	541	1.7%
		Fed	0	0	0	Ó	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	33,850	32,461	33,002	(1,389)	-4.1%	541	1.7%
		_							
60	Ethanol	Gen	0	0	0	0	na	0	na
	Board	Cash	560,329	560,329	560,329	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	560,329	560,329	560,329	0	0.0%	0	0.0%
61	Dairy	Gen	0	0	0	0	na	0	na
٠.	Board	Cash	1,800,000	1,400,000	1,400,000	(400,000)	-22.2%	0	0.0%
	Board	Fed	0	0	0	(400,000)	na	0	na
		Rev	0	0	0	0	na	0	na
		Tatal	4 000 000	4 400 000	4.400.000	(400,000)			
		Total	1,800,000	1,400,000	1,400,000	(400,000)	-22.2%	0	0.0%
62	Land	Gen	0	0	0	0	na	0	na
	Surveyors	Cash	33,615	29,879	29,885	(3,736)	-11.1%	6	0.0%
	Curroyoro	Fed	0	0	0	(0,700)	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	33,615	29,879	29,885	(3,736)	-11.1%	6	0.0%
63	Public	Gen	0	0	0	0	na	0	na
	Accountancy	Cash	419,701	424,490	433,803	4,789	1.1%	9,313	2.2%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	419,701	424,490	433,803	4,789	1.1%	9,313	2.2%
64	State	Gen	52,926,634	55,396,251	57,114,888	2,469,617	4.7%	1,718,637	3.1%
	Patrol	Cash	14,901,931	14,757,647	15,061,856	(144,284)	-1.0%	304,209	2.1%
		Fed	2,076,169	2,132,983	2,192,056	56,814	2.7%	59,073	2.8%
		Rev	800,503	823,530	847,530	23,027	2.9%	24,000	2.9%
		Total	70,705,237	73,110,411	75,216,330	2,405,174	3.4%	2,105,919	2.9%
C.F.	A dania	Con	0.420.050	0.042.669	0.504.404	(444.202)	4 20/	(422.267)	4.00/
65	Admin Services	Gen	9,128,050	9,013,668	8,581,401	(114,382)	-1.3%	(432,267)	-4.8%
	(DAS)	Cash Fed	9,643,917 0	9,298,224 0	9,300,242 0	(345,693) 0	-3.6%	2,018 0	0.0% na
	(DAS)	Rev	186,225,874	180,969,990	183,864,043	(5,255,884)	na -2.8%	2,894,053	1.6%
		Total	204,997,841	199,281,882	201,745,686	(5,715,959)	-2.8%	2,463,804	1.2%
66	Abstracter's	Gen	0	0	0	0	na	0	na
	Board	Cash	42,728	46,041	47,354	3,313	7.8%	1,313	2.9%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	42,728	46,041	47,354	3,313	7.8%	1,313	2.9%

Formula			Fund.	w/o Deficits	Total	Total	FY10 vs F		FY11 vs Pi	
Copportunity Cash Cash Commission Fed George George Fed George G			Fund	FY2008-09	FY2009-10	FY2010-11	\$ Chnge	% Chnge	\$ Chnge	% Chnge
Copportunity Cash Cash Commission Fed George George Fed George G	67	Faual	Gen	1 373 311	1 326 333	1 370 691	(46 978)	-3 4%	44 358	3.3%
Commission	01	•					, ,		· ·	na
Total 2,039,547 2,114,846 2,182,577 75,299 3,7% 67,731 67,731 68 Mexican— Gen 215,312 200,461 210,352 (14,851) -6,9% 9,891 American Cash 0 37,162 35,000 37,162 na (2,162) -7 Commission Fed 0 0 0 0 0 0 na 0 na 0 0 0 na 0 0 0 na 0 0 0 na 0 0					_	_	_			3.0%
68 Mexican-American Cash American Cash Commission 215,312 Per Policy 200,461 Per Policy 210,352 Per Policy (14,851) Per Policy -6,9% Per Policy 9,891 Per Policy Commission Fed Rev 0 37,162 Per Policy 35,000 Per Policy 37,162 Per Policy na (2,162) Per Policy			Rev	0	0	0	0	na	0	na
68 Mexican- American Cash American Cash Commission 215,312 Per Policy 200,461 Per Policy 210,352 Per Policy (14,851) Per Policy -6,9% Per Policy 9,891 Per Policy Commission Fed Rev 0 37,162 Per Policy 35,000 Per Policy 37,162 Per Policy na (2,162) Per Policy <td></td>										
American Cash O 37,162 35,000 37,162 na (2,162) Commission Fed O O O O O na O			lotal	2,039,547	2,114,846	2,182,577	75,299	3.7%	67,731	3.2%
Commission	68	Mexican-	Gen	215,312	200,461	210,352	(14,851)	-6.9%	9,891	4.9%
Rev		American				35,000	37,162	na	(2,162)	-5.8%
Total 215,312 237,623 245,352 22,311 10.4% 7,729 10.4%		Commission								na
69 Arts Council Gen 1,479,714 1,488,548 1,485,376 8,834 0.6% (3,172) - Cash 1,510,000 1,510,000 0 0.0% 0 Fed 649,254 650,203 650,275 949 0.1% 72 Rev 0 0 0 0 0 0 0 0 0 Total 3,638,968 3,648,751 3,645,651 9,783 0.3% (3,100) - 70 Foster Care Gen 1,336,371 1,421,906 1,458,318 85,535 6.4% 36,412 Review Board Cash 6,000 6,000 6,000 0 0.0% 0 Rev 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			Rev	0	0	0	0	na	0	na
Cash 1,510,000 1,510,000 0,00% 0 0,0% 0 0 0 0 0 0 0 0 0 0 0			Total	215,312	237,623	245,352	22,311	10.4%	7,729	3.3%
Cash 1,510,000 1,510,000 0,00% 0 0,0% 72 Fed 649,254 650,203 650,275 949 0,11% 72 Fed 649,254 650,203 Fed 649,254 650,	69	Arts Council	Gen	1.479.714	1.488.548	1.485.376	8.834	0.6%	(3.172)	-0.2%
Rev							•			0.0%
Total 3,638,968 3,648,751 3,645,651 9,783 0.3% (3,100) - 70 Foster Care Review Board Cash 6,000 6,000 6,000 0 0.0% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			Fed			650,275	949	0.1%	72	0.0%
70 Foster Care Review Board Cash 6,000 6,000 6,000 0,00% 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			Rev	0	0	0	0	na	0	na
Review Board Cash 6,000 6,000 6,000 0,000 0 0,0% 0 0 Fed 603,389 635,331 651,043 31,942 5,3% 15,712 15			Total	3,638,968	3,648,751	3,645,651	9,783	0.3%	(3,100)	-0.1%
Review Board Cash 6,000 6,000 6,000 0,00% 0 0,0% Fed 603,389 635,331 651,043 31,942 5,3% 15,712 1	70	Foster Care	Gen	1,336,371	1,421,906	1,458,318	85,535	6.4%	36,412	2.6%
Rev		Review Board			6,000		•			0.0%
Total 1,945,760 2,063,237 2,115,361 117,477 6.0% 52,124 71 Energy Gen 0 0 0 0 0 0 na 0 0			Fed	603,389	635,331	651,043	31,942	5.3%	15,712	2.5%
71 Energy Gen 0 0 0 0 0 0 na 0 0 na 0 Office Cash 676,087 1,706,470 1,686,339 1,030,383 152.4% (20,131) - Fed 8,312,090 6,118,337 6,112,426 (2,193,753) -26.4% (5,911) - Rev 0 0 0 0 0 0 na 0 0 na 0 O Office Cash 23,278,777 18,059,761 17,090,213 (5,219,016) -22.4% (969,548) - Fed 21,898,133 21,942,855 21,981,811 44,722 0.2% 38,956 Rev 0 0 0 0 0 0 na 0 Office Cash 22,050 22,861 22,865 811 3.7% 4 Office Cash 22,050 22,			Rev	0	0	0	0	na	0	na
Office Cash 676,087 1,706,470 1,686,339 1,030,383 152,4% (20,131) - Fed 8,312,090 6,118,337 6,112,426 (2,193,753) -26.4% (5,911) - Rev 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			Total	1,945,760	2,063,237	2,115,361	117,477	6.0%	52,124	2.5%
Office Cash 676,087 1,706,470 1,686,339 1,030,383 152,4% (20,131) - Fed 8,312,090 6,118,337 6,112,426 (2,193,753) -26.4% (5,911) - Rev 0 0 0 0 0 0 0 na 0 0 na 0 0 0 0 na 0 0 0 0	71	Enerav	Gen	0	0	0	0	na	0	na
Rev 0 0 0 0 0 0 na 0 Total 8,988,177 7,824,807 7,798,765 (1,163,370) -12.9% (26,042) -1 72 Economic Gen 6,666,717 6,673,518 6,666,860 6,801 0.1% (6,658) -1 Development Cash 23,278,777 18,059,761 17,090,213 (5,219,016) -22.4% (969,548) -1 Fed 21,898,133 21,942,855 21,981,811 44,722 0.2% 38,956 Rev 0 0 0 0 na 0 Total 51,843,627 46,676,134 45,738,884 (5,167,493) -10.0% (937,250) -1 73 Landscape Gen 0 0 0 0 0 na 0 0 na 0 0 0 na 0 0 0 na 0 0 0 0										-1.2%
Total 8,988,177 7,824,807 7,798,765 (1,163,370) -12.9% (26,042) - 72 Economic Gen 6,666,717 6,673,518 6,666,860 6,801 0.1% (6,658) - Development Cash 23,278,777 18,059,761 17,090,213 (5,219,016) -22.4% (969,548) - Fed 21,898,133 21,942,855 21,981,811 44,722 0.2% 38,956 Rev 0 0 0 0 0 na 0 Total 51,843,627 46,676,134 45,738,884 (5,167,493) -10.0% (937,250) - 73 Landscape Gen 0 0 0 0 0 na 0 0			Fed	8,312,090	6,118,337	6,112,426	(2,193,753)	-26.4%	(5,911)	-0.1%
72 Economic Development Gen G,666,717 G,673,518 G,666,860 G,801 G,219,016) -22.4% (969,548) Development Development Cash 23,278,777 G,777 G,77			Rev				0	na		na
Development Cash 23,278,777 18,059,761 17,090,213 (5,219,016) -22.4% (969,548) -4 -4 -4 -4 -4 -4 -4 -			Total	8,988,177	7,824,807	7,798,765	(1,163,370)	-12.9%	(26,042)	-0.3%
Development Cash 23,278,777 18,059,761 17,090,213 (5,219,016) -22.4% (969,548) -4 -4 -4 -4 -4 -4 -4 -	72	Economic	Gen	6.666.717	6.673.518	6.666.860	6.801	0.1%	(6.658)	-0.1%
Fed 21,898,133 21,942,855 21,981,811 44,722 0.2% 38,956 Rev 0 0 0 0 0 na 0 0 na 0 0	-									-5.4%
Total 51,843,627 46,676,134 45,738,884 (5,167,493) -10.0% (937,250) -10.0%		·						0.2%		0.2%
73 Landscape Gen 0 0 0 0 0 na 0 Architects Cash 22,050 22,861 22,865 811 3.7% 4 Fed 0 0 0 0 0 na 0 Rev 0 0 0 0 na 0 Total 22,050 22,861 22,865 811 3.7% 4 74 Power Gen 0 0 0 0 0 na 0 Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 0 na 0 Rev 0 0 0 0 na 0 Rev 0 0 0 0 na 0			Rev	0	0	0	0	na	0	na
Architects Cash 22,050 22,861 22,865 811 3.7% 4 Fed 0 0 0 0 0 na 0 Rev 0 0 0 0 na 0 Total 22,050 22,861 22,865 811 3.7% 4 74 Power Gen 0 0 0 0 na 0 Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 na 0 Rev 0 0 0 na 0			Total	51,843,627	46,676,134	45,738,884	(5,167,493)	-10.0%	(937,250)	-2.0%
Architects Cash 22,050 22,861 22,865 811 3.7% 4 Fed 0 0 0 0 0 na 0 Rev 0 0 0 0 na 0 74 Power Gen 0 0 0 0 na 0 Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0	73	Landscape	Gen	0	0	0	0	na	0	na
Fed 0 0 0 0 0 na 0 Rev 0 0 0 0 na 0 0 na 0 0 0 0 na 0 0 0 0 0	-									0.0%
Total 22,050 22,861 22,865 811 3.7% 4 74 Power Gen 0 0 0 0 0 na 0 Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0			Fed				0		0	na
74 Power Gen 0 0 0 0 na 0 Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0			Rev	0	0	0	0	na	0	na
Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0			Total	22,050	22,861	22,865	811	3.7%	4	0.0%
Review Cash 404,222 402,090 411,652 (2,132) -0.5% 9,562 Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0	74	Power	Gen	0	0	0	0	na	0	na
Board Fed 0 0 0 0 na 0 Rev 0 0 0 0 na 0										2.4%
										na
			Rev	0	0	0	0	na	0	na
Total 404,222 402,090 411,652 (2,132) -0.5% 9,562			Total	404,222	402,090	411,652	(2,132)	-0.5%	9,562	2.4%

			w/o Deficits	Total	Total	FY10 vs P	rior Year	FY11 vs P	rior Year
		Fund	FY2008-09	FY2009-10	FY2010-11	\$ Chnge	% Chnge	\$ Chnge	% Chnge
75	Investment	Gen	0	0	0	0	na	0	na
75	Council	Cash	1,764,373	2,430,902	2,629,099	666,529	37.8%	198,197	8.2%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,764,373	2,430,902	2,629,099	666,529	37.8%	198,197	8.2%
76	Indian	Gen	198,763	195,000	195,000	(3,763)	-1.9%	0	0.0%
	Affairs	Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	198,763	195,000	195,000	(3,763)	-1.9%	0	0.0%
77	Industrial	Gen	335,155	332,955	332,955	(2,200)	-0.7%	0	0.0%
	Relations	Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	335,155	332,955	332,955	(2,200)	-0.7%	0	0.0%
78	Crime	Gen	11,146,822	11,276,885	11,402,721	130,063	1.2%	125,836	1.1%
	Commission	Cash	1,295,283	1,615,171	1,379,298	319,888	24.7%	(235,873)	
		Fed	9,036,693	9,057,484	9,076,808	20,791	0.2%	19,324	0.2%
		Rev	0	0	0	0	na	0	na
		Total	21,478,798	21,949,540	21,858,827	470,742	2.2%	(90,713)	-0.4%
81	Blind and	Gen	969,684	1,054,557	1,087,202	84,873	8.8%	32,645	3.1%
	Visually	Cash	65,173	90,500	90,617	25,327	38.9%	117	0.1%
	Impaired	Fed	3,350,626 0	3,417,800 0	3,519,806 0	67,174 0	2.0%	102,006 0	3.0%
		Rev					na 		na
		Total	4,385,483	4,562,857	4,697,625	177,374	4.0%	134,768	3.0%
82	Deaf and	Gen	874,210	875,312	898,083	1,102	0.1%	22,771	2.6%
	Hard of Hearing	Cash Fed	9,430 0	11,630 0	13,430 0	2,200 0	23.3% na	1,800 0	15.5% na
	riearing	Rev	0	0	0	0	na	0	na
		Total	883,640	886,942	911,513	3,302	0.4%	24,571	2.8%
83	Community	Gen	87,266,476	88,575,473	89,904,105	1,308,997	1.5%	1,328,632	1.5%
00	Colleges	Cash	07,200,470	00,070,470	00,004,100	0	na	0	na
	o .	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	87,266,476	88,575,473	89,904,105	1,308,997	1.5%	1,328,632	1.5%
84	Environmental	Gen	8,193,010	7,948,774	7,984,101	(244,236)	-3.0%	35,327	0.4%
	Quality	Cash	33,895,409	34,054,512	34,050,017	159,103	0.5%	(4,495)	0.0%
	(DEQ)	Fed	29,710,706	29,704,292	29,690,009	(6,414)	0.0%	(14,283)	0.0%
		Rev	0	0	0	0	na	0	na

		Fund	w/o Deficits FY2008-09	Total FY2009-10	Total FY2010-11	<u>FY10 vs F</u> \$ Chnge	<u>Prior Year</u> % Chnge	FY11 vs F \$ Chnge	<u>rior Year</u> % Chng
0.5	D.C.	0	10 100 015	00.070.400	47 570 400	000.075	4.00/	07.000.000	400.00/
85	Retirement Board	Gen Cash	19,468,215	20,370,490 6,794,100	47,579,490 5,365,702	902,275	4.6% -24.2%	27,209,000 (1,428,398)	
	Duaru	Fed	8,965,310		0,365,702	(2,171,210) 0			
		Rev	0	0 0	0	0	na	0	na
		Kev					na		na
		Total	28,433,525	27,164,590	52,945,192	(1,268,935)	-4.5%	25,780,602	94.9%
86	Dry Bean	Gen	0	0	0	0	na	0	na
	Board	Cash	402,282	400,000	400,000	(2,282)	-0.6%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	402,282	400,000	400,000	(2,282)	-0.6%	0	0.0%
87	Accountability	Gen	430,726	426,435	441,387	(4,291)	-1.0%	14,952	3.5%
	& Disclosure	Cash	1,031,351	1,027,295	1,138,367	(4,056)	-0.4%	111,072	10.8%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,462,077	1,453,730	1,579,754	(8,347)	-0.6%	126,024	8.7%
88	Nebraska	Gen	0	0	0	0	na	0	na
	Corn Board	Cash	5,211,611	5,211,611	5,211,611	0	0.0%	0	0.0%
		Fed	399,018	399,018	399,018	0	0.0%	0	0.0%
		Rev	0	0	0	0	na	0	na
		Total	5,610,629	5,610,629	5,610,629	0	0.0%	0	0.0%
		_	_	_	_	_		_	
92	Grain	Gen	0	0	0	0	na	0	na
	Sorghum	Cash	304,694	304,000	304,000	(694)	-0.2%	0	0.0%
	Board	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	304,694	304,000	304,000	(694)	-0.2%	0	0.0%
93	Tax	Gen	875,451	875,451	875,451	0	0.0%	0	0.0%
	Equalization	Cash	110,000	100,000	100,000	(10,000)	-9.1%	0	0.0%
	& Review	Fed	0	0	0	0	na	0	na
	(TERC)	Rev	0	0	0	0	na	0	na
		Total	985,451	975,451	975,451	(10,000)	-1.0%	0	0.0%
94	Public	Gen	0	0	0	0	na	0	na
	Advocacy	Cash	3,659,261	3,681,954	3,711,934	22,693	0.6%	29,980	0.8%
	,	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	3,659,261	3,681,954	3,711,934	22,693	0.6%	29,980	0.8%
99	Capital	Gen	8,238,322	15,172,233	14,652,233	6,933,911	84.2%	(520,000)	-3.4%
	Construction	Cash	45,283,872	41,767,868	38,591,997	(3,516,004)	-7.8%	(3,175,871)	-7.6%
	223	Fed	5,490,000	0	0	(5,490,000)	-100.0%	0,170,071)	na
		Rev	39,762,762	22,702,671	18,757,819	(17,060,091)	-42.9%	(3,944,852)	

	w/o Deficits		s Total Total		FY10 vs Prior Year		FY11 vs Prior Year	
	Fund	FY2008-09	FY2009-10	FY2010-11	\$ Chnge	% Chnge	\$ Chnge	% Chnge
STATE	Gen	3,481,660,742	3,370,549,012	3,550,761,512	(111,111,730)	-3.2%	180,212,500	5.3%
TOTALS	Cash	1,737,598,483	1,756,291,581	1,751,725,249	18,693,098	1.1%	(4,566,332)	-0.3%
	Fed	2,294,400,979	2,536,541,425	2,581,211,394	242,140,446	10.6%	44,669,969	1.8%
	Rev	712,318,113	716,659,796	733,922,070	4,341,683	0.6%	17,262,274	2.4%
	Total	8,225,978,317	8,380,041,814	8,617,620,225	154,063,497	1.9%	237,578,411	2.8%

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)

The American Recovery and Reinvestment Act of 2009 (or ARRA) was enacted mid February, 2009. Most of the additional federal funding to be received by the states is to flow through existing programs and funding mechanisms that dictate the allocation of these new funds. Some funds are truly new fund sources or for re-defined purposes. Distribution and use of these funds is subject to the specific restrictions of ARRA that define appropriate uses. Additional guidance from federal departments may also be instrumental in defining uses, timing and application processes that apply. Even now, though there are official estimates under specific titles a state may receive, there are not clear estimates by fiscal year for most individual funding flows. Since such estimates are dependent upon individual requirements that shape the timing of grants, dollar figures may still be works in progress.

The budget bills will contain appropriations for federal funds as an estimate. These estimates are for funds that typically have a long history and are reasonably predictable. However, because of the uncertainty of timing and ARRA amounts, specific ARRA dollars are not included in the estimated federal funds appropriations. However, all ARRA funds are appropriated by virtue of language in the bill that generally or categorically appropriated federal funds as received. This language has been a part of budget bills for decades to accommodate unanticipated federal fund receipts and uncertainty in funding levels.

In a few instances, federal fund lines will include estimated amounts for additional ARRA funding. As a guideline, we identify such amounts where the additional ARRA funds interact and impact a General Fund appropriation, or where federal guidelines are more explicit in requiring identification of the appropriation. In these few instances where ARRA amounts are included in the federal fund line, language will be contained in the program appropriation section that identifies the amount of ARRA funds included.

Not all ARRA funds will flow through the state treasury. Such funds do not require appropriation authority. ARRA funds may flow directly to local units of government or other recipients as direct grants. Similarly, they may be spent by a federal department for projects in Nebraska.

The following list is more comprehensive than a list of ARRA funds that are only subject to state appropriation. It is provided to convey the scope of all types of funding flows identified to date. No attempt has been made to schedule amounts by fiscal year. Even now, some estimates are unavailable, or subject to change. A more detailed document is available on the Legislative web site that may be useful in gaining additional understanding of the complexities of ARRA

Category / Aid Program	LFO Analyst	Nebr \$ Amount	
Construction			
VA Medical Facilities Non-recurring Maintenance and Energy Projects	Mike Lovelace	7,500,000	
Education			
IDEA Part B Grants to States	Sandy Sostad	74,676,976	
IDEA Part B Preschool Grants	Sandy Sostad	2,340,561	
IDEA Part C Grants for Infants and Families	Sandy Sostad	2,563,597	
Title I School Improvement	Sandy Sostad	14.753.171	

Category / Aid Program	LFO Analyst	Nebr \$ Amount
Title I Grants to LEAs - Part A Recovery Funds	Sandy Sostad	47,808,954
Mckinney-Vento (Ed for Homeless)	Sandy Sostad	228,080
Education Technology	Sandy Sostad	3,209,375
Impact Aid (Construction)	Sandy Sostad	851,660
School Lunch Equipment	Sandy Sostad	532,209
Voc Rehabilitation State Grants	Sandy Sostad	3,189,315
Independent Living State Grants	Sandy Sostad	242,913
Services for Older Individuals Who are Blind	Sandy Sostad	173,530
Work Study	Phil Hovis	1,279,003
Federal Pell Grants	Phil Hovis	34,200,000
Energy / Natural Resources		
State Energy Program	Scott Danigole	30,910,000
Weatherization	Scott Danigole	41,644,458
Local Energy Efficiency Improvements	Scott Danigole	9,593,500
Environment		
Clean Water SRF	Jeanne Glenn	20,045,025
Superfund	Jeanne Glenn	0
Watershed Stabilization	Jeanne Glenn	0
Diesel Emissions Reduction Act Grants	Jeanne Glenn	1,700,000
Leaking Underground Storage Tanks	Jeanne Glenn	2,300,000
Drinking Water SRF	Jeanne Glenn	19,500,000
Equipment/Maintenance		
Ft. McPherson-National Cemetery Administration Monument and Memorial	Mike Lovelace	835,312
Fiscal Assistance / Stabilization		
Medicaid Match Rate (FMAP)	Liz Hruska	229,894,368
Fiscal Stabilization - Education	Sandy Sostad	233,955,926
Fiscal Stabilization General Purpose	Tom Bergquist	52,000,000
Health Coverage Improvement		
Premium Assistance for COBRA Benefits	Kathy Tenopir	0
Housing		
Neighborhood Stabilization	Jeanne Glenn	19,600,000
CDBG Entitlement	Jeanne Glenn	0
Section 8 Project Based Rental Assistance	Jeanne Glenn	6,697,328
Native American Housing Block Grants	Jeanne Glenn	2,278,060
Public Housing Capital Fund	Jeanne Glenn	13,065,679
CDBG Non-Entitlement	Jeanne Glenn	3,350,189
Human Services		
Commodity Assistance/ TEFAP	Liz Hruska	443,264
Food Stamp Admin	Liz Hruska	0
Elderly Nutrition	Liz Hruska	562,321
Child Care	Liz Hruska	11,799,000
Community Services Block Grant	Liz Hruska	0

Category / Aid Program	LFO Analyst	Nebr \$ Amount
Community Service Employment for Older Americans	Liz Hruska	182,015
Head Start	Sandy Sostad	3,827,000
Supplemental TANF	Liz Hruska	0
Immunization	Liz Hruska	0
Foster Care/Adoption Assistance	Liz Hruska	3,735,843
Homeless Prevention	Liz Hruska	5,128,578
Emergency Food & Shelter	Liz Hruska	359,968
Child Support Incentive Payments	Liz Hruska	10,000,000
Commodity Assistance/ TEFAP Administration	Liz Hruska	111,094
Medicaid DSH	Liz Hruska	693,021
Justice		
Byrne/JAG	Doug Nichols	8,238,012
Violence Against Women	Doug Nichols	1,217,180
Internet Crimes Against Children	Doug Nichols	481,092
Community Oriented Policing Services (COPS) - COPS Hiring Recovery Program (CHRP)	Doug Nichols	4,475,900
Crime Victims Assistance	Doug Nichols	618,000
Crime Victims Compensation	Doug Nichols	15,663
Labor		
Federal Additional Compensation Program	Doug Gibbs	50,592
WIA-Adult	Doug Gibbs	1,234,406
WIA - Dislocated Workers	Doug Gibbs	2,591,113
WIA-Youth	Doug Gibbs	2,944,616
UI - Increased payments (\$25) - Regular	Doug Gibbs	20,512,625
UI - Increased payments (\$25) - EUC	Doug Gibbs	9,664,135
Increased Benefit Payments	Doug Gibbs	73,937,245
Reed Act Funds - Incentive Payments 1 st Tier	Doug Gibbs	14,500,000
Reed Act Funds - Incentive Payments 2 nd tier	Doug Gibbs	29,100,000
Other		005.000
National Endowment for the Arts	Jeanne Glenn	295,800
Military construction - Army National Guard	Mike Lovelace	6,487,000
HAVA (Elections)	Scott Danigole	591,388
Transportation		5 440 000
Airport improvements	Mike Lovelace	5,443,969
Highway Infrastructure - Under 5,000 population	Mike Lovelace	9,990,322
Highway Infrastructure – Transportation Enhancements	Mike Lovelace	7,067,678
Highway Infrastructure - Over 200,000 population	Mike Lovelace	32,598,136
Transit Capital Grants - Rural (5340)	Mike Lovelace	9,811,054
Transit Capital Grants - Urban (5340)	Mike Lovelace	13,979,556
Highway Infrastructure – Under or equal 200,000 populations	Mike Lovelace	28,088,326
Amtrak facility improvements Highway Infrastructure - Any Area	Mike Lovelace Mike Lovelace	405,889 157,844,817
Grand Totals		1,354,603,351

CAPITAL CONSTRUCTION

CAPITAL CONSTRUCTION SUMMARY

	Reaffirmations	New Projects	Total
FY2009-10			
General Funds	13,152,233	2,020,000	15,172,233
Cash Funds	35,320,618	6,447,250	41,767,868
Federal Funds	00,020,010	0,117,200	0
Revolving/Other Funds	5,951,330	2,350,000	8,301,330
Nebr Capital Const Fund (NCCF)	13,401,341	1,000,000	14,401,341
resi capital constituita (recor)	10,401,041	1,000,000	
FY2009-10 Total	67,825,522	11,817,250	79,642,772
FY2010-11			
General Funds	13,152,233	1,500,000	14,652,233
Cash Funds	32,939,997	5,652,000	38,591,997
Federal Funds	0	0	0
Revolving/Other Funds	2,157,340	825,000	2,982,340
Nebr Capital Const Fund (NCCF)	14,080,000	1,695,479	15,775,479
FY2010-11 Total	62,329,570	9,672,479	72,002,049
FY2011-12			
General Funds	13,152,233	2,361,573	15,513,806
Cash Funds	11,000,000	0	11,000,000
Federal Funds	0	0	0
Revolving/Other Funds	1,200,000	0	1,200,000
Nebr Capital Const Fund (NCCF)	0	0	0
FY2011-12 Total	25,352,233	2,361,573	27,713,806
FY2012-13			
General Funds	13,152,233	857,473	14,009,706
Cash Funds	11,000,000	0	11,000,000
Federal Funds	0	0	0
Revolving/Other Funds	1,200,000	0	1,200,000
Nebr Capital Const Fund (NCCF)	0	0	0
FY2012-13 Total	25,352,233	857,473	26,209,706

New Construction refers to projects initiated in the 2009 Session while **Reaffirmations** refers to funding needed to complete projects authorized and initial funding provided in prior legislative sessions.

The Nebraska Capital Construction Fund (NCCF) was originally created in the early 70's to account for a five cent cigarette tax earmark to build the Devaney Sports Center. Over time, the cigarette tax that had originally flowed to the NCCF has been basically reallocated and earmarked for other items. Amounts appropriated from the NCCF for the FY10/FY11 biennium are derived from transfers from the Cash Reserve Fund as enacted in LB323 in the 2007 session plus investment income generated on the invested NCCF balance.

Over the two years of the biennium, about 88% of the recommended General Funds for capital construction are reaffirmations of projects initiated in prior sessions. This includes \$900,000 and \$4.7 million for NETC to complete the NETC digital conversion project and transponder replacement, \$12.1 million in each year for the state's share of deferred maintenance and repair projects at the University of Nebraska and State Colleges as authorized under LB605 (2006), and \$1.0 million per year for continued lease/purchase payments for the tower financing of the statewide public safety communication system enacted in 2007.

Table 28 contains a complete listing of General Fund and NCCF projects. A narrative description of the major new construction items and a complete list of all reaffirmations and new construction projects, including all fund sources, follow.

Table 28 General Fund and NCCF Listing-Capital Construction Projects

		Fund	2009-10	2010-11	2011-12	2012-13	Future Yrs
REAFFIRMATIO	<u>ns</u>						
#47-NETC	Transponder replacement, digitize NETC signal	NCCF	4,692,327	0	0	0	0
#47-NETC	Final DTV Transmitter Conversion	NCCF	900,000	0	0	0	0
#50-Colleges	Deferred maintenance/repair (LB605-2006)	General	1,125,000	1,125,000	1,125,000	1,125,000	7,875,000
#51-University	Deferred maintenance/repair (LB605-2006)	General	11,000,000	11,000,000	11,000,000	11,000,000	77,000,000
#65-DAS	State Capitol-renovations/improvements	NCCF	1,000,000	1,000,000	0	0	0
#65-DAS	Masonry/Structural repair-State Capitol	NCCF	6,809,014	0	0	0	0
#65-DAS	Acquire property, Capitol Environs (Assurity Life)	NCCF	0	13,080,000	0	0	0
#65-DAS	Public Safety Tower Financing	General	1,027,233	1,027,233	1,027,233	1,027,233	0
NEW CONSTRU	CTION						
#46-Corrections	Security system upgrades, all institutions	General	1,855,000	1,500,000	1,500,000	0	0
#33-Game & Parks	Wildcat Hills SRA – Addition to visitor center	General	165,000	0	0	0	O
#51-University	NCTA Education Center	NCCF	0	803,000	0	0	O
#51-University	NCTA Education Center	General	0	0	861,573	857,473	10,267,089
#65-DAS	Upgrade/modernize State Capitol elevators	NCCF	1,000,000	892,479	0	0	0
Reaffirmation							
General Fund			13,152,233	13,152,233	13,152,233	13,152,233	84,875,000
NCCF			13,401,341	14,080,000	0	0	C
Total - Reaffirmati	ion		26,553,574	27,232,233	13,152,233	13,152,233	84,875,000
New Construction	!						
General Fund			2,020,000	1,500,000	2,361,573	857,473	10,267,089
NCCF			1,000,000	1,695,479	0	0	(
Total - New Const	truction		3,020,000	3,195,479	2,361,573	857,473	10,267,089
Total General Fun	d		15,172,233	14,652,233	15,513,806	14,009,706	95,142,089
Total NCCF			14,401,341	15,775,479	0	0	

Dept of Correctional Services, Security system upgrades

This project consists of eleven of the highest priority, security-related projects at various Dept of Correctional Services (NDCS) facilities. The facilities are experiencing significant problems with critical security components that include perimeter security fences, exterior lighting, electronic perimeter detection, and CCTV surveillance systems. These projects provide the basic security infrastructure for each facility. The State Comprehensive Capital Facilities Planning Committee reviewed this project along with all other capital construction requests and rated this project #3 for general funds.

FY2009-10	General	1,855,000
FY2010-11 FY2011-12	General General	1,500,000 1,500,000
Proiect Total		4.855.000

The following table and narratives identifies the individual items within this overall project

- 1. Nebraska Correctional Center for Women (NCCW) Replace Perimeter Security Lights on the Old Campus (\$275,000). The exterior perimeter security lights on the older portions of the west campus have routinely failed, especially during storms. This project would replace the old lighting and wiring, originally installed in 1980, with newer, energy efficient, security lighting.
- 2. Nebraska Correctional Center for Women (NCCW) Replace Perimeter Security Fencing on the Old Campus (\$300,000). The exterior security fence on the west campus includes an older seven foot high fence that is estimated to be over 60 years old and is in disrepair. It is rusted and has sagged in several areas. There are approximately 2,200 lineal feet of fencing to be replaced at an estimated cost of \$136 per lineal foot.
- 3. Lincoln Correctional Center (LCC) and Diagnostic and Evaluation Center (DEC) Replace Perimeter Detection System (\$280,000). The current perimeter detection system was installed in the 1970's and no longer functions properly. Numerous false alarms have occurred and it is not considered reliable. The current perimeter detection system consists of two-strand intrusion alarm wiring

1. Replace Perimeter Security Lights (Old Campus) – NCCW 2. Replace Perimeter Security Fencing (Old 7' Fence) - NCCW 3. Replace Perimeter Detection System - LCC/DEC 4. Install Rooftop Security Fence (Above Entrance) - LCC 5. Install Rooftop Security Fence (Above Entrance) - DEC 6. Perimeter Fence Upgrade Between DEC & Tower 1 - DEC 7. Replace Razor Ribbon on Exterior Security Fence - OCC 8. Install Exterior Security Lights - CCCO 9. Replace Exterior Security Lights - NSP 10. Modify Control Center in Buildings A and C - WEC	\$275,000 300,000 280,000 45,000 35,000 25,000 90,000 40,000 50,000
SUB-TOTAL	\$1,240,000
11a. NSP-Install 103 Cameras, Digital Recording, 11b. LCC-Install 146 Cameras, Digital Recording, 11c. DEC-Install 67 Cameras and video visitation 11d. CCCL-Install 32 Cameras, Digital Recording, 11e. OCC-Install 43 Cameras, Digital Recording, 11f. CCCO-Install 7 Cameras, 11g. NCYF-Install 53 Cameras, Digital Recording, 11h. TSCI –Install 71 network recorders and monitors, 11i. WEC-Install 19 Cameras, Digital Recording,	318,000 566,000 355,000 129,000 255,000 8,000 228,000 360,000 31,000
SUB-TOTAL Closed Circuit Surveillance Camera Improvements	\$2,250,000
12. Design Fees, Testing, Administration (@ 12%)13. Contingencies (@ 8%)14. Inflation (3 years @ 5% per year)	419,000 313,000 633,000
TOTAL PROJECT COST	\$4,855,000

running along the interior perimeter security fence line. The detection system is approximately 5,000 feet long and is activated by vibration and/or cutting of the fence fabric, and alerts custody staff in the event of an attempted escape. The project includes new perimeter detection to be placed above the LCC and DEC front entrances, too.

- 4. Lincoln Correctional Center (LCC) Install Rooftop Security Fence above Front Entrance (\$45,000).
- 5. Diagnostic and Evaluation Center (DEC) Install Rooftop Security Fence above Front Entrance (\$35,000). These projects provide for a seven foot high security fence with barbed razor ribbon on the roof above the front entrances at both LCC and DEC. A similar rooftop fence is in place at the Nebraska Correctional Youth Facility, and is an excellent deterrent for potential escape attempts. Both facilities' current rooftop security systems consist of a detection system only. This provides an alarm, but not a physical barrier to deter a rooftop escape.
- 6. Diagnostic and Evaluation Center (DEC) Perimeter Fencing Upgrade between DEC Entrance and Tower 1 (\$25,000). This project would upgrade the security fencing along the high security retaining wall between the DEC Vehicle Sally Port and Tower 1, located directly west of DEC. Razor ribbon would be installed and security outriggers added as a deterrent to any escape attempts.
- 7. Omaha Correctional Center (OCC) Replace Razor Ribbon on the Exterior Security Fence (\$90,000). The razor ribbon on the exterior fence was installed in 1984 as part of the original construction. Age and weathering has caused the razor ribbon to become very rusted and broken in a number of areas. The exterior fence line is approximately 4,850 feet long. The perimeter security fence at the Omaha Correctional Center consists of two 10' fences running parallel around the campus. The security fencing

includes several rolls of razor ribbon to deter attempted escapes, as well as a perimeter detection notification system.

- 8. Community Corrections Center at Omaha (CCCO) Install Exterior Security Lights (\$40,000). This facility does not include perimeter security fences and only has minimal exterior lighting. This project would install six exterior pole mounted security lights along the north and west sides to greatly enhance nighttime visibility.
- 9. Nebraska State Penitentiary (NSP) Replace Exterior Security Lights (\$50,000). The exterior security lights along the perimeter at the Nebraska State Penitentiary were installed prior to 1980. NSP maintenance is experiencing more problems with these lights and several have failed. The existing security lights are a quartz fixture, which is not energy efficient. To improve security, as well as reduce electrical energy costs, this project would replace the old security lights with new, energy efficient, metal halide lighting. Since metal halide lights do not have a quick restart in the event of a power outage, rapid restart quartz lamps would be installed on every fourth light fixture. Approximately 70 fixtures would be replaced under this project. The projected energy savings in electricity is approximately \$12,500 per year.
- 10. Work Ethic Camp (WEC) Modify Control Center in Buildings A and C for DCS Inmate Population (\$100,000). The Work Ethic Camp in McCook is designed as a community-based facility with minimum security standards. WEC was originally designed only for offenders on Intensive Probation Supervision, but with the passage of LB 83, 2007, WEC now accepts certain DCS inmates up for parole. Inmates convicted of sex crimes and certain violent crimes are not eligible. DCS states that minor security improvements are needed because of the changing and increasing population at WEC. Presently, although some communication systems and door controls can be operated from Building A, the primary control station is located in Building C. This project would modify the Control Center in Building A to duplicate the security control functions in Building C. Additionally, the Control Center in Building C would be "hardened" with the installation of a window wall around the existing control station.
- 11. Various Facilities Closed Circuit Surveillance Camera Improvements (\$2,250,000). This project is adding, not replacing, surveillance cameras and other Closed Circuit Television (CCTV) equipment at DCS facilities. This project will also provide for the integration and recording capabilities of existing cameras with the new CCTV technology. Technological advances for digital recording are included in this request. Replacing existing CCTV equipment is typically part of the agency's annual operations budget and not part of this project. Davis Design completed a Program Statement in June 2006 to provide CCTV surveillance improvements at various DCS facilities. Minor improvements and additions to CCTV systems have been completed since that time, but the majority of the work identified in the Davis Design Study remains incomplete. This project would complete the remainder of the CCTV systems identified in the Davis Design Study. The actual number of cameras and equipment may change depending on the compatibility of existing equipment and final camera locations.

Upgrade and modernize State Capitol Elevators

The Nebraska Capitol Commission requested funding to upgrade and modernize equipment for the four Capitol tower elevators. The Commission indicates that the last modernization of the elevators occurred in 1980. Maintenance service required for the elevators has increased significantly over the last two years. Replacement parts are becoming increasingly difficult to find and in some instances, rebuilt used parts are required insofar that new parts are no longer manufactured for required repairs. The proposed upgrade and modernization would correct multiple code deficiencies, improve reliability, and increase elevator cab speed.

FY2009-10	NCCF	1,000,000
FY2010-11	NCCF	892,479
Project Total		1,892,479

Nebraska College of Technical Agriculture (NCTA) Education Center

This project will construct a new 26,450 square foot Education Center to replace the current horticulture classroom facility and old dairy barn. Both facilities were constructed in 1935 and are not handicapped accessible. The Education Center will be the home to the Horticulture Systems Division, provide additional space for the Veterinary Technology Systems and provide a student commons space.

Last year the Legislature passed intent language indicating that if the Nebraska College of Technical Agriculture (NCTA) met 6 conditions the Legislature would approve the construction of a \$9,700,000 Education Center Building at NCTA to be financed through a University of Nebraska Facilities Corporation bond issue with related bonds to be retired with state funds. The 6 conditions, which appear to have been met, are generally:

- 1. Approval of the project by the Board of Regents
- 2. Project reviewed by the Coordinating Commission
- 3 NCTA raises \$1,000,000 in private donations to be offset the project cost.
- 4. The project is financed through a University of Nebraska Facilities Corporation
- 5. University cash funds are pledged to secure the project
- 6. NCTA secures funding for the construction of new student housing to include 144 beds.

FY2010-11	NCCF	803,000
FY2011-12	General	861,573
FY2012-13	General	857,473
Future	General	10,267,0891
Project Total		12.789.135

Legislative Approval for Higher Education Facilities Expenditures

Although appropriations amounts are not required, statute does require review and approval of the use of certain bond funds.

Pursuant to the provisions of section 85-408, the Appropriations Committee's recommendation includes approval for the use of surplus funds for the partial renovation of Men's Hall and Randall Hall at the University of Nebraska at Kearney at a cost of \$4,960,000.

Pursuant to the provisions of sections 85-404 and 85-408, the Appropriations Committee's recommendation includes approval of the financing of a parking structure at 19th and Vine Streets on the UNL campus totaling \$16,800,000. The project will be financed from bonds issued under the Master Trust Indenture and parking surplus funds which will be repaid by net parking revenues.

Project Listing - Reaffirmations

Reaffirmation	s	Fiscal Yr	Dollar Amt	Fund
#47-NETC	Transponder replacement, digitize NETC signal	2009-10	4,692,327	NCCF
#47-NETC	Final DTV Transmitter Conversion	2009-10	900,000	NCCF
#50-Colleges	Deferred maintenance/repairs (facilities fees)	2009-10	957,340	Rev
	Deferred maintenance/repairs (facilities fees)	2010-11	957,340	Rev
#50-Colleges	Deferred maintenance/repair (LB605) Deferred maintenance/repair (LB605)	2009-10 2009-10	1,125,000 1,200,000	Gen Rev
	Deferred maintenance/repair (LB605)	2010-11	1,125,000	Gen
	Deferred maintenance/repair (LB605)	2010-11	1,200,000	Rev
	Deferred maintenance/repair (LB605)	2011-12	1,125,000	Gen
	Deferred maintenance/repair (LB605)	2011-12	1,200,000	Rev
	Deferred maintenance/repair (LB605)	2012-13	1,125,000	Gen
	Deferred maintenance/repair (LB605)	2012-13	1,200,000	Rev
	Deferred maintenance/repair (LB605)	Future	7,875,000	Gen
	Deferred maintenance/repair (LB605)	Future	8,400,000	Rev
#51-University	Deferred maintenance/repair (LB1100)	2009-10	5,200,000	Cash
"O' O'llvoloky	beloned maintenanco/repair (EB1100)	2000 10	0,200,000	Odon
#51-University	Deferred maintenance/repair (LB605)	2009-10	11,000,000	Gen
	Deferred maintenance/repair (LB605)	2009-10	5,500,000	Cash
	Deferred maintenance/repair (LB605)	2010-11	11,000,000	Gen
	Deferred maintenance/repair (LB605)	2010-11	11,000,000	Cash
	Deferred maintenance/repair (LB605)	2011-12	11,000,000	Gen
	Deferred maintenance/repair (LB605)	2011-12	11,000,000	Cash
	Deferred maintenance/repair (LB605)	2012-13	11,000,000	Gen
	Deferred maintenance/repair (LB605)	2012-13	11,000,000	Cash
	Deferred maintenance/repair (LB605)	Future	77,000,000	Gen
	Deferred maintenance/repair (LB605)	Future	72,632,546	Cash
#65-DAS	State Capitol-renovations/improvements	2009-10	1,000,000	NCCF
	State Capitol-renovations/improvements	2010-11	1,000,000	NCCF
	State Capitol-renovations/improvements	Future	0	Gen
#65-DAS	Parking garage expansion	2009-10	2,169,630	Rev
	Parking garage expansion	2010-11	0	Rev
	Parking garage expansion	2011-12	0	Rev
	Parking garage expansion	2012-13	0	Rev
	Parking garage expansion	Future	0	Rev
#65-DAS	Executive Building-Exercise purchase option	2009-10	1,624,360	Rev
	Executive Building-Exercise purchase option	2010-11	0	Rev
	Executive Building-Exercise purchase option	2011-12	0	Rev
	Executive Building-Exercise purchase option	2012-13	0	Rev
	Executive Building-Exercise purchase option	Future	0	Rev
#65-DAS	State Capitol-Masonry/Structural repair	2009-10	0	Gen
#03-DA0	State Capitol-Masonry/Structural repair	2009-10		NCCF
			6,809,014	
	State Capitol-Masonry/Structural repair	2010-11	0	Gen
	State Capitol-Masonry/Structural repair	2010-11	0	NCCF
#65-DAS	LB309 Task Force, deferred repair/maintenance	2009-10	24,620,618	Cash
	LB309 Task Force, deferred repair/maintenance	2010-11	21,939,997	Cash
#65-DAS	Public Safety Tower Financing	2009-10	1,027,233	Gen
· · -	Public Safety Tower Financing	2010-11	1,027,233	Gen
	Public Safety Tower Financing	2010-11	1,027,233	Gen
	Public Safety Tower Financing Public Safety Tower Financing	2011-12	1,027,200	Gen
			1,027,233	
	Public Safety Tower Financing	Future	0	Gen
#65-DAS	Acquire property, Capitol Environs District	2009-10	0	NCCF
#65-DAS		2009-10 2010-11	0 13,080,000	NCCF NCCF

Project Listing – New Construction Projects

New Construct	ion	Fiscal Yr	Dollar Amt	Fund
#33-Game & Parks	State Park System - Deferred maintenance. State Park System - Deferred maintenance.	2009-10 2010-11	300,000 300,000	Cash Cash
#33-Game & Parks	Emergency repairs, fish and wildlife facilities Emergency repairs, fish and wildlife facilities	2009-10 2010-11	50,000 50,000	Cash Cash
#33-Game & Parks	Emergency repairs, state park facilities. Emergency repairs, state park facilities.	2009-10 2010-11	75,000 75,000	Cash Cash
#33-Game & Parks	Ponca State Park – Repair and Update Sewage Facility	2009-10	350,000	Cash
#33-Game & Parks	Aquatic habitat enhancement and restoration. Aquatic habitat enhancement and restoration.	2009-10 2010-11	3,000,000 3,000,000	Cash Cash
#33-Game & Parks	Rock Creek Station SRA - Water Treatment Plant Replaceme	nt 2009-10	50,000	Cash
#33-Game & Parks	Wildlife Management Areas - Misc. improvements Wildlife Management Areas - Misc. improvements	2009-10 2010-11	325,000 325,000	Cash Cash
#33-Game & Parks	Fort Robinson State Park – Heating and A/C for Lodge	2009-10	150,000	Cash
#33-Game & Parks	Mahoney State Park - Upgrade and renovate 16 cabins Mahoney State Park - Upgrade and renovate 16 cabins	2009-10 2010-11	200,000 200,000	Cash Cash
#33-Game & Parks	Fisheries facilities repairs and improvements – Statewide Fisheries facilities repairs and improvements – Statewide	2009-10 2010-11	1,000,000 1,000,000	Cash Cash
#33-Game & Parks	Chadron State Park - Upgrade and repairs to swimming pool	2009-10	50,000	Cash
#33-Game & Parks	Ponca State Park - Utilities upgrade, new water tower	2010-11	250,000	Cash
#33-Game & Parks	Platte River State Park - Upgrade and renovate cabins	2009-10	60,000	Cash
#33-Game & Parks	Lake McConaughy SRA Visitor Center – Interpretive Displays	2009-10	125,000	Cash
#33-Game & Parks	Pawnee Lake SRA – Salt Valley lakes maintenance shop upg	rade 2009-10	60,000	Cash
#33-Game & Parks	Wildlife lands acquisition and improvements - Statewide Wildlife lands acquisition and improvements - Statewide	2009-10 2010-11	200,000 200,000	Cash Cash
#33-Game & Parks	Land acquisition/development , non-game & endangered spec	cies 2009-10	200,000	Cash
#33-Game & Parks	Wildcat Hills SRA – Addition to visitor center Wildcat Hills SRA – Addition to visitor center	2009-10 2010-11	165,000 0	Gen Cash
#33-Game & Parks	State recreation area projects - Contingency	2010-11	25,000	Cash
#33-Game & Parks	State Parks System - Basic facilities. State Parks System - Basic facilities.	2009-10 2010-11	50,000 50,000	Cash Cash
#33-Game & Parks	Motor boat access. Motor boat access.	2009-10 2010-11	75,000 75,000	Cash Cash
#33-Game & Parks	District Offices - General improvements/repairs statewide District Offices - General improvements/repairs statewide	2009-10 2010-11	75,000 75,000	Cash Cash
#33-Game & Parks	State park projects - Contingency for overruns. State park projects - Contingency for overruns.	2009-10 2010-11	40,500 22,500	Cash Cash
#33-Game & Parks	State recreation area projects-Contingency State recreation area projects - Contingency	2009-10 2010-11	11,750 4,500	Cash Cash
#46-Corrections	Security system upgrades, all institutions Security system upgrades, all institutions Security system upgrades, all institutions	2009-10 2010-11 2011-12	1,855,000 1,500,000 1,500,000	Gen Gen Gen

New Constru	ection	Fiscal Yr	Dollar Amt	Fund
#51-University	NCTA Education Center	2010-11	803,000	NCCF
	NCTA Education Center	2011-12	861,573	Gen
	NCTA Education Center	2012-13	857,473	Gen
	NCTA Education Center	Future	10,267,089	Gen
#65-DAS	Norfolk Regional Center, Building #16 heating and utility plant	2009-10	750,000	Rev
	Norfolk Regional Center, Building #16 heating and utility plant	2010-11	825,000	Rev
#65-DAS	Utility improvement/repair, various HHS facilities	2009-10	1,600,000	Rev
#65-DAS	Upgrade/modernize State Capitol elevators	2009-10	1,000,000	NCCF
	Upgrade/modernize State Capitol elevators	2010-11	892,479	NCCF

FY2008-09 DEFICIENCY APPROPRIATIONS

Appropriations changes for the current FY2008-09 budget (ie... deficits) are actually a major contributor towards alleviating the FY10 / FY11 biennial shortfall. Reduced appropriations amount to \$155 million. Of this amount \$83.3 million is attributed to lower than budgeted expenditures in the homestead exemption program (-\$14.9 million) and HHS public assistance (-\$22.9 million) and Medicaid (-\$45.6 million) programs. An additional \$71.8 million reduction is attributed to the enhanced federal Medicaid match rate (FMAP) enacted in the American Recovery and Reinvestment Act of 2009 (ARRA).

<u>Homestead Exemption</u>: In the Homestead Exemption program, the FY08 actual claims were \$7 million below budgeted. This excess was removed in the deficit adjustments last year. However, the FY08-09 base was not changed as it was unknown whether that below budget expenditure was attributed to a slow implementation of the homestead changes made in LB968 passed in 2006. The actual exemption claims attributed to the 2008 taxes levied are now known and are \$14.9 million below the FY09 budgeted. This \$14.9 million below budgeted amount appears to be a continuation of the \$7 million reduction in FY08 and an additional \$7.9 million reduction. While there is no question that this \$14.9 million is not needed to pay actual exemption claims filed based on existing law, there are still questions about why the lower level of claims. More analysis is needed to attempt to isolate the cause.

HHS Aid Programs, Public Assistance and Medicaid: The "base reductions" in Health and Human Services (HHS) reflect the cumulative and combined affect of lower than projected spending in both FY07-08 and FY08-09. Recall that all unexpended FY08 funds are carried forward into the second year of the biennium, FY08-09.

In the Public Assistance program, the department has used significant resources to find permanent placements for children through guardianships with relatives, increased adoptions and returning children to their homes. Although utilization of child welfare services was projected to be flat over the current biennium, the total number of state wards declined by 2% in FY08 and estimated to decline by 5% in FY 09. Out-of-home placements declined by 2% in FY08 and projected to decline 8% during FY 09. This resulted in under spending in child welfare programs and in the state education for state wards program. Also the programs serving the elderly and disabled population were projected to increase by 3% each year in the current biennium. The population has been flat, savings funds in the State Supplement and State Disabled – Medical Program.

With respect to Medicaid, three areas account for the majority of the lower than projected spending: prescription drugs, "clawback" and nursing facilities. Drugs were projected to increase 10% per year; the actual increase was 6%. The amount the state must pay the federal government for the saving to the Medicaid Program because of Part D coverage, commonly referred to as "clawback", was lower than projected, by approximately \$4 million in FY 08 and \$6.2 million in FY09. Finally, nursing facilities costs were \$19 million less than projected in FY07-08 and \$9.5 million in FY09. Three factors likely account for the lower utilization. The aged population was projected to increase by 1.5% in FY 08 but the average monthly number of aged eligibles declined by 2%. The other reason may be due to Medicaid reform measures. One of the reform measures is an incremental expansion of the home and community based waiver for the aged and disabled. Although savings were calculated in the appropriation, they were conservative. It is also possible that with the Medicare Part D coverage, elderly individuals with high drug costs would not be spending down to Medicaid eligibility or may not be using up their financial resources as fast making them Medicaid eligible.

ARRA enhanced federal Medicaid match rate (FMAP): HR1 the American Recovery and Reinvestment Act of 2009 (ARRA) was enacted in February 2009 and provided a substantial amount of additional federal dollars to provide fiscal assistance to assist state's with their budget problems. The fiscal assistance portion of the act provided for a 6.2% increase in the federal Medicaid match rate (FMAP) for the period October 2008 through December 2010. The state is projecting \$71.8 million of funds would be available from this enhanced FMAP for the 9 months that falls in FY08-09. These additional federal funds from the higher FMAP then allows for a like reduction in state General Funds to finance the same level of services.

BSDC Action Plan: The committee proposal includes a \$7 million deficit appropriation for the Beatrice State Developmental Center (BSDC). This is the first part of an overall committee recommendation for BSDC that includes additional general funds over a three year period to pursue a plan of action to continue federal participation in the operation of BSDC. The funds may be used for purposes as determined by the Department of Health and Human Services which could include, but not be limited to: additional professional and direct care staff at BSDC; staff training and mentoring programs; service coordination; centralization of medical care charts and incident reporting at BSDC; transfers to community-based programs or the Medicaid program for the care of BSDC clients; start-up costs for community-based programs; medically intense community-based placements and hospital placement related expenses. The additional general funds are provided as follows: \$7 million in FY08-09 as a deficit; \$5 million in FY09-10; and, \$5 million in FY10-11. Additional funds are also provided in the next to transition clients to community based programs and to comply with an agreement with the Dept of Justice (see agency narrative on page 48). Of the \$7 million deficit, \$6,899,750 is provided to the BSDC budget programs and \$100,250 is appropriated to the administrative program to fund a recommendation of the Legislative Committee studying BSDC that there be more frequent surveying of community-based facilities serving persons with developmental disabilities. This would be used to hire additional surveyors.

HHS Recruitment and Retention: The deficit proposal provides \$313,025 general funds for the 24 hour facilities at HHS for recruitment and retention incentives for front-line direct care staff. In FY08, the turnover rate for facility direct care workers ranged from 14% for Mental Health Security Specialists to 50% for Staff Care Technicians/Specialists, with an average turnover rate for direct care staff of 32%. The vacancy rate is also high at 19% for FY08. The incentives will be given to Psychiatric Tech/Specialists, Mental Health Specialists, Staff Care Tech/Specialists, Developmental Tech/Specialists and Youth Security Specialists.

The three types of incentives are as follows: (1) Recruitment/Retention - \$500 for each new hire successfully completing 6 months of probation – additional \$500 after 1 yr., (2) Retention/Performance - \$500 for each current employee on anniversary date, (3) Referral - \$500 for each referral by an employee in one of the classes after the new employee successfully completes 6 mos. of probation

Funding by facilities includes Juvenile Services \$36,706, Regional Centers \$100,231, BSDC \$37,034, Veterans Homes \$111,102, and Norfolk Sex Offender \$27,952

Dept of Correctional Services (NDCS) Funding: The committee deficit appropriation includes \$7.7 million for a variety of NDCS costs including inmate medical and food costs, utilities, and capital outlay. While the amounts are attributed to these specific categories, the need for this deficit reflects the cumulative impact of prior year budget actions. In past years NDCS has utilized unobligated year end balances in the following fiscal year for safety/security and other infrastructure needs, as well as for medical, other inmate per diem and utility expenses. The primary source of the unobligated funds since 2001 originated from vacancy savings, much from the opening of the Tecumseh State Correctional Institution (TSCI) and the Work Ethic Camp (WEC) in McCook. Also in FY06, NDCS' budget was reduced by \$4.5 million with this reduction annualized into future base budgets. At that time NDCS was experiencing a large number of vacancies and annualizing the \$4.5 million reduction was a reasonable projection of estimated vacancy savings especially considering that TSCI was continuing to experience a large number of vacancies. Vacancies consistently were as high as 75-80 just for caseworkers, correctional officers, and corporal classifications during that time period. Through an effort to recruit and retain staff, there has been a marked decrease in the number of vacancies at TSCI, which are less than 20. With this decrease in vacancies, in turn, comes a reduction in vacancy savings.

The following table highlights all the General Fund deficit appropriation changes as proposed by the Appropriations Committee. A complete listing of all FY2008-09 items starts on page 99,

SUMMARY LISTING OF GENERAL FUND DEFICITS

Agency		Prog	Issue	Type	Amount
11 11	Attorney Gen Attorney Gen	507 507	, , ,		511,000 118,555
13	Education	158	TEEOSA Aid; higher recertified, revised Insurance Premium	Aid	1,529,614
16	Revenue	108	Homestead exemption deficit	Aid	(14,870,104)
25 25 25 25 25 25 25 25 25 25 25 25 25 2	HHS System	33 421 365 365 250 365 421 519 870 347 347 348	BSDC Action Plan - Community based DD facility surveys BSDC Action Plan - BSDC Base adjust, shift regional center funds to behavioral health aid Base adjust, shift regional center funds to behavioral health aid Recruitment & retention incentives, Juvenile Services Recruitment & retention incentives, Regional Centers Recruitment & retention incentives, BSDC Recruitment & retention incentives, Veterans Homes Recruitment & retention incentives, Norfolk Sex Offender Public Assistance - rebase FY07-08 (excess to FY09) Public Assistance - rebase FY08-09 Medicaid - rebase FY07-08 (excess to FY09)	Oper Oper Aid Oper Oper Oper Oper Oper Aid Aid	100,250 6,899,750 3,500,000 (3,500,000) 36,706 100,231 37,034 111,102 27,952 (18,004,186) (4,895,938) (25,607,620)
25 25 25 25	HHS System HHS System HHS System HHS System	348 348 348 514	Medicaid - Rebase FY08-09 Medicaid - reduction in federal clawback payments ARRA ehanced FMAP (FY09) all programs Health aid - adjust for FY08 carryover	Aid Aid Aid Aid	(19,960,043) (163,441) (64,840,697) (90,621)
35	Liquor Control	73	Vacation and sick leave pay, retired employee	Oper	10,448
46 46 46 46 46 46 46	Corrections Corrections Corrections Corrections Corrections Corrections Corrections	200 200 200 200 200 200 200	Inmate medical costs Inmate food and other per diem costs Utility costs Capital outlay, safety and security Higher costs, self-funded inmate education program Electronic monitoring of lifetime sex offenders Inmate transportation costs	Oper Oper Oper Oper Oper Oper	3,984,290 1,584,102 1,175,043 592,242 154,300 63,000 149,775
65	DAS	592	Indemnification claims (Hirsh v Lecuona settlement)	Oper	803,000
77 77	Indust Relations Indust Relations	490 531	Shift funds for commission travel expenses Shift funds for commission travel expenses	Oper Oper	6,114 (6,114)
87	Acct/Disclosure	94	Leave payouts, retiring employee	Oper	12,321
93	TERC	115	Reduce FY09 contract mediation earmark that was unused	Oper	(35,000)
			Operations State Aid Construction		12,936,101 (143,403,036) 0
			Total General Fund Deficits		(130,466,935)

DETAILED LISTING OF FY2008-09 APPROPRIATIONS DEFICITS

Agency .	/ Issue	Fund	Governor	Committee
#11-Δ#10	rney General			
	Water related litigation and arbitration (Republican River, Kansas)	Gen	511,000	511,000
	Return reallocated attorney from school litigation back to AG	Gen	118,555	118,555
	Additional enforcement, tobacco master settlement agreement	Cash	60,000	60,000
	e Treasurer		·	,
505	Revised Investment Council fees, College Savings Plan	Cash	8,737	8,737
	Convention Center Support Fund	Cash	0	2,644,521
#13 Dep	t of Education			
-	Additional PSL (2 FTE), student assessment/testing (\$96,810 PS	L) PSL	YES	YES
	TEEOSA Aid; higher recertified and revised Insurance Premium to	,	1,529,614	1,529,614
	Reallocate excess roof funds for other projects (Nebr City)	Gen	YES	NO
#16 Dept	t of Revenue			
13	PSL adjustment, tax commissioner (\$9,000 PSL)	PSL	YES	0
108	Excess Homestead exemption funds per actual filings	Gen	(14,870,104)	(14,870,104)
#23 Dept	t of Labor			
•	Nebraska Workforce Development, federal repayment	Cash	1,300,000	1,300,000
194	Nebraska Workforce Development, federal repayment	Cash	700,000	700,000
#25-HHS	S System			
	BSDC Action Plan: Community based DD facility surveys	Gen	100,250	100,250
	BSDC Action Plan: Community based DD facility surveys	Fed	100,250	100,250
	BSDC privatization study	Cash	100,000	100,000
	Base adjustment - shift regional center funds to behavioral health Recruitment & retention incentives, Juvenile Services	aid Gen Gen	3,500,000	3,500,000 36,706
	Recruitment & retention incentives, Juvenile Services Recruitment & retention incentives, Juvenile Services	Cash	36,706	30,700
	Public Assistance - rebase FY07-08 (excess to FY09)	Gen	(18,004,186)	(18,004,186)
-	Public Assistance - rebase FY08-09	Gen	(4,895,938)	(4,895,938)
	Medicaid - rebase FY07-08 (excess to FY09) Medicaid - rebase FY07-08 (excess to FY09)	Gen Fed	(25,607,620) (38,411,430)	(25,607,620) (38,411,430)
	Medicaid - Rebase FY08-09	Gen	(19,960,043)	(19,960,043)
	Medicaid - Rebase FY08-09	Fed	(29,940,064)	(29,940,064)
	Medicaid - reduction in federal clawback payments	Gen	(163,441)	(163,441)
	ARRA ehanced FMAP (FY09) all programs ARRA ehanced FMAP (FY09) all programs	Gen Fed	NA NA	(64,840,697) 64,840,697
	Recruitment and retention incentives, Regional Centers Recruitment and retention incentives, Regional Centers	Gen Cash	0 120,702	100,231 0
	Base adjustment - shift regional center funds to behavioral health	aid Gen	(3,500,000)	(3,500,000)
421	Recruitment & retention incentives, BSDC	Gen	0	37,034
	Recruitment & retention incentives, BSDC	Cash	37,034	0
421	BSDC Action Plan	Gen	7,000,000	6,899,750
	Health aid - adjust for FY08 carryover	Gen	(90,621)	(90,621)
	Increased cash authority, WIC formula rebate	Cash	1,500,000	1,500,000
	Recruitment & retention incentives, Veterans Homes Recruitment & retention incentives, Veterans Homes	Gen Cash	0 100,231	111,102 0
	Recruitment & retention incentives, Norfolk Sex Offender Treatmer Recruitment & retention incentives, Norfolk Sex Offender Treatmer		0 27,952	27,952 0

Agency / Issue	Fund	Governor	Committee		
#30 Electrical Board					
197 Increase PSL, rules covered positions, extra payroll (\$6,323 PSL	L) PSL	YES	YES		
#31 Military Dept	•				
192 Governor's Emergency Fund, natural disasters (CRF transfer)	Gen	Transfer	Transfer		
192 Governor's Emergency Fund, natural disasters	Cash	10,000,000	7,500,000		
#33-Game and Parks Commission					
336 Increase PSL, additional federal grants (\$614,231 PSL)	PSL	NA	YES		
900 Repair flood damage, Blue Bluffs Wildlife Management Area	Cash	0	165,000		
900 Repair flood damage, Champion Mill State Historical Park	Cash	NA	55,554		
#35 Liquor Control Commission					
73 Vacation and sick leave pay, retired employee	Gen	NA	10,448		
#41 Real Estate Commission					
77 Required change from monthly to bi-weekly (\$5,290 PSL)	PSL	YES	YES		
77 Leave payouts, retiring Director	Cash	NA	30,620		
			•		
#46 Correctional Services 200 Inmate medical costs	Gen	2 004 200	2 094 200		
200 Inmate finedical costs 200 Inmate food and other per diem costs	Gen	3,984,290 1,584,102	3,984,290 1,584,102		
200 Utility costs	Gen	1,175,043	1,175,043		
200 Capital outlay, safety and security	Gen	592,242	592,242		
200 Higher costs, self-funded inmate education program	Gen	154,300	154,300		
200 Electronic monitoring of lifetime sex offenders	Gen	63,000	63,000		
200 Inmate transportation costs	Gen	149,775	149,775		
#50 State Colleges					
920 Shift bond payment funds (NCCF)	Rev	83,000	83,000		
998 Shift bond payment funds (NCCF)	Rev	(83,000)	(83,000)		
#65 Administrative Services					
592 Indemnificaiton claims (Hirsh v Lecuona settlement)	Gen	803,000	803,000		
608 Appeal of Special Master's Decision	Gen	NA	50,000		
#75 Investment Council					
610 Search costs, replace State Investment Officer	Cash	NA	80,500		
 610 General consulting services, support acting SIO 610 Consulting services for private equities and private real estate full 	Cash Inds Cash	NA NA	120,000 280,500		
	indo Gaon		200,000		
#77 Industrial Relations (CIR)	Com	0.444	C 44.4		
490 Shift funds for commission travel expenses531 Shift funds for commission travel expenses	Gen Gen	6,114 (6,114)	6,114 (6,114)		
531 Increase PSL, 2088 hr work year (\$480 PSL)	PSL	YES	YES		
#81 Blind and Visually Impaird 357 Authority to expend grant from the Enrichment Foundation.	Cash	NA	32,400		
	3		,		
#82 Deaf and Hard of Hearing 578 Leave payouts, retiring Executive Director	Gen	YES (PSL)	YES		
570 Leave payouts, retilling Executive Director	Gen	IES (FSL)	TES		
#85 Retirement Board					
41 update actuarial valuation.	Cash	NA	25,000		

Agency / Issue	Fund	Governor	Committee
#87 Accountability and Disclosure 94 Increase PSL, monthly to bi-weekly payroll (\$1,500 PSL) 94 Leave payouts, retiring employee	PSL Gen	YES NA	0 12,321
#92 Grain Sorghum Board 406 Executive Director position to .80 FTE (\$3,140 PSL)	PSL	0	0
Agency / Issue	Fund	Governor	Committee
#93 Tax Equalization and Review 115 Reduce FY09 contract mediation earmark that was unused 115 Reduce FY09 contract mediation earmark that was unused	Gen Cash	(35,000) (35,000)	(35,000) (35,000)
General Funds Cash Funds Federal Funds Revolving Funds		13,956,362	(130,416,935) 14,567,832 (3,410,547) 0
Total		(120,156,664)	(119,259,650)

NARRATIVE DESCRIPTION BY AGENCY

Agency 3 Legislative Council

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comn Propo FY200	osed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving	17,680,147 268,966 39,270 0 17,988,383	17,611,386 268,966 39,270 0 17,919,622	17,611,386 268,966 39,270 0 17,919,622	17,877,154 268,966 39,270 0		18,758,084 268,966 39,270 0 19,066,320
Agency Total General Cash Federal Revolving Agency Total	17,988,383 17,680,147 268,966 39,270 0 17,988,383	17,919,622 17,611,386 268,966 39,270 0 17,919,622	17,919,622 17,611,386 268,966 39,270 0 17,919,622	18,185,390 17,877,154 268,966 39,270 0 18,185,390		19,066,320 18,758,084 268,966 39,270 0 19,066,320
Operations				F	FY2009-10	FY2010-11
* Delete Fall 2008 Special Session costs (Prog 0 Agency-wide)				Gen	-68,76	1 -68,761
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	117,28	4 117,284
* DAS Workers Compensation Assessment (Prog 0 Agency-wide)					-34,94	1 -34,941
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen	323,21	3 654,182
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)					198,41	9 410,323
* Short vs Long Session Costs (Prog 122 Leg Services)					-182,76	5 0
* Short vs Long Se	* Short vs Long Session Costs (Prog 123 Clerk)					2 0
* Computerize/digitize Journals and Session Laws (Prog 123 Clerk) The committee included \$30,000 in each year to digitize old Journals and Session Laws. The Legislature has a limited number of copies of historical Legislative Journals and Session Laws, which are housed in the histories area of the Clerks Office. These books are falling into a state of disrepair due to age and heavy usage. The goal is to have these books digitized and indexed so the information from these books will be available through office computers and thereby prevent further damage to the books. The funding provided would digitize the 30,000 pages that are in the worst condition						0 30,000 0 0 0 0

Operations		FY2009-10	FY2010-11
* Eliminate Committee Counsel travel (Prog 501 Intergovt Coop) This reduction would eliminate all out of state travel for Committee Counsel and/or Research Analysts. Currently each is authorized one out of state trip.	Gen Cash Fed Rev	-20,150 0 0 0	-20,150 0 0
* Eliminate NCOIL (Insurance Regulators) dues (Prog 501 Intergovt Coop) This reduction would eliminate the annual payment to the National Conference of Insurance Legislators.	Gen Cash Fed Rev	-10,000 0 0	-10,000 0 0

Agency 5 Supreme Court

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY200s	sed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	67,935,364 15,303,556 931,925 0 84,170,845	68,413,482 15,812,958 932,535 0 85,158,975	68,782,854 15,788,454 933,242 0 85,504,550	15,87 95	42,464 77,401 52,148 0 72,013	71,993,987 16,062,241 973,336 0 89,029,564
State Aid General Cash Federal Revolving Subtotal-Aid	0 840,000 0 0 840,000	0 840,000 0 0 840,000	0 840,000 0 0 840,000	1,01	0 10,000 0 0 10,000	0 1,010,000 0 0 1,010,000
Agency Total General Cash Federal Revolving Agency Total	67,935,364 16,143,556 931,925 0 85,010,845	68,413,482 16,652,958 932,535 0 85,998,975	68,782,854 16,628,454 933,242 0 86,344,550	16,88 99	42,464 87,401 52,148 0 82,013	71,993,987 17,072,241 973,336 0 90,039,564
Operations				F۱	Y2009-10	FY2010-11
* Annualize "A" Bi	lls (LB1014A) (Pro	g 0 Agency-wide))	Gen Cash	-3,00 -7,50	
* DAS Workers Co	ompensation Asse	ssment (Prog 0 A	gency-wide)	Gen	1,85	0 1,850
* AS Purchasing A	Assessment (Prog	0 Agency-wide)		Gen	2,46	8 2,468
* Life Insurance (Prog 0 Agency-wide)					6,66 42 1	3 423
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen Cash Fed	921,83 109,80 11,28	2 222,188
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash Fed	800,45 71,84 7,75	0 148,561

*	OASDI Contribution Base Increase (Prog 0 Agency-wide) Social Security's Old-Age, Survivors, and Disability Insurance (OASDI) program limits the amount of earnings subject to taxation for a given year. This limit increases each year with increases in the national average wage index. This federally mandated increase affects all of the judges in the Supreme Court's budget. As the limit increases, more of each judge's wages become subject to the 7.65% employer contribution required by federal law.	Gen Cash Fed Rev	106,578 0 0 0	147,350 0 0 0
*	Increase in Funding for Use of Retired Judges (Prog 5 Salaries-Retired judges) This item provides funds to have retired judges work approximately half-time. This will allow the Supreme Court to manage the workload of its busiest district courts. Several judicial districts have appeared before the Judicial Resources Commission and requested additional judicial positions to accommodate increases in case filings. The Court hopes to increase the number of retired judges who would agree to serve on a part-time basis by increasing the per diem payment rate. LB 1014 (2008) eliminated the language that limited the per diem pay to one-twentieth of the monthly pay for each day. The Supreme Court now determines the per diem pay.	Gen Cash Fed Rev	82,864 0 0 0	85,255 0 0 0
*	Distance Learning Support (Prog 52 Court Operations) This item provides funding for online and distance training for all Court employees. The first year of the program (FY08-09) is being paid for with community corrections funds. This request is for ongoing costs of maintaining the program. Judicial Branch Education (JBE) will establish an online learning system that would be delivered immediately for new employees, and ongoing employee education for court staff, probation employees, and judges. The Court hopes to show employee comprehension of training material, a savings in transportation costs, and a reduction in time away from work for training.	Gen Cash Fed Rev	0 40,000 0 0	0 40,000 0 0
*	Mandatory Continuing Legal Education (Prog 52 Court Operations) Judicial Branch Education is tasked with oversight of a Supreme Court rule that requires attorneys to obtain 10 credit hours per year in continuing education. The rule requires that the Director of Judicial Branch Education approve vendors who provide education and track attorney credits. Under the Supreme Court Rule, the program will begin to approve vendors in 2009. This request would allow the establishment of the framework to run the program.	Gen Cash Fed Rev	0 80,000 0 0	0 60,000 0 0

Interpreter Usage (Prog 52 Court Operations) Gen 105,500 105,500 Cash 0 0 The increasing number of limited English speaking litigants and the Fed 0 0 growing number of languages means the courts must provide more 0 0 Rev hours of interpreter services each year. To keep pace with the increase in need, the Court anticipates a 10% increase in usage for each year of the upcoming biennium. The Court hopes to decrease interpreter travel by using remote interpreting. The Supreme Court was given responsibility for provision of interpreter services in 1999. The counties paid for these services prior to 1999. In 2007, Nebraska used interpreters in 21 languages and they have tests to certify interpreters in 16 languages. However, certified interpreters are only available in Spanish and sign language. Expenditures for interpreters were \$618,960 in FY06, \$648,899 in FY07 (5% increase), and \$1,043,259 in FY08 (61% increase). Note: FY08 expenditures include fee increases funded in 2007. The FY09 appropriation is \$1,144,865, a 10% increase from FY08. Interpreter Coordinator (Prog 52 Court Operations) 0 Gen 0 0 Cash 0 Currently, the program is run by the Administrative Office of the Fed 0 0 Courts (AOC) trial court services director, who devotes 0 Rev 0 approximately 1/4 of her time to the program, and 2 administrative assistants who provide assistance as needed. The Court states that the continued growth and expansion of this program has outgrown the current staff. The Appropriations Committee recommendation does not include any funds, but did include an increase in the salary limit giving the Supreme Court the option to reallocate funds from another area to fund this position. Salary increase for county court employees (LB608 into LB315) Gen 65,336 131,980 (Prog 52 Court Operations) Cash 0 0 0 Fed 0 The Appropriations Committee recommendation includes an Rev 0 0 earmarked amount for an additional salary increase for county court employees. This additional salary increase is approximately one-half of one percent, 0.5%. Retainer Fee Increase (Prog 570 Court Automation) Gen 0 0 Cash 265,702 265,702 The District and the Separate Juvenile Courts in Douglas County are Fed 0 0 in the process of converting to the JUSTICE case and financial 0 0 Rev management system. This action will bring all trial courts under one system. This expansion necessitates an increase in the Intergovernmental Data Services (IDS) Program Retainer Fee allocated to the Supreme Court by the Office of the Chief Information Officer. The work (programming, data capture, etc.) necessary for converting Douglas County District and Separate Juvenile Courts onto the JUSTICE system is already underway. A deficit request

last year provided the necessary funding for the one-time costs associated with the conversion process, and for ongoing equipment lease costs. The retainer fee increase is an ongoing expenditure.

State Aid FY2009-10 FY2010-11

* Parenting Act Fund Cash Fund Spending Authority (Prog 52 Court	Gen	0	0
Operations)	Cash	170,000	170,000
	Fed	0	0
The Parenting Act Fund is to subsidize the cost of providing	Rev	0	0

The Parenting Act Fund is to subsidize the cost of providing parenting plan mediation for indigent and lower income persons involved in Parenting Act cases. The Supreme Court estimates the cost of providing mediation services at \$450,000, and the current appropriation is \$280,000.

Agency 7 Governor

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comn Propo FY200	osed	Committee Proposed FY2010-11
Operations General Cash	1,742,569 0	1,743,890 0	1,823,772 0	1,7	744,580 0	1,746,716
Federal Revolving Subtotal-Oper	0 0 1,742,569	0 0 1,743,890	0 0 1,823,772	1,7	0 0 744,580	0 0 1,746,716
Agency Total General Cash Federal Revolving Agency Total	1,742,569 0 0 0 1,742,569	1,743,890 0 0 0 1,743,890	1,823,772 0 0 0 1,823,772		744,580 0 0 0 0 744,580	1,746,716 0 0 0 1,746,716
Operations				F	FY2009-10	FY2010-11
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	-492	2 -492
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen	29,48	59,667
* FY10 / FY11 Hea	alth Insurance Incre	eases (Prog 0 Ag	gency-wide)	Gen	16,212	2 33,526
PRO receives rea budget bill. The approximately \$3 draw down it's re	in Lieu of Appropri appropriation from reappropriation am 375,000. In effect, appropriation bala osts associated wi	another in the s estimated to be questing that it evel funding	Gen Cash Fed Rev	(5 -33,721 0 0 0 0	
maintain a level f totaling \$15,000 expenses (\$14,0 (\$1,000) per year	Operational Reductions (Prog 21 Governor's Office) In an effort to maintain a level funding request, the agency has offered reductions totaling \$15,000 per year. The reductions come from travel related expenses (\$14,000) per year and publication and print costs (\$1,000) per year. The travel reduction would reduce the budgeted travel costs from \$68,000 in FY09 to \$54,000 per year beginning in					-15,000 0 0 0 0
Office) This prog to another in the is estimated to be requesting that it	in Lieu of Appropri gram receives reap budget bill. The re e approximately \$2 draw down it's rea nding and absorb t driven increases.	opropriation from eappropriation an 210,000. In effec appropriation bala	one biennium nount into FY10 t, the agency is ance to	Gen Cash Fed Rev	(-39,000 0 0 0 0

Agency 8 Lieutenant Governor

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	osed	Committee Proposed FY2010-11
<u>Operations</u>						
General	143,839	145,425	147,354		143,805	145,847
Cash	0	0	0		0	0
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	143,839	145,425	147,354		143,805	145,847
Agency Total						
General	143,839	145,425	147,354		143,805	145,847
Cash	0	0	0		0	0
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	143,839	145,425	147,354		143,805	145,847
Operations					FY2009-10	FY2010-11
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	gency-wide)	Gen	-7	7 -7
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide)	Gen	53	5 1,083
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ag	gency-wide)	Gen	2,122	2 4,388
* Reappropriation	n in Lieu of Appropri	iation (Prog 124 I	t Governor	Gen	-240	0 -1,020
	ogram receives reap	, -		Cash		0 0
	e budget bill. The re			Fed		
is estimated to l requesting that	be approximately \$2 it draw down its rea nd absorb the costs	21,000. In effect, ppropriation bala	the agency is nce to maintain	Rev		0 0
* Operational Cut	ts (Prog 124 Lt Gov	ernor Office) The	e agency has	Gen	-1,952	2 -1,952
•	ce operational spend	•	•	Cash		0 0
	nall budget from whi			Fed		0
	imply manage their			Rev		

Agency 9 Secretary of State

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed l	Committee Proposed Y2010-11
<u>Operations</u>						
General	734,475	697,969	699,284		67,491	473,277
Cash	6,025,402	6,047,954	6,047,954		31,189	6,381,347
Federal	98,300	98,300 985,617	98,300		98,300	98,300 1,028,938
Revolving	970,582 7,828,759	7,829,840	985,617 7,831,155)6,809)3,789	7,981,862
Subtotal-Oper	7,020,739	7,029,040	7,031,133	0,40	13,109	7,901,002
State Aid	•	•	•		•	
General	0	0	0		0	0
Cash Federal	60,000 0	60,000 0	60,000 0	Ć	0,000 0	60,000 0
Revolving	0	0	0		0	0
Subtotal-Aid	60,000	60,000	60,000	F	60,000	60,000
	33,333	23,233	33,333		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	33,333
Agency Total	704 475	007.000	000 004	4.0	7 404	470.077
General	734,475	697,969	699,284		67,491	473,277
Cash Federal	6,085,402 98,300	6,107,954 98,300	6,107,954 98,300		91,189 98,300	6,441,347 98,300
Revolving	970,582	985,617	985,617		06,809	1,028,938
Agency Total	7,888,759	7,889,840	7,891,155		63,789	8,041,862
Operations				FΥ	′2009-10	FY2010-11
*				_		
FY10 / FY11 Sal	lary Increases (Pro	g 0 Agency-wide)	Gen	10,244	
				Cash	31,758	,
				Fed Rev	0 11,438	~
				Kev	11,430	23,130
* FV10 / FV11 Ha	alth Insurance Incr	eases (Prog 0 Ac	rency-wide)	Gen	5,305	10,970
1110/1111110	aitii iiisuranee iiiei	cases (i log o Ag	gency wide)	Cash	16,523	
				Fed	10,323	
				Rev	9,754	~
					3,131	_0,
* Reduction to offs	set General Funds	for Salarv and He	ealth increase	Gen	-4,327	-8,800
	dministration) The	•		Cash	0	
	onal funding in an a			Fed	0	
	h insurance increas		ũ ,	Rev	0	

Reduction to offset General Funds for Salary and Health increase Gen -5.665-11.557(Prog 45 Election Admin) Cash 0 0 Fed 0 0 Rev 0 0 Fund Shift with accompanying transfer from Corp. Cash Fund (Prog Gen -234,954 -234,954 45 Election Admin) In order to reduce General Fund reliance, a 234,954 234,954 Cash transfer from the Corporation Cash Fund is being made to the Fed 0 0 Election Administration Cash Fund. The General Funds in the 0 0 Rev Elections Program are being reduced to zero and the Cash Fund appropriation is increasing to offset that reduction. This transfer is allowable under current statute. Transfer \$250,000 from Collection Agency Cash Fund to General Gen 0 0 Fund (Prog 53 Collection agencies) The Collection Agency Cash Cash 0 0 Fund receives revenue for licensing collections agents both in the Fed 0 0 state and outside of Nebraska. The fund receives approximately Rev 0 \$140,000 per year in revenue. Expenditures are below \$80,000. The fund grows by approximately \$60,000 per year. \$250,000 of the excess balance is being transferred to the General Fund. Current statute allows for such transfers in section 45-621. Funding Allocation for Deputy Director (Prog 86 Records mgmt) Gen -37,587 -37,587 This funding shift more accurately reflects where the Deputy 22,552 22,552 Cash Director's time is spent among the various programs. Fed 0 0 Rev 15,035 15,035 Enterprise Content Management System (Prog 86 Records mgmt) 0 0 Gen This system will address email retention issues in the Records Cash 0 0 Management Program. \$500,000 is being transferred from the Fed 0 0 Uniform Commercial Code Cash Fund to the Records Management Rev 500,000 0 Revolving Fund to pay for the system. That transfer is allowed under current statutory provisions (9-531). Transfer \$1,000,000 from Uniform Commercial Code Cash Fund to Gen 0 0 General Fund (Prog 89 UCC filing) The UCC Cash Fund receives 0 Cash 0 general business fees and central filing fees. The fund receives Fed 0 0 approximately \$1,150,000 per year in revenue. Expenditures are at 0 Rev 0 about the same level. The fund balance as of December 31, 2008 was approximately \$2,700,000. \$1,000,000 of excess fund balance is being transferred from this fund to the General Fund. Current statute allows for such transfers in section 9-531.

Agency 10 State Auditor

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Committee Proposed FY2010-11
<u>Operations</u>						 -
General	2,557,746	2,559,198	2,560,957		06,238	2,508,031
Cash	1,078,988	980,688	980,688	1,0	78,988	1,078,988
Federal	0	0	0		0 0	0
Revolving Subtotal-Oper	0 3,636,734	0 3,539,886	3,541,645	2.5	85,226	0 3,587,019
Subtotal-Oper	3,030,734	3,339,000	3,341,643	3,30	05,226	3,367,019
Agency Total						
General	2,557,746	2,559,198	2,560,957	2,5	06,238	2,508,031
Cash	1,078,988	980,688	980,688	1,0	78,988	1,078,988
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	3,636,734	3,539,886	3,541,645	3,5	85,226	3,587,019
Operations				F'	Y2009-10	FY2010-11
* DAS Workers C	ompensation Asses	ssment (Prog 0 A	(gency-wide	Gen	4,509	9 4,509
* 5\40 / 5\44 0-	l		`	0	F0 00/	. 400.004
FY10/FY11 Sa	lary Increases (Pro	g u Agency-wide	·)	Gen	50,880	
				Cash	22,573	3 45,687
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Ac	rency-wide)	Gen	20,940	0 43,303
111071111110	ann modranoo mor	04000 (1 10g 0 7 tg	joney wae,	Cash	8,40	
* D. L			For the set (Dece	0	74.00	
506 State audit	hieve Governor's re s)	ecommenaea tun	aing ievei. (Prog	Gen	-71,084	4 -143,928
* Reduce Staffing	(Prog 506 State au	udits) In order to	reduce General	Gen	-53,193	3 -53,193
_	the Appropriations	•		Cash		0 0
	he reduction repres			Fed		0 0
	PSL reduction of \$4		•	Rev	(0 0
* Reduction to ac	hieve Governor's re	commended fun	ding level. (Proa	Gen	(0 0
	county/ESU audits)		3 - 2 - (- 139	Cash	-30,978	-
	,			Fed		0 0
				Rev	(0 0

Agency 11 Attorney General

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Commi Propos FY2010	sed
Operations							
General	6,154,481	7,278,817	6,284,746		92,887	6,37	73,906
Cash	934,596	834,596	834,596		48,490		62,915
Federal	1,017,246	1,467,923	1,497,923		96,293		56,085
Revolving	1,174,884	1,174,884	1,174,884		11,475		50,963
Subtotal-Oper	9,281,207	10,756,220	9,792,149	10,34	49,145	10,04	43,869
Agency Total							
General	6,154,481	7,278,817	6,284,746	6,79	92,887	6,3	73,906
Cash	934,596	834,596	834,596	84	48,490	80	62,915
Federal	1,017,246	1,467,923	1,497,923	1,49	96,293	1,5	56,085
Revolving	1,174,884	1,174,884	1,174,884	1,2	11,475	1,2	50,963
Agency Total	9,281,207	10,756,220	9,792,149	10,34	49,145	10,04	43,869
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	agency-wide)	Gen Cash Fed Rev			-346 0 0 0
* FV10 / FV11 Sa	alary Increases (Pro	a Ο Agency-wide	.)	Gen	101,39	3 3	205,218
1 1 10 / 1 1 1 1 3	alary increases (i ro	y o Agency-wide	·)	Cash	9,38		18,990
				Fed	11,48		23,251
				Rev	21,72		45,343
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ac	rency-wide)	Gen	67,94	9 4	140,516
	Janus modranos mor	00000 (1.109 07.5	goney mae,	Cash	4,51		9,329
				Fed	16,88		34,911
				Rev	14,86		30,736
* Elimination of V	'ahoo! Agreement F	iundina (Prog. 20)	n Multistata	Gen		0	0
	-	- , -				-	0
	e funding provided			Cash	-250,00	_	250,000
	been spent. These	rurius are being	reduced from	Fed		0	0
the base.				Rev		0	0

*	Add 1.0 FTE Attorney (Prog 290 Multistate Settlement) The agency requested the addition of one attorney to the program. This attorney would handle an increasing caseload of consumer protection cases, including but not limited to matters such as mortgage fraud, predatory lending and deceptive trade practices. This request includes funding that would be used for consumer education such as meetings, mailings and distribution information via the media regarding how consumers can protect themselves and avoid scams such as identity theft.	Gen Cash Fed Rev	0 100,000 0 0	0 100,000 0 0
*	Interstate Water Litigation (Prog 496 Water Litigation) Funding was provided to address interstate water litigation issues.	Gen Cash Fed Rev	500,000 0 0 0	0 0 0 0
*	Reallocate and retain 1.0 FTE Attorney (Prog 507 Interpret/application of law) The agency requested funds to retain one FTE who was reassigned to the School Finance Litigation program several years ago. Due to his expertise, this person was reassigned to the School Finance Litigation team. In order to retain this 20 year employee without losing other attorneys currently on staff, salary dollars and authority need to be added here.	Gen Cash Fed Rev	122,890 0 0 0	127,060 0 0 0
*	Tobacco Master Settlement Agreement Enforcement (Prog 507 Interpret/application of law) The agency requested funding to increase enforcement efforts under the Tobacco MSA. This funding will come from the Health Care Cash Fund. Without increased effort, the state risks losing future distributions for failing to diligently enforce it's escrow statute.	Gen Cash Fed Rev	0 50,000 0 0	0 50,000 0 0
*	Reduce Staffing (Prog 507 Interpret/application of law) In order to meet their 5% modification requirement, the agency identified a reduction of \$547,331. The Appropriations Committee reduced that total to \$400,000, spread over the upcoming two years.	Gen Cash Fed Rev	-150,000 0 0 0	-250,000 0 0
*	Federal Grants (Prog 507 Interpret/application of law) The agency requested appropriation authority to spend from anticipated federal grants for: Methamphetamine Initiative, Highway Safety Grant, and Grants to Encourage Arrest Policies.	Gen Cash Fed Rev	0 0 450,677 0	0 0 480,677 0

Agency 12 State Treasurer

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commite Propose FY2009	ed l	Committee Proposed Y2010-11
<u>Operations</u>						
General	1,646,026	1,592,912	1,626,388	1,59	1,056	1,620,525
Cash	1,784,093	1,911,187	1,926,740	1,86	5,568	1,903,559
Federal	2,407,454	2,075,665	2,120,489	2,08	3,263	2,127,597
Revolving	0	0	0		0	0
Subtotal-Oper	5,837,573	5,579,764	5,673,617	5,53	9,887	5,651,681
State Aid						
General	17,768,561	17,768,561	17,768,561	18,28	8.561	18,288,561
Cash	4,170,000	3,650,000	3,650,000		0,000	3,650,000
Federal	0	0	0	0,00	0	0
Revolving	0	0	0		0	0
Subtotal-Aid	21,938,561	21,418,561	21,418,561	21,93	•	21,938,561
A						
Agency Total	40 444 507	40.004.470	40.004.040	40.07	0.047	10 000 000
General	19,414,587	19,361,473	19,394,949	19,87		19,909,086
Cash	5,954,093	5,561,187	5,576,740		5,568	5,553,559
Federal	2,407,454	2,075,665	2,120,489	2,08	3,263	2,127,597
Revolving	0	0	0		0	0
Agency Total	27,776,134	26,998,325	27,092,178	27,47	8,448	27,590,242
Operations				FY	2009-10	FY2010-11
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	.aencv-wide)	Gen	-249	-249
	,	,	J ,,	Cash	-576	
				Fed	-370	
* FY10 / FY11 Sa	alary Increases (Pro	na O Agency-wide)	Gen	16,586	33,568
1 1 10 / 1 1 1 1 00	1110100000 (1110	g 5 / igonoy wide	/	Cash	22,130	
				Fed	26,693	
* FV10 / FV11 U	ealth Insurance Incr	aasas (Prog 0 Ac	rency-wide)	Gen	11,010	22,769
1 1 10 / 1 1 1 1 1 1	Jami modrance mich	cases (i log o Ag	joiney wide)		15,605	
				Cash	,	
				Fed	14,925	
				Rev	0	0

*		_		
	Base Adjustment (Prog 24 Disbursement Unit) Per the agency	Gen	-54,218	-54,218
	budget request, reductions for Equipment (\$10,000), Janitorial	Cash	0	0
	Services (\$2,000), IT Consulting (\$50,500), Other Contractual	Fed	-339,987	-339,987
	Services (\$2,500), Postage and Printing (\$65,000), Federal Funds	Rev	0	0
	(\$258,661), Rent (\$1,044), and Unemployment Compensation costs			
	(\$4,500) are being made.			
*	Travel Expenses (Prog 24 Disbursement Unit) This reflects the	Gen	600	600
	increased costs associated with outreach programs aimed at local	Cash	0	0
	employers regarding remitting child support payments electronically.	Fed	900	900
	The cost of the travel is expected to increase slightly.	Rev	0	0
*	Repair and Maintenance – Equipment (Prog 24 Disbursement Unit)	Gen	12,241	13,036
	As the State Disbursement Unit increases efficiency through	Cash	0	0
	automation, the costs associated with repairs and maintenance	Fed	18,362	19,554
	grow. The service agreements in the next biennium will cover	Rev	0	0
	more equipment than in previous years as two new software		-	
	modules will be covered.			
*	Shift Salary Authority Among Programs (Prog 24 Disbursement	Gen	-23,604	-24,194
	Unit) The agency has requested a shifting of salary authority from	Cash	23,004	24,134
	Program 24 (SDU) to Programs 503 (Treasury Management) and	Fed	-35,405	-36,290
	505 (Educational Savings Plan). The programs are funded with	Rev	0	00,200
	different fund types. The net effect of the issue would be a	-	-	
	reduction of Federal Funds in the SDU.			
*	Reduce IT Spending (Prog 24 Disbursement Unit) In order to meet	Gen	-10,700	-10,700
	their modification requirement, the agency would reduce IT	Cash	0	0
	spending. This would reduce the number of computers, new	Fed	0	0
	computer equipment, IT Consulting expenditures, and software.	Rev	0	0
	Due to the matching nature of the program's funding, a reduction of			
	Federal Funds would also be realized.			
*	IT Consulting and Software (Prog 503 Treasury mgmt) This funding	Gen	0	0
	is requested to upgrade computer programs and keep up with	Cash	15,000	5,000
	changing banking regulations and technologies. In addition, this	Fed	0	0,000
	funding will help complete the NIS reconciliation program (funded 2	Rev	0	0
	years ago for \$5,000) and the county document program. Both will			
	improve cash management processes while the county document			
	program will help make more funds available for investment.			
*	Miscellaneous Operational Increases (Prog 503 Treasury mgmt)	Gen	0	0
	Increases were provided for equipment purchases, repair and	Cash	2,131	5,131
	maintenance of existing equipment, dues and subscriptions.	Fed	0	0
		Rev	0	0

*	Auditing Expenses (Prog 505 Ed savings plan) The program must have an annual independent audit. The current contract is expiring and the new contract is expected to be more expensive due to a State Farm related component that was not in place for the prior contract and simple inflationary reasons.	Gen Cash Fed Rev	0 15,400 0 0	0 15,400 0 0
*	Legal Expenses (Prog 505 Ed savings plan) A number of contracts concerning program management and distribution vendors will be renegotiated. Due to the complex nature of the contracts, funding for legal review and retaining outside legal counsel is requested.	Gen Cash Fed Rev	0 11,500 0 0	0 19,500 0 0
*	Miscellaneous Operational Increases (Prog 505 Ed savings plan) Increases were provided for travel expenses and dues and subscriptions.	Gen Cash Fed Rev	0 1,750 0 0	0 1,750 0 0
*	Miscellaneous Operational Increases (Prog 512 Unclaimed property) Increases were provided for travel expenses and dues and subscriptions.	Gen Cash Fed Rev	0 2,500 0 0	0 2,500 0 0
S	tate Aid		FY2009-10	FY2010-11
*	Base Adjustment, MIRF Sunsets June 30, 2009 (Prog 118 Muni Infrast (MIRF)) MIRF Sunsets June 30, 2009. Program funding is no longer needed.	Gen Cash Fed Rev	0 -520,000 0 0	-520,000 0 0
*	Reduce Aid due to Program Sunset (Prog 118 Muni Infrast (MIRF))	Gen Cash	0 -520,000	0
	MIRF is scheduled to sunset on June 30, 2009. The funding will not be needed in the upcoming biennium.	Fed Rev	0	-520,000 0 0

Agency 13 Dept of Education

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	16,513,039 1,852,353 36,016,930 162,872 54,545,194	16,530,673 1,852,353 42,417,341 162,872 60,963,239	16,548,484 1,852,353 42,673,357 162,872 61,237,066	17,148,051 1,889,113 43,580,055 162,872 62,780,091	18,148,565 1,913,795 44,815,422 162,872 65,040,654
State Aid General Cash Federal Revolving Subtotal-Aid	1,034,925,763 7,052,938 269,442,416 0 1,311,421,117	1,076,135,846 8,241,022 287,261,361 0 1,371,638,229	1,111,893,375 8,272,307 298,392,963 0 1,418,558,645	1,038,452,542 8,310,938 372,398,899 0 1,419,162,379	1,038,675,660 8,310,938 449,512,677 0 1,496,499,275
Agency Total General Cash Federal Revolving Agency Total	1,051,438,802 8,905,291 305,459,346 162,872 1,365,966,311	1,092,666,519 10,093,375 329,678,702 162,872 1,432,601,468	1,128,441,859 10,124,660 341,066,320 162,872 1,479,795,711	1,055,600,593 10,200,051 415,978,954 162,872 1,481,942,470	1,056,824,225 10,224,733 494,328,099 162,872 1,561,539,929
Operations				FY2009- ⁻	10 FY2010-11
* DAS Workers Co	ompensation Asse	ssment (Prog 0 A	Agency-wide)	Cash -	312 -3,312 200 -200 308 -9,308 0 0
* FY10 / FY11 Sal	lary Increases (Pro	Gen 212, Cash 17, Fed 501, Rev	892 36,209		
* FY10 / FY11 He	alth Insurance Inci	reases (Prog 0 A	gency-wide)	Gen 135, Cash 11, Fed 360, Rev	218 23,197

Federal Fund Increases (Prog 25 Dept administration)	Gen	0	0
	Cash	0	0
	Fed	6,400,411	6,656,427
	Rev	0	0
Annualize LB 653 & LB 1157 - Student Assessment (Prog 25 Dept	Gen	345 000	815,000
, · · · · · · · · · · · · · · · · · · ·		_	0
administration			0
	Rev	0	0
Reannronriate unexpended general fund halance of assessment	Gen	0	0
			0
		_	0
for state assessment. In the past, the Legislature has allowed the reappropriation of unexpended balances in this activity while the assessment and accountability program was being developed. The general fund base for this activity is \$1,607,000. An additional \$545,000 was appropriated in LB 653A to begin the development of statewide tests. The general fund total for 2008-09 is \$2,152,000.	Rev	0	Ö
Salary limit increase to annualize the deficit for IT database and	Gen	0	0
			0
migrant stan positions (1 rog 25 popt duminotication)			0
	Rev	0	0
Salary limit increase for the new Commissioner of Education (Prog	Gen	0	0
·	Cash	0	0
	Fed	0	0
	Rev	0	0
Eliminate contract with University of Nebraska for evaluation of	Gen	-110,000	-110,000
standards (Prog 25 Dept administration) The department contracts	Cash	0	0
	Fed	0	0
reduction will almost eliminate the entire contract. The contract involves interviews of Nebraska educators, surveys of educators, and data analysis of student performance. The topics of interviews and surveys have been the impact of standards, assessment, and accountability, the changes in classroom practice, assessment literacy in the state, and the use of data for the improvement of instruction. Data analysis includes tracking changes in student performance on standards, national tests, writing, and in special populations. One UNL professor, a grad assistant and several grad students are involved in the research. The benefit of the contract is to provide information to the board on how the state is doing and how to improve the process. Next year's report will be focused on the transition from STARS to the	Rev	O	0
	Annualize LB 653 & LB 1157 - Student Assessment (Prog 25 Dept administration) Reappropriate unexpended general fund balance of assessment funds (Prog 25 Dept administration) The department requests the reappropriation of the unexpended general fund balance of funds for state assessment. In the past, the Legislature has allowed the reappropriation of unexpended balances in this activity while the assessment and accountability program was being developed. The general fund base for this activity is \$1,607,000. An additional \$545,000 was appropriated in LB 653A to begin the development of statewide tests. The general fund total for 2008-09 is \$2,152,000. Salary limit increase to annualize the deficit for IT database and migrant staff positions (Prog 25 Dept administration) Salary limit increase for the new Commissioner of Education (Prog 25 Dept administration) Eliminate contract with University of Nebraska for evaluation of standards (Prog 25 Dept administration) The department contracts with the UNL for an annual evaluation of standards, assessment and accountability. The current contract is for \$110,000. The reduction will almost eliminate the entire contract. The contract involves interviews of Nebraska educators, surveys of educators, and data analysis of student performance. The topics of interviews and surveys have been the impact of standards, assessment, and accountability, the changes in classroom practice, assessment literacy in the state, and the use of data for the improvement of instruction. Data analysis includes tracking changes in student performance on standards, national tests, writing, and in special populations. One UNL professor, a grad assistant and several grad students are involved in the research. The benefit of the contract is to provide information to the board on how the state is doing and how to improve the process. Next	Annualize LB 653 & LB 1157 - Student Assessment (Prog 25 Dept administration) Reappropriate unexpended general fund balance of assessment funds (Prog 25 Dept administration) The department requests the reappropriation of the unexpended general fund balance of funds for state assessment. In the past, the Legislature has allowed the reappropriation of unexpended balances in this activity while the assessment and accountability program was being developed. The general fund base for this activity is \$1,607,000. An additional \$545,000 was appropriated in LB 653A to begin the development of statewide tests. The general fund total for 2008-09 is \$2,152,000. Salary limit increase to annualize the deficit for IT database and migrant staff positions (Prog 25 Dept administration) Salary limit increase for the new Commissioner of Education (Prog 25 Dept administration) Cash Fed Rev Salary limit increase for the new Commissioner of Education (Prog 25 Dept administration) The department contracts with University of Nebraska for evaluation of standards (Prog 25 Dept administration) The department contracts with the UNL for an annual evaluation of standards, assessment and accountability. The current contract is for \$110,000. The reduction will almost eliminate the entire contract. The contract involves interviews of Nebraska educators, surveys of educators, and data analysis of student performance. The topics of interviews and surveys have been the impact of standards, assessment, and accountability, the changes in classroom practice, assessment iteracy in the state, and the use of data for the improvement of instruction. Data analysis includes tracking changes in student performance on standards, national tests, writing, and in special populations. One UNL professor, a grad assistant and several grad students are involved in the research. The benefit of the contract is to provide information to the board on how the state is doing and how to improve the process. Next year's report will be focused on the transition from	Annualize LB 653 & LB 1157 - Student Assessment (Prog 25 Dept administration) Reappropriate unexpended general fund balance of assessment funds (Prog 25 Dept administration) The department requests the reappropriation of the unexpended general fund balance of funds for state assessment. In the past, the Legislature has allowed the reappropriation of unexpended balances in this activity while the assessment and accountability program was being developed. The general fund base for this activity is \$1,607,000. An additional \$545,000 was appropriated in LB 653A to begin the development of statewide tests. The general fund total for 2008-09 is \$2,152,000. Salary limit increase to annualize the deficit for IT database and migrant staff positions (Prog 25 Dept administration) Salary limit increase for the new Commissioner of Education (Prog 25 Dept administration) Gen Cash OFed ORev O Salary limit increase for the new Commissioner of Education (Prog 25 Dept administration) Eliminate contract with University of Nebraska for evaluation of standards (Prog 25 Dept administration) The department contracts with the UNL for an annual evaluation of standards, assessment and accountability. The current contract is for \$110,000. The reduction will almost eliminate the entire contract. The contract involves interviews of Nebraska aducators, surveys of educators, and data analysis of student performance. The topics of interviews and surveys have been the impact of standards, assessment ilteracy in the state, and the use of data for the improvement of instruction. Data analysis includes tracking changes in student performance on standards, national tests, writing, and in special populations. One UNL professor, a grad assistant and several grad students are involved in the research. The benefit of the contract is to provide information to the board on how the state is doing and how to improve the process. Next year's report will be focused on the transition from STARS to the

Eliminate fees charged by DAS for purchasing, NIS and accounting Gen -94.065 -94.065 (Prog 25 Dept administration) Cash 0 0 Fed 0 0 0 Rev 0 Eliminate the printed version of the State Report Card (Prog 25 Dept Gen -52,000 -52,000 administration) The recommendation eliminates the printed version Cash 0 0 of the State Report Card. In the past, the report card has been 0 Fed 0 issued in printed form, distributed through the newspaper and also 0 0 Rev on the website. The department indicates there was no printed version distributed in 2007 and none will be distributed in 2008. The policy now is to only release online versions. The impact of the modification should be minimal for the public. Reduce travel for the department and State Board by 10% (Prog 25 -31,543 -31,543 Gen Dept administration) Cash 0 0 Fed 0 0 0 0 Rev Additional FTE for administration of ARRA funds (Prog 25 Dept 91,000 Gen 91,000 administration) Cash 0 0 Fed 0 0 Rev 0 0 Increase 2008-09 base of federal vocational rehabilitation funds for Gen 0 0 operations per request (Prog 351 Voc Rehab) Cash 0 0 Fed 301,258 342.133 Rev 0 0 General and cash funds to match available federal vocational Gen 76,464 151,827 rehabilitation funds (Prog 351 Voc Rehab) The funds shown in this Cash 32.022 15.775 issue are the estimated general and cash funds needed to fully Fed 21,635 11,462 match federal funds available to the state in the next biennium. Rev 0 0 2% provider increase in funds for services for deaf and hard of Gen 39,375 80,327 hearing children (Prog 401 Deaf/Hard Hearing) Cash 60 121 Fed 0 0 Rev 0 0 2% provider increase to fund services for visually impaired Gen 34.852 71.970 students (Prog 402 Blind/Visually Impaired) Cash 0 0 Fed 0 0 Rev 0 0

Reduce base to reflect one-time expense for retirement of clerk Gen 0 0 (Prog 614 Prof. Practices) Cash -26,232 -26,232 Fed 0 0 0 Rev 0 Increase base to reflect retirement of the Commission clerk (Prog 0 Gen 0 614 Prof. Practices) Cash 24,392 0 Fed 0 0 Rev 0 0 **State Aid** FY2009-10 FY2010-11 Increase federal funds to reflect anticipated receipts per request 0 0 Gen (Prog 158 Education Aid) Cash 0 0 Fed 17,571,198 28,445,151 Rev 0 0 Annualize LB 1208 (2006) - Reflects the completion of a distance Gen -202.000 -202.000 education scheduling system (Prog 158 Education Aid) Cash 0 0 Fed 0 0 Rev 0 0 Qwest grant fund increase (Prog 158 Education Aid) Gen 0 0 50,000 50,000 Cash Fed 0 0 0 Rev 0 * Cash fund authority for contingencies (Prog 158 Education Aid) Gen 0 0 Cash 100,000 100.000 Fed 0 0 Rev 0 0 Increase cash fund authority for the Early Childhood Education Gen 0 0 Endowment (Prog 158 Education Aid) The request is made by the 858,000 858,000 Cash trustees to increase the cash fund authority for the program from Fed 0 0 \$2,242,000 in the current year to \$3.1 million in each year of the Rev 0 0 next biennium. The trustees would like to have sufficient spending authority in the event that investment results improve to the point that additional grants may be provided. Increase aid for the school breakfast program (Prog 158 Education 1.711 16.160 Gen Aid) Cash 0 0 Fed 0 0 0 0 Rev

FY2009-10 FY2010-11

Operations

State Aid FY2009-10 FY2010-11

*	Increase in aid for the learning community (Prog 158 Education Aid) LB 641 (2007) provided a categorical annual aid appropriation to learning communities. A learning community is to receive \$500,000 in its first year of existence and \$1 million in the second year. Thereafter, state aid will increase by the allowable growth rate used in the state aid formula, which is currently 2.5%. In the current year, 2008-09, \$500,000 of aid is provided for the learning community. The recommendation for 2009-10 reflects the 2nd year of existence of the metropolitan learning community when state aid is \$1 million. The 2010-11 recommendation is a 2.5% increase over the 2009-10 amount.	Gen Cash Fed Rev	500,000 0 0	525,000 0 0
*	Special education aid (Prog 158 Education Aid)	Gen Cash Fed Rev	5,546,815 0 0 0	11,260,035 0 0 0
*	Utilize federal ARRA funds to fund increased costs of special education services (Prog 158 Education Aid)	Gen Cash Fed Rev	-5,546,815 0 0 0	-11,260,035 0 0
*	Textbook Loan (Prog 158 Education Aid)	Gen Cash Fed Rev	50,000 0 0	50,000 0 0
*	TEEOSA, fund per LB545 (with committee proposed amendment) (Prog 158 Education Aid)	Gen Cash Fed Rev	87,245,818 0 0 0	153,247,913 0 0 0
*	TEEOSA, utilize federal ARRA stabilization funds to fund increased costs of TEEOSA (Prog 158 Education Aid)	Gen Cash Fed Rev	0	-149,887,17 0 149,887,176 0
*	Annualize LB 1208 (2006) - Aid for Attracting Excellence to Teaching Program Act (Prog 161 Ed Innovation Fund)	Gen Cash Fed Rev	0 250,000 0 0	0 250,000 0 0

State Aid FY2009-10 FY2010-11

*	Increase 2008-09 base of federal funds for aid per request (Prog	Gen	0	0
	351 Voc Rehab)	Cash	0	0
	,	Fed	1,036,598	1,166,862
		Rev	0	0
*	Increase in federal vocational rehabilitation funds for aid (Prog 351	Gen	0	0
	Voc Rehab)	Cash	0	0
	Voc Kellab)	Fed	143.200	292,128
		Rev	0	0
*	Increase federal fund aid for disability detereminations per request	Gen	0	0
	(Prog 352 OASDI determination)	Cash	0	0
	(1 Tog 552 Onobi determination)	Fed	136,737	278,944
		Rev	0	0
		1761	U	U

Agency 14 Public Service Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed	Committee Proposed FY2010-11
<u>Operations</u>						
General	2,659,081	2,637,127	2,627,089		5,037	2,657,624
Cash	4,546,554	4,360,671	4,412,635	4,50	9,438	4,572,851
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	7,205,635	6,997,798	7,039,724	7,11	4,475	7,230,475
State Aid						
General	0	0	0		0	0
Cash	74,725,071	64,225,071	64,165,869	71,70	4,202	71,704,202
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Aid	74,725,071	64,225,071	64,165,869	71,70	4,202	71,704,202
Agency Total						
General	2,659,081	2,637,127	2,627,089	2.60	5,037	2,657,624
Cash	79,271,625	68,585,742	68,578,504		3,640	76,277,053
Federal	0	0	0	-,	0	0
Revolving	0	0	0		0	0
Agency Total	81,930,706	71,222,869	71,205,593	78,81	8,677	78,934,677
Operations				FY	2009-10	FY2010-11
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen Cash	37,09 34,47	
* =>/40 / =>/44 !!.	ald Landau Land	(D		0	04.07	
FY1U/FY11 He	ealth Insurance Incr	eases (Prog 0 Ag	jericy-wiae)	Gen	31,37	
				Cash	25,65	8 53,059
* Reallocation of	Staff (Prog 0 Agen	cy-wide) The ag	ency has	Gen	-25,29	4 -25,189
	employees' actual		•	Cash	15,74	
	or employees' time			Fed		0 0
work is done, th	is reallocation is rec cy-wide impact, as	quired. The figur	es to the right	Rev		0 0
* Decrease Healtl	h Insurance per rec	uest (Prog 14 Sa	alaries-PSC)	Gen	-9,72	8 -4,456
	requested a reduc		•	Cash	,	0 0
	o one commissione			Fed		0 0
promanio ado t	2 2.10 20.1111110010110		~g~.	Rev		0 0
				1101		0

Base adjustment, agency request included reduced funding (Prog Gen 0 0 19 Man./Modular Housing) The agency request included reduced -57,132 -55,332 Cash funding in operations. Fed 0 0 Reduce Staffing by 1.0 Inspector (Prog 19 Man./Modular Housing) Gen 0 0 This position was included in the current budget to perform the Cash -35,431 -35,431 responsibility of the Manufactured Home Installation Inspections for Fed 0 0 the State. This is an optional program under HUD. No federal Rev 0 0 dollars are available for the program so the Commission has decided not to carry out the work. The position is, therefore, not needed. Base adjustment, agency request included reduced funding (Prog Gen -6,815 -6,815 54 Common carriers) The agency request included reduced Cash 0 0 funding in operations. This includes some salary reduction due to 0 Fed 0 filling a position with an entry level salary. Rev 0 0 Lump Sum Retirement Payout (Prog 54 Common carriers) The Gen -13,808 -13,818 agency has one inspector who will retire in FY09-10. This Cash 0 0 employee was planning to retire in the current fiscal year. This is 0 Fed 0 the amount of funding in the base appropriation for retirement Rev 0 0 payouts. The result of this reduction is that the costs associated with the retirement payout will have to be absorbed by the agency. Contractual Services (Prog 54 Common carriers) This represents Gen -10.000 -10.000 the contract for providing public information services. The services Cash 0 0 are things such as preparing press releases and disseminating Fed 0 0 information to the public. Rev 0 0 Vehicles (Prog 54 Common carriers) The agency has planned, in -17,500 -18,000 Gen it's base budget, one vehicle replacement per year. This Cash 0 0 modification would not allow that replacement to take place. 0 Fed 0 Vehicles are driven state-wide and have high mileage at the time of Rev 0 0 replacement. If funding is not provided, higher maintenance costs will likely be incurred, offsetting the savings associated with not purchasing a replacement. Software Licensing (Prog 54 Common carriers) This represents -8,100 -8,100 Gen the funding to upgrade to the Microsoft 2007 Office Suite. Without Cash 0 0 this funding the agency would continue to use the version (2003) Fed 0 0 that it currently utilizes. 0 0 Rev

Law Clerk (Prog 54 Common carriers) This is the funding for a Gen -17.803-17.803part-time law clerk being filled by law school students. The law Cash 0 0 clerk provides assistance to the Commission's attorneys, freeing up 0 Fed 0 their time to address other caseload issues. Without this position, Rev 0 0 the staff attorneys will have additional responsibilities to take on, resulting in less time available for higher level activities. Cost of Living Salary Increase (Prog 54 Common carriers) The Gen -35.833 -35.818 agency included the 2.5% state employee salary increase as it's Cash 0 0 last issue on the modifications list. In most cases, this is not a valid Fed 0 0 issue for agencies, since the increase is dictated by the bargained 0 0 Rev contract. Since the PSC is a Constitutionally created agency, it's employees are hired on an at-will basis and not covered under the contract. In effect, the PSC is saying that, if push comes to shove, they'd rather not give the basic salary increase to employees and retain one more staff person. IT Consulting (Prog 54 Common carriers) This is the funding for the Gen -2,632-2,632agency's IT consulting services. The agency does have some Cash 0 0 staff that could probably handle much of the IT problems faced, but 0 Fed 0 0 0 that it not the primary job of those people. They just happen to be Rev the "in-house experts" who know how to work through some computer related issues. Add funding to the first year of the biennium (Prog 54 Common 25,000 0 Gen carriers) In the post hearing debate, the committee added \$25,000 0 Cash 0 of General Funds to the first year of the biennium. This action Fed 0 0 brings the Committee's total agency appropriation relatively close to Rev 0 0 the Governor's recommended number. Miscellaneous changes (Prog 60 Grain warehouse) This is the net 0 0 Gen change between the current year's funding and the requested Cash -691 2.609 funding. These are all small dollar items such as \$1,500 for a rent Fed 0 0 increase. This issues does include a PSL increase of \$641 per 0 0 Rev year. This is to accommodate the potential need for staffing in the event of a grain elevator closure. Base adjustment, agency request included reduced funding (Prog Gen 0 0 64 Dual party relay) The agency request included reduced funding -199,649 Cash -199,649 in operations. Fed 0 0 Rev 0 0 Base adjustment, agency request included reduced funding (Prog 0 0 Gen 212 Competitive Marketplace) The agency request included -7.000 -14.000 Cash reduced funding in operations. Fed 0 0 Base adjustment, agency request included reduced funding (Prog Gen 0 0 583 Enhanced Wireless 911) The agency request included Cash -8,868 -8,875 reduced funding in operations. Fed 0 0

*	Base adjustment, agency request included reduced funding (Prog 686 Universal Services) The agency request included reduced funding in operations.	Gen Cash Fed	0 -151,892 0	0 -150,916 0
*	Operations Expenses - Legal (Prog 790 Natural Gas regulation) This issue is the total of many small changes in operations and, primarily, for Legal Expenses (\$304,000 per year). Without additional funding for legal expenses, the PSC feels it will not be able to adequately administer the program. By way of example, they note that the Public Advocate has been involved in formal complaints before the PSC, a certificate application for a competitive carrier, appeals of PSC orders to the District Court, and a gas rate case that was litigated, rather than being settled, as in previous cases.	Gen Cash Fed Rev	0 308,399 0 0	0 309,877 0 0
*	Add 1.0 FTE Secretary II (Prog 790 Natural Gas regulation) The agency requested funding to hire a Secretary II in support of the Public Advocate position. This program was transferred to the PSC a few years back. Since the program was new to the PSC they did not request this position initially. They didn't know if the workload would merit that level of staffing. Now that the PSC has some time administering the program, the need for this support has become apparent.	Gen Cash Fed Rev	0 39,129 0 0	0 39,138 0 0

State Aid FY2009-10 FY2010-11

* Increase Aid to Requested Level (Prog 64 Dual party relay) Recent legislation removed the one cent cap on expenditures related to the Nebraska Specialized Telecommunications Equipment Program (NSTEP). With this removal, the PSC can more readily respond to requests for assistance. The aid dollars are spent for equipment in eligible residences for specialized telecommunications equipment such as ring indicators, text telephones and Captel telephone sets.	Gen	0	0
	Cash	200,000	200,000
	Fed	0	0
	Rev	0	0
* Reduce Aid to Requested Level (Prog 686 Universal Services) This reflects the level of aid funding that the Commission anticipates will be available in the upcoming biennium. There are no plans to change the surcharge at this time.	Gen	0	0
	Cash	-3,220,869	-3,220,869
	Fed	0	0
	Rev	0	0

Agency 15 Board of Pardons and Parole

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
Operations General Cash	800,540	808,642	819,542 0		809,458 0	821,516
Federal Revolving Subtotal-Oper	0 0 800,540	0 0 808,642	0 0 819,542		0 0 809,458	0 0 821,516
Agency Total General Cash Federal Revolving Agency Total	800,540 0 0 0 0 800,540	808,642 0 0 0 0 808,642	819,542 0 0 0 0 819,542		809,458 0 0 0 0 809,458	821,516 0 0 0 0 821,516
Operations					FY2009-10	FY2010-11
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen	16,180	32,748
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen	5,17	1 10,693
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen	1,63	1 1,631
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	agency-wide)	Gen	-169	9 -169
* Internalize Expected Increases (Prog 358 Board of Parole) The agency states that their budget is sufficient to internalize the expected salary and benefit increases, and other DAS rate adjustments, without significantly negatively impacting its operations. The Board will still be able to perform its function of reviewing offenders and determining parole releases and parole revocations.					-14,023	3 -25,133
Board of Parole) The Appropriatio salary limits for the has not been fille job because of the	ons Committee reconsisted position. No fur ed for two years. No cut, but it would has if additional sta	ommendation elin nds were reduced lo individual will l l eliminate the fle	minated the d. This position ose her or his xibility the	Gen	(0

Agency 16 Dept of Revenue

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	F	Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	29,646,103 22,262,884 500 0 51,909,487	29,381,142 23,643,011 0 0 53,024,153	29,581,621 24,289,218 0 0 53,870,839	29,535,04 23,484,30 53,019,34	04 0 0	29,646,130 24,175,925 500 0 53,822,555
State Aid General Cash Federal Revolving Subtotal-Aid	77,620,104 115,000,000 0 0 192,620,104	63,750,000 123,547,200 0 0 187,297,200	66,500,000 123,547,200 0 0 190,047,200	63,750,00 123,547,20 187,297,20	00 ´ 0 0	66,500,000 123,547,200 0 0 190,047,200
Agency Total General Cash Federal Revolving Agency Total	107,266,207 137,262,884 500 0 244,529,591	93,131,142 147,190,211 0 0 240,321,353	96,081,621 147,836,418 0 0 243,918,039	93,285,0 147,031,5 240,316,5	04 0 0	96,146,130 147,723,125 500 0 243,869,755
Operations				FY200)9-10	FY2010-11
* Annualize FY09	Salary Increases (l	Prog 0 Agency-w	ide)		37,482 39,457	
* DAS Workers Co	empensation Asses	ssment (Prog 0 A	gency-wide)		-9,437 -3,525	
* DAS Vehicle Liab	oility Assessment (Prog 0 Agency-w	ride)	Gen Cash	0 -379	_
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)		94,043 33,472	
* FY10 / FY11 Hea	alth Insurance Incre	eases (Prog 0 Ag	ency-wide)		04,026 95,326	•

Adjustment to PSL (Prog 13 Salary-Tax Comm.) The agency is 3,000 3,000 Gen requesting an increase in the Tax Commissioner's PSL. The current Cash 0 0 PSL is \$132,901 while the current salary is \$135,507. The Fed 0 0 Governor has the authority to set the Tax Commissioner's salary Rev 0 0 and the salary was increased to the current level by the Governor on July 1, 2008. Annualize LB 1001 Salary - 2008 Home Energy Improvement (Prog Gen 15,600 15,600 102 Revenue admin) The original fiscal note for LB 1001 was for Cash 0 0 0.75 FTE for a Senior Auditor for the first year of the program. This Fed 0 0 increased to 1.0 FTE when the program was fully implemented and Rev 0 0 the amount requested reflects that increase. Postage, Publication and Print Expense and SOS Temp (Prog 102 Gen 0 -313,336 Revenue admin) A reduction in postage, form printing and return Cash 0 -16.664 processing staff expenses is expected through the increased Fed 0 0 taxpaver use of electronic return filing and payment applications. 0 Rev 0 The reductions are postage expense (\$150,000) publication expense: (\$160,000) SOS temp expense (\$20,000) Accounting and Auditing Services - MTC (Prog 102 Revenue Gen 0 -113,940 admin) The agency plans to lower its membership level in the Cash 0 -6,060 Multistate Tax Commission (MTC) to a Nexus member only, as Fed 0 0 opposed to the current Nexus and Auditing membership level. The Rev 0 0 agency believes the "net recovery" is not reflective of the staff and management time spent in review and completion of these audits. Agency Reorganization (Prog 102 Revenue admin) The agency -523,966 -523,966 Gen has undergone a reorganization of its operations to increase -27,867 Cash -27,867 efficiency, optimize use of space, and increase the emphasis on Fed 0 0 technology and human resources. The agency eliminated five Rev 0 0 senior positions, reduced direct reports to the Tax Commissioner from 13 to 5, and consolidated all divisions (excluding Lottery and Charitable Gaming) onto the 2nd floor of the NSOB. The agency indicated that all positions vacated under this reorganization were eliminated in the current biennium. ASAP Microsoft Office Conversion (Prog 102 Revenue admin) This Gen -138,888 -138.888 is a software conversion from Lotus Notes to Microsoft Office. It Cash -7,387 -7,387 was a one-time expenditure because of a State directive Fed 0 0 implemented through the Office of the Chief Information Officer to 0 0 Rev

ensure application compatibility between all state agencies.

Travel, Conference Registration, Dues and Subscriptions (Prog 102 Gen 0 -151.919 Revenue admin) The agency has reviewed these expenditures to 0 Cash -8.081 maximize the use of technology and reduce expenses. There will Fed 0 0 be reductions in travel and conference registrations and a use of 0 Rev 0 alternative travel methods. The agency also plans to take advantage of reduced web fee services where possible for subscriptions and dues. Vendor Change for E-Commerce (Prog 102 Revenue admin) The Gen -150,000 -150,000 agency has changed vendors for e-commerce from First Data Cash 0 0 Government Solutions to US Bank. This was done because US Fed 0 0 Bank is currently the State of Nebraska's bank and the agency was 0 0 Rev able to take advantage of cost savings in processing fees as a result of the change. Revenue Enforcement Technology (Prog 102 Revenue admin) This Gen 0 0 was not in the agency's original request but was included in the Cash 250,000 250,000 Govenor's recommendation. It is to be used to enhance tax Fed 0 0 compliance technology resources such as acquiring lists. Rev 0 0 software, programming, and computer equipment. The Governor's recommendation indicates the additional funding is possible because of the recommended transfer each year from the excess balance in the Severance Tax Administration Cash Fund. Would be placed in the Revenue Enforcement Technology Fund. Agency Reorganization (Prog 111 Motor Fuels) The agency has Gen 0 0 undergone an extensive analysis and reorganization of its -210.221 -210.221 Cash operations to increase efficiency, optimal use of space, and Fed 0 0 emphasis on technology and human resources. This program was Rev 0 0 reduced by 2.0 FTE. The agency indicated that the positions were eliminated in the current biennium. ASAP Microsoft Office Conversion (Prog 111 Motor Fuels) This is 0 0 Gen a software conversion from Lotus Notes to Microsoft Office. It Cash -7,725 -7.725 was a one-time expenditure because of the State directive Fed 0 0 implemented through the Office of the Chief Information Officer to Rev 0 0 ensure application compatibility between all state agencies. Federal Fund cut (Prog 111 Motor Fuels) Agency has indicated 0 0 Gen they don't receive this funding and it shouldn't have been included Cash 0 0 in the original budget request. They requested that the Committee Fed -500 0 0 remove it from the budget. Rev 0 Agency Reorganization (Prog 112 Property Assessment) The Gen -178,137 -178,137 agency has undergone an extensive analysis and reorganization of -6,046 -6,046 Cash its operations. All positions referred to under this reorganization Fed 0 0 0 were eliminated during the current biennium. 2.80 FTE were Rev 0 reduced in this program.

Temporary Services Reduction (Prog 112 Property Assessment) Gen 0 -127,209The agency determined there was no longer a need to budget for 0 Cash 0 this item due to the merger of the Division into the Department. Fed 0 0 They believe there exists adequate resources within the agency Rev 0 0 and will centralize human resources. By using internal agency staff, they will also reduce the resources needed for training and education. The agency indicated that actual expenditures for this budget item have historically been below what was appropriated. Eliminate IT Consulting costs (Prog 112 Property Assessment) This Gen 0 -25.000 would eliminate the contract services of an IT consultant working Cash 0 0 with agency staff on the Fox-Pro program for the State Sales File. Fed 0 0 This was offered as a budget modification and given a priority of 8 Rev 0 0 and would be the first out of 8 items to be acted upon. Sales Growth - Advertising Expenditures (Prog 160 Lottery admin) Gen 0 0 The expenditure refers to advertising charges to promote ticket Cash 200,000 300,000 sales growth. Based on historical trends, sales of both lotto and Fed 0 0 instant tickets are estimated to increase 3.25% in each year of the 0 0 Rev biennium. Lottery's advertising /promotions cost is budgeted at 4% of sales. The total projected sales for FY10 and FY11 are \$127.1 and \$131.3 million, respectively. Additionally, under LB 1039, 5% of Lottery's advertising budget is used to pay for advertising costs incurred by the Gambler's Assistance Program, which is a division of HHSS. It it's preliminary recommendatio, the Committee reduced the request to the amounts shown. Restore cut, Sales Growth - Advertising Expenditures (Prog 160 Gen 0 0 Lottery admin) At the public hearing, the agency requested that the Cash 150,000 250,000 Committee restore this item to the original amount of the request. Fed 0 0 The Committee did not restore the entire amount but did add the Rev 0 0 amounts shown for this expenditure. Sales Growth - Contracted Vendor Services (Prog 160 Lottery Gen 0 0 Cash admin) This item was deleted in the Committee's preliminary budget 938,337 1,220,742 and the Agency requested at the public hearing that it be restored Fed 0 0 in order to meet existing contractual obligations with its current Rev 0 0 vendors. The Committee did restore the entire request. Agency Reorganization (Prog. 160). (Prog 160 Lottery admin) This Gen 0 0 item was approved in preliminary briefing but was incorrectly listed Cash -77,182 -77,182 as not included. Fed 0 0 0 0 Rev Agency Reorganization (Prog 165 Charitable Gaming) The agency Gen 0 0 has undergone a extensive reorganization with a look towards -209,196 -209,196 Cash greater efficiencies and increased emphasis on technology and Fed 0 0 human resources. This Division was reduced by 3.50 FTE. Rev 0 0 State Aid

FY2009-10 FY2010-11

* Homestead exemption inflation over reduced base (Prog 108 Gen 1,000,000 3,750,000 Homestead exemption) Cash 0 0 Fed 0 0 Rev 0 0

Lower Homestead exemption required funding (Prog 108 Homestead exemption) The cost of the Homestead Exemption program depends upon income and residential valuation. Changes to the program in 2006 expanded the maximum values for homesteads and provided a larger property tax exemption for those that qualify for the program. This had the effect of more homesteads qualifying for the program and more qualifiers receiving the full benefit. At the time, it was believed that the impact would be an additional \$6.9 million and \$7.1 million for FY07-08 and FY08-09 respectively. When applications were finalized in 2007, the increased number of qualifiers did not materialize, resulting in a budget reduction for the program of \$7 million. It is believed by the agency that the increased number of applications could occur in FY08-09, which would require the additional \$7.1 in funds appropriated for FY08-09. Even if the expected increase in applications does not occur this year, the agency believes the increased availability of the program will pose a challenge for estimating the costs of the program through the next biennium.

Gen	-14,870,104	-14,870,104
Cash	0	0
Fed	0	0
Rev	0	0

^{*} Annualize LB1001-2008 Home Energy Improvement (Prog 110 Energy Conservation) The \$8,547,200 reflects the amount appropriated from the Energy Conservation Improvement Fund for this program by LB 1001A for FY09.

Gen	0	0
Cash	8,547,200	8,547,200
Fed	0	0
Rev	0	0

The appropriation for this program is based on sales tax remitted by entities producing, distributing, or transmitting electricity, and estimated growth of sales tax from that industry. It provides funds for reimbursing utilities for activities under LB 1001. This includes the funds from the utility and the General Fund matching amount.

Agency 17 Dept of Aeronautics

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
<u>Operations</u>					
General	0	0	0	0	0
Cash	4,115,400	4,211,960	3,807,236	4,278,955	3,891,889
Federal Revolving	0	0	0	0	0
Subtotal-Oper	4,115,400	4,211,960	3,807,236	4,278,955	3,891,889
State Aid					
General	0	0	0	0	0
Cash	21,324,500	27,276,500	18,166,500	27,276,500	18,166,500
Federal	0	0	0	0	0
Revolving Subtotal-Aid	21,324,500	27,276,500	18,166,500	27,276,500	18,166,500
Agency Total	, ,	, ,	, ,	, ,	, ,
General	0	0	0	0	0
Cash	25,439,900	31,488,460	21,973,736	31,555,455	22,058,389
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Agency Total	25,439,900	31,488,460	21,973,736	31,555,455	22,058,389
Operations				FY2009-1	10 FY2010-11
* A	0.0-11	D	/: -I - \	0	0 0
Annualize FYUS	Salary Increases (Prog U Agency-w	vide)	Gen	0 0
				Cash 11, Fed	367 11,371 0 0
				Rev	0 0
* DAS Workers (Compensation Asses	ssment (Prog 0 A	.gency-Wide)	Gen	0 0
DAS Workers C	Joinpensation Asset	sament (i log o A	igericy-vride)		517 -517
				Fed	0 0
				Rev	0 0
* DAS Vehicle Lis	ability Assessment (Prog 0 Agency-V	Vide)	Gen	0 0
D/ (O VOINGIG EI	ability / 1000301110111 (i log o Agonoy-v	1140)		173 173
				Fed	0 0
				Rev	0 0

*	FY10 / FY11 Salary Increases (Prog 0 Agency-Wide)	Gen Cash Fed Rev	0 38,100 0 0	0 77,110 0 0
*	FY10 / FY11 Health Insurance Increases (Prog 0 Agency-Wide)	Gen Cash Fed Rev	0 26,821 0 0	0 55,465 0 0
*	Pavement marking grants (Prog 26 Develop/enforcement) The FAA is requiring airports with commercial airline service to change the way taxiways are marked to help prevent pilots from mistaking taxiways for runways. These new marking requirements are being done at the same time as other improvement projects are completed. However, two airports, McCook and Chadron, do not have any improvement projects planned before the marking deadline. The FAA has suggested that the agency apply for a federal grant to mark McCook and Chadron, as well as approximately 10 other airports as a safety measure. The grant would be for 95% federal funding with the 5% match being paid for by the airport. Since the department is the grant recipient, all expenses will show in the department's budget. However, the FAA and the airports would then reimburse the department for all costs.	Gen Cash Fed Rev	0 500,000 0 0	0 0 0
*	Reduction in base budget (Prog 26 Develop/enforcement) The agency has identified areas where expenditures will be lower in the next biennium. Repair and maintenance projects at the statedowned airfields during the next biennium are projected to be less expensive than current year projects, and the previously funded update of the State Airport System Plan is a one-time expense that is adjusted out of the current year's appropriation base. In addition, other costs such as publications and printing, etc., show decreases when compared to the current year.	Gen Cash Fed Rev	0 -413,054 0 0	0 -369,717 0 0
*	Base reduction, net impact of non-issue items (Prog 596 State owned aircraft) This is a balancing adjustment to prevent over funding the request. Expenses that are not separately identified as an issue show a net reduction when the current year is compared to the request. This adjustment primarily reflects savings in aircraft insurance	Gen Cash Fed Rev	0 -14,969 0 0	0 -10,004 0 0
*	Aviation fuel budget of \$101,000 annually (Prog 596 State owned aircraft) Flying services provided to other state agencies have shown a decline.	Gen Cash Fed Rev	-9,000 0 0	-9,000 0 0

*	Repair and maintenance of the state-owned fleet (Prog 596 State	Gen	0	0
	owned aircraft) The cost of maintaining the department's two	Cash	23,819	20,793
	airplanes fluctuates year-to-year based on the number of operating	Fed	0	0
	hours the planes are accumulating. In the next biennium the	Rev	0	0
	request includes replacement of de-icing boots on both aircraft.			

State Aid FY2009-10 FY2010-11

Airport improvement projects (Prog 301 Public airports) Federal Gen 0 0 and state airport development aid is channeled through this 5,952,000 Cash -3,158,000 program to local airports. The aid requests for FY10 and FY11 Fed 0 0 represent the agency's best guess of the amount of aid that will be 0 Rev 0 distributed based on airport construction that will be completed each year. Federal funds account for all of the increase in FY10.

Agency 18 Dept of Agriculture

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Propose FY2009-	ed I	Committee Proposed Y2010-11
<u>Operations</u>						
General	6,506,350	6,437,230	6,440,154	6,382	2,179	6,462,627
Cash	7,039,522	6,831,833	6,772,358	6,989	9,065	7,079,977
Federal	2,245,677	2,476,790	2,476,790	2,532	2,266	2,579,444
Revolving	485,727	485,727	485,727	519	9,490	553,664
Subtotal-Oper	16,277,276	16,231,580	16,175,029	16,423	3,000	16,675,712
State Aid						
General	2,000,000	60,000	120,000	60	0,000	120,000
Cash	0	0	0		0	0
Federal	242,232	242,232	242,232	242	2,232	242,232
Revolving	0	0	0		0	0
Subtotal-Aid	2,242,232	302,232	362,232	302	2,232	362,232
Agency Total						
General	8,506,350	6,497,230	6,560,154	6,44	2,179	6,582,627
Cash	7,039,522	6,831,833	6,772,358	6,98	9,065	7,079,977
Federal	2,487,909	2,719,022	2,719,022	2,77	4,498	2,821,676
Revolving	485,727	485,727	485,727	519	9,490	553,664
Agency Total	18,519,508	16,533,812	16,537,261	16,72	5,232	17,037,944
Operations				FY	2009-10	FY2010-11
* 4 5./00	0.1	D	* 1.)	0	44.007	44.007
Annualize FY09	Salary Increases (Prog U Agency-w	riae)	Gen	14,607	•
				Cash	21,305	
				Fed	9,035	
				Rev	1,543	1,543
* DAS Workers C	ompensation Asse	ssment (Prog 0 A	agency-wide)	Gen	-1,335	-1,335
D/10 Workers 0	ompondation 7.000	ooment (r rog o 7	igency wide,	Cash	-937	
				Fed	-937 -379	
				Rev	-379 -124	
*				Gen		
DAS Vehicle Lia	* DAS Vehicle Liability Assessment (Prog 0 Agency-wide)				-3,110	•
				Cash	-3,163	-3,163
				Fed	-534	-534
				Rev	0	0

DAS Building / Rent Charges (Prog 0 Agency-wide) -1.069Gen -1.069Cash -3,897 -3,897 Fed 0 0 Rev 0 0 Adjustments for life insurance and purchasing assessment (Prog 0 1,034 Gen 1,034 Agency-wide) 645 645 Cash Fed 9 9 0 0 Rev * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) 161,029 Gen 79,566 Cash 71,613 144.928 Fed 24,660 49.907 Rev 19,526 39,519 FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 59,103 122,221 Cash 55,754 115,297 Fed 20,559 42.515 Rev 13.246 27,392 Merge agency programs. (Prog 27 Dept administration) The 0 0 Gen Department of Agriculture budget programs were merged under a 0 0 Cash single umbrella budget program to allow the agency to better Fed 0 0 manage and allocate resources. The Department of Administrative Rev 0 0 Services is directed to track expenditures under a system of classifications that is similar to the current budget programs. This will allow for expenditure tracking at a level of detail currently provided by budget programs. General Fund reductions to offset salary and health insurance Gen -214,096 -280,060 increases. (Prog 27 Dept administration) Specific General Fund Cash 0 0 reductions were made to individual agency programs prior to the Fed 0 0 merging of all agency programs. The merging of programs will give Rev 0 0 the agency some discretion regarding program reductions. The original reductions included the following: 1) a general reduction in the Administration program; 2) a reduction in the Dairies and Foods program equivalent to 1 FTE inspector; 3) a reduction in the Bureau of Animal Industry equivalent to 1 FTE inspector; 4) a reduction in the Bureau of Animal Industry in FY10-11 only that would be replaced by program fee increases; and 5) a reduction in the Bureau of Plant Industry equivalent to 1 FTE inspector. Additional cash fund expenditure authority to purchase equipment Gen 0 0 (Prog 56 Weights & Measures) The agency requested additional 5,936 23,136 Cash cash fund expenditure authority for the Weights and Measures Fed 0 0 division to purchase replacement equipment. Rev 0 0

Equipment replacement (Prog 61 Ag laboratories) This Agricultural Gen 0 0 Laboratories division requested an increase in cash and federal 5.009 1,508 Cash fund expenditure authority to upgrade laboratory equipment. Fed 79,791 79,491 Specifically, the agency has received federal funding to carry out Rev 0 0 testing under the Food Emergency Response Network program. Reduce cash fund expenditure authority (Prog 61 Ag laboratories) Gen 0 0 A reduction in cash fund expenditure authority in the Agricultural -66,583 Cash -66,538 Laboratories division is based upon estimated expenditure Fed 0 0 requirements. Rev 0 0 Funding for the Commercial Dog and Cat Operator Inspection Gen Program. (Prog 63 Animal Industry) Legislative intent provides the Cash following guidance to the agency: It is the intent of the Legislature Fed that the Department of Agriculture, if necessary, utilize the system of fees currently established in law under the Commercial Dog and Rev Cat Operator Inspection Act to generate additional cash fund revenue in order to maintain current program staffing and service levels for the Commercial Dog and Cat Operator Inspection program throughout the FY2009-11 biennium. Base reduction due to the sunset of the riparian vegetation Gen -80,832 -80.832 management program at the end of FY08-09. (Prog 333 Plant Cash 0 0 Industry) Reduce operating costs related to sunset of riparian Fed 0 0 vegetation program. Rev 0 0 Cash and federal fund expenditure authority revisions. (Prog 333 Gen 0 0 Plant Industry) The Department's request for the Bureau of Plant Cash -86.106 -142.784Industry includes adjustments in cash fund request levels that Fed 151,622 151,622 results in a lower expenditure authority. The agency estimates that Rev 0 0 federal funding for the Bureau will increase, based upon the FDA Feed Ban Support project. Reduction of cash fund expenditure authority (Prog 382 Potato Gen 0 0 Board) The Nebraska Potato Board request for the FY09-11 Cash -53,945 -53,945 biennium lowers the cash fund expenditure authority by Fed 0 0 approximately 43%. Rev 0 0 Reduction in cash fund expenditure authority (Prog 387 Poultry/Egg Gen 0 0 -5,000 Board) The Poultry and Egg Development Board structured its Cash -5.000 request so that with salary and health insurance increases and Fed 0 0 DAS rate adjustments, the amount requested for both years of the Rev 0 0 FY09-11 biennium would be equivalent to the current year appropriation. In order to accomplish this, the agency decreased the amount allocated in its budget for research and promotional contracts.

State Aid FY2009-10 FY2010-11

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*	Annualize LB1172-2008 Veterinary Incentive Act (Prog 63 Animal Industry) Veterinary Incentive Act funding bill passed in 2008 with a delayed start-up date. The Appropriations Committee recommendation funds the program for the FY09-11 biennium.	Gen Cash Fed Rev	60,000 0 0	120,000 0 0 0
*	Base reduction due to the sunset of the riparian vegetation	Gen	-2,000,000	-2,000,000
	management program at the end of FY08-09. (Prog 333 Plant	Cash	0	0
	Industry) Riparian vegetation management program sunsets at the	Fed	0	0
	end of FY08-09.	Rev	0	0

Agency 19 Dept of Banking & Finance

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Committee Proposed FY2010-11
Operations General	0	0	0		0	0
Cash	6,582,860	6,491,603	6,491,131	6,62	26,302	0 6,634,003
Federal	0	0	0	,	0	0
Revolving	0	0	0		0	0
Subtotal-Oper	6,582,860	6,491,603	6,491,131	6,62	26,302	6,634,003
Agency Total						
General	0	0	0		0	0
Cash Federal	6,582,860	6,491,603	6,491,131	6,6	26,302	6,634,003
Revolving	0	0	0		0 0	0
Agency Total	6,582,860	6,491,603	6,491,131	6,6	26,302	6,634,003
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen Cash	Y2009-10 (11,395	11,395
*				Fed Rev	(0
DAS Workers Co	ompensation Asses	ssment (Prog 0 A	(gency-wide	Gen	(-
				Cash Fed	-592 (
				Rev	(
* FY10 / FY11 Sa	lary Increases (Pro	og 0 Agency-wide)	Gen	(0
	iary moreages (i re	g o rigolio, iliao	,	Cash Fed Rev	110,099	222,837
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Αί	gency-wide)	Gen Cash Fed Rev	58,998 ((3 122,006 0 0

*	Promote Bank Examiner Trainees to Examiner I status. (Prog 65 Financial institutions) Entry level bank examiners go through a program of on-the-job training and formal schooling provided by banking organizations and federal bank regulatory agencies. Upon successful completion of this program of training, Examiner Trainees become eligible for promotion to Examiner I status. This funding adjustment provides appropriation authority necessary for personnel employed at Examiner Trainee status during 2009-10 to be promoted to Examiner I status in 2010-11 as they complete the first step in their training process.	Gen Cash Fed Rev	0 0 0 0	0 52,280 0 0
*	Replace software for agency's central information system. (Prog 65 Financial institutions) FACTS (Financial Agency Centralized Tracking System) is the Department's central application, licensing and data storage system. FACTS is currently operated with Microsoft Visual Basic 6 (VB6). As of March, 2008, Microsoft discontinued support for VB6. A funding adjustment is requested to provide for migration away from the unsupported VB6 Microsoft product to a supported product or to a third party vendor to maintain FACTS. Requested funding adjustments to accommodate the migration were allocated by the Department between Program 65 (\$50,000) and Program 66 (\$50,000). The FACTS proposal has been reviewed and recommended for funding by the Nebraska Information Technology Commission (NITC).	Gen Cash Fed Rev	0 50,000 0 0	0 0 0
*	Reductions proposed to offset funding increases requested. (Prog 65 Financial institutions) The Department proposed reductions to various 2008-09 budgeted expenditure levels to offset increased funding requested for salaries, health insurance, and other budget items. Reductions proposed include: overtime/compensatory time payments, various operating and travel expenses, and capital outlays for equipment/furnishings. The Appropriations Committee recommendation includes these proposed reductions.	Gen Cash Fed Rev	0 -150,838 0 0	0 -282,295 0 0
*	Replace software for agency's central information system. (Prog 66 Securities) FACTS (Financial Agency Centralized Tracking System) is the Department's central application, licensing and data storage system. FACTS is currently operated with Microsoft Visual Basic 6 (VB6). As of March, 2008, Microsoft discontinued support for VB6. A funding adjustment is requested to provide for migration away from the unsupported VB6 Microsoft product to a supported product or to a third party vendor to maintain FACTS. Requested funding adjustments to accommodate the migration were allocated by the Department between Program 65 (\$50,000) and Program 66 (\$50,000). The FACTS proposal has been reviewed and recommended for funding by the Nebraska Information Technology Commission (NITC).	Gen Cash Fed Rev	0 50,000 0 0	0 0 0 0

*	Reductions proposed to offset funding increases requested. (Prog 66 Securities) The Department proposed reductions to various 2008-09 budgeted expenditure levels to offset increased funding requested for salaries, health insurance, and other budget items. Reductions were proposed for various operating expenses and capital outlays for equipment/furnishings. The Appropriations Committee recommendation includes these proposed reductions.	Gen Cash Fed Rev	0 -81,312 0 0	0 -70,539 0 0
*	Transfers from Securities Act Cash Fund to General Fund. \$20,000,000 each year (Prog 66 Securities) Revenue credited to the Securities Act Cash Fund supports the Department's activities relating to regulation of the sale of securities in Nebraska. The Department regulates the issuance of securities via registration and filing requirements; licenses broker dealers and their agents, as well as investment advisors; and investigates criminal activity under the Nebraska Securities Act. Transfers from the Securities Act Cash Fund may be made to the General Fund at the direction of the Legislature. Historically, revenue accruing to the fund has exceeded amounts appropriated and expended to support the Department's securities industry regulatory activities and transfers from the fund to the General Fund have been regularly approved by the Legislature under authority of Sec. 8-1120. The Appropriations Committee recommendations include transfers of \$20.0 million from the Securities Act Cash Fund to the General Fund for each of	Gen Cash Fed Rev	0 0 0 0	0 0 0 0

2009-10 and 2010-11.

Agency 21 State Fire Marshal

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	F	Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	4,334,612 1,580,506 269,596 0 6,184,714	4,458,667 1,607,736 269,596 0 6,335,999	4,472,788 1,610,836 269,596 0 6,353,220	4,471,8 1,688,8 275,6 6,436,3	892 877 0	4,584,655 1,727,695 282,038 0 6,594,388
State Aid General Cash Federal Revolving Subtotal-Aid	0 0 50,000 0 50,000	0 0 50,000 0 50,000	0 0 50,000 0 50,000	50,0 50,0	0 0 000 0	0 0 50,000 0 50,000
Agency Total General Cash Federal Revolving Agency Total	4,334,612 1,580,506 319,596 0 6,234,714	4,458,667 1,607,736 319,596 0 6,385,999	4,472,788 1,610,836 319,596 0 6,403,220	4,471,8 1,688,8 325,6 6,486,3	392 377 0	4,584,655 1,727,695 332,038 0 6,644,388
Operations				FY20	09-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ide)	Gen Cash Fed Rev	8,019 392 0	392 0
* DAS Workers Compensation Assessment (Prog 0 Agency-wide)				Gen Cash Fed Rev	-2,837 -671 0	-2,837 -671 0 0
* DAS Vehicle Liab	oility Assessment (Prog 0 Agency-w	vide)	Gen Cash Fed Rev	0 3,969 0	3,969 0

FY10 / FY11 Salary Increases (Prog 0 Agency-wide)	Gen	65,904	133,388
	Cash	20,716	41,927
	Fed	2,991	6,052
	Rev	0	0
FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen	41,169	85,136
	Cash	16,130	33,356
	Fed	3,090	6,390
	Rev	0	0
Efficiency Savings (Prog 193 Public Protection) According to the agency, they "will manage expenses for emergency response, mitigation support, prevention and public awareness." It should be noted that the effect will be less presence and visibility in the state due to reduced mileage and lodging, reduced networking and training due to reduced conference attendance, and utilization of older equipment.	Gen	-12,100	-12,100
	Cash	-18,969	-18,969
	Fed	0	0
	Rev	0	0
Reduce Staffing (Prog 193 Public Protection) In order to meet their modification requirements, the Fire Marshal would need to reduce staffing by 5.5 FTE. The impact of these position eliminations would be significantly reduced services provided to the public. For example, longer response times, delays for inspections, and a general curtailing of duties are all likely. This reduction represents approximately half of the agency's proposal.	Gen	-145,000	-145,000
	Cash	0	0
	d Fed	0	0
	Rev	0	0
Increase funding for fireworks testing (Prog 193 Public Protection) Currently, only 1 new item is tested. This request came from an individual in the industry. The funding will allow an increase in the number of fireworks tested each year. Earmark language is included in LB 315 to ensure the funds are expended for this purpose.	Gen	0	0
	Cash	20,000	20,000
	Fed	0	0
	Rev	0	0
Email Exchange and Network Connection Fees (Prog 340 Training Division) This funding represents small increases in three areas: email exchange and network connection fees, rent increase, and increased costs associated with remaining accredited for training class materials.	Gen	0	0
	Cash	4,024	4,090
	Fed	0	0
	Rev	0	0
Annualize funding, Public Safety Communications System (Prog 848 Communication System) This is the anticipated cost to annualize the funding from LB322 (2007) that started the appropriations for the NE Public Safety Wireless System.		148,432 32,582 0 0	149,805 32,883 0 0

Agency 22 Dept of Insurance

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	11,327,260	11,327,763	11,328,376		244,547	11,140,085
Federal	315,630	315,630	315,630	3	319,819	324,168
Revolving Subtotal-Oper	0 11,642,890	0 11,643,393	0 11,644,006	11,5	0 64,366	0 11,464,253
Agency Total						
General	0	0	0		0	0
Cash	11,327,260	11,327,763	11,328,376	11,2	244,547	11,140,085
Federal	315,630	315,630	315,630	3	319,819	324,168
Revolving	0	0	0		0	0
Agency Total	11,642,890	11,643,393	11,644,006	11,5	564,366	11,464,253
Operations				F	Y2009-10	FY2010-11
* FY10 / FY11 Sa	alary Increases (Pro	og 0 Agency-wide	·)	Gen		0 0
				Cash	173,20	5 350,568
				Fed	2,84	0 5,748
				Rev		0 0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 A	gency-wide)	Gen		0 0
				Cash	102,36	1 211,679
				Fed	1,34	9 2,790
				Rev		0 0
* Decrease in exp	penditures for finan	cial examinations	per request	Gen		0 0
(Prog 69 Enforc			-	Cash	-484,48	6 -875,714
	,			Fed		0 0
				Rev		0 0
* Net decrease in	operating expense	es per request (Pi	rog 69 Enforce	Gen		0 0
standards)				Cash	-101,34	6 -129,890
				Fed		0 0
				Rev		0 0

*	Increase travel for financial examinations (Prog 69 Enforce standards) In the current year, the department is contracting for the financial examination of several large insurance companies (AFLAC & West Coast Life). The department typically contracts for the examinations of larger insurance companies. The requested decrease in expenditures for financial examinations reflects a decrease in contracts for financial examinations. However, the department is anticipating an increase in travel for in-house examiners to conduct financial examinations in the next biennium. The department attempts to examine insurance companies once every three years. The requested funds will allow staff to travel to the companies scheduled for examination in the next biennium. Any travel costs related to the examinations are paid by the companies being examined.	Gen Cash Fed Rev	0 219,558 0 0	0 240,942 0 0
*	Rent increase (Prog 69 Enforce standards) The department is housed in the Terminal Building in Lincoln. The current lease for office space is \$9.96/sq. ft. The lease increases 3% per year. The request is the annual increase in rent.	Gen Cash Fed Rev	0 7,995 0 0	0 15,240 0 0
*	Insurance Cash Fund balance, Lapse \$6 million each FY to the General Fund (Prog 69 Enforce standards) The Department of Insurance Cash Fund is used by the agency to comply with its statutory responsibilities to supervise and regulate insurance companies, associations and societies and to license all resident and nonresident agents, agencies, brokers, consultants, surplus lines agents and pre-need representatives Money in the cash fund can be lapsed to the General Fund at the direction of the Legislature.	Gen Cash Fed Rev	0 0 0 0	0 0 0 0

Agency 23 Dept of Labor

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed I	Committee Proposed Y2010-11
<u>Operations</u>						
General	636,831	595,440	612,817		67,044	582,247
Cash	1,962,765	1,928,919	1,958,406		42,994	1,980,032
Federal Revolving	35,908,756 0	32,545,354 0	33,420,632 0	34,40	87,890 0	34,850,954 0
Subtotal-Oper	38,508,352	35,069,713	35,991,855	36.90	97,928	37,413,233
•	00,000,002	00,000,710	00,001,000	00,0	37,020	07,410,200
State Aid	_		_			
General	0	0	0		0	0
Cash	0 265 000	0	0 365 000	0.20	0	0
Federal Revolving	9,265,000 0	9,265,000 0	9,265,000 0	9,20	65,000 0	9,265,000 0
Subtotal-Aid	9,265,000	9,265,000	9,265,000	0.26	65,000	9,265,000
Subtotal-Alu	9,203,000	9,203,000	9,203,000	9,20	55,000	9,203,000
Agency Total						
General	636,831	595,440	612,817	50	67,044	582,247
Cash	1,962,765	1,928,919	1,958,406	1,9	42,994	1,980,032
Federal	45,173,756	41,810,354	42,685,632	43,7	52,890	44,115,954
Revolving	0	0	0		0	0
Agency Total	47,773,352	44,334,713	45,256,855	46,20	62,928	46,678,233
Operations				F	Y2009-10	FY2010-11
* Annualina FV00	Calami Ingress (Drog O Agonou	.; al a \	0.5.5	4.040	4.040
Annualize FY09	Salary Increases (Prog u Agency-w	ride)	Gen	1,842	
				Cash	7,609	
				Fed Rev	192,606 0	
* DAG Warles 0	A			0	0	
DAS Workers C	ompensation Asses	ssment (Prog U A	.gency-wide)	Gen	0	
				Cash	0	
				Fed	-34,246	_
				Rev	0	0
* DAS - Material (Central Purchasing	Assessment (Dr	oa O Agenov-	Gen	2,166	2,166
wide)	John and Talonashing	, 1000001110111 (1 1 C	og o rigorioy	Cash	37	
wide)				Fed	19	
				Rev	0	
					O	•

*	FY10 / FY11 Salary Increases (Prog 0 Agency-wide)	Gen Cash Fed	14,676 16,376 501,932	29,703 33,143 1,015,908
*	FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen Cash Fed	124 18,901 291,140	256 39,086 602,066
*	NIS Debt Assessment Savings (Prog 31 Employment) DAS Accounting established assessments to state agencies allocating part of the master lease debt on the financing of NIS. The debt will be paid off in FY09-10 and the final payments will be made from State Accounting Revolving Funds, so the assessment to agencies will terminate at the end of FY09. Since the debt assessment was part of the agency's FY08-09 base appropriation level, that amount is being reduced for the biennium request	Gen Cash Fed Rev	0 0 -16,206 0	0 0 -16,206 0
*	Agency Staffing Reductions (Prog 31 Employment) This issue related directly to the situation with the federal funds accounting discrepancies that occurred between January 2003 and March 2008 that cumulatively resulted in shortfalls in several grants. Federal guidelines require restoration of those funds sources. In addition, the U.S. Department of Labor rescinded \$2.4 million in funding related to programs administered through the Workforce Investment Act (WIA). The net result of these circumstances has required the agency to take measures that include staff reductions. The agency is making these reductions through attrition, reduction in force, and furlough. This program has been reduced by 93.0 FTE.	Gen Cash Fed Rev	0 0 -4,298,380 0	0 0 -4,298,380 0
*	Integration of Workforce Development Applications (Prog 31 Employment) The agency currently has business applications operating on three different technical platforms that have reached the end of their productive operational lifespan. They are considering a technical solution that will integrate seven business applications, facilitate the enrollment and tracking of participant education and employment activities, and reporting on federally mandated performance measures. The agency believes the integration will also enhance job posting and searching capabilities. The agency is in the early stages of project development, examining current infrastructure, applications and maintenance costs, and assembling cost comparisons for a vendor hosted solution or an internal hosted solution. The initial project estimated costs are between \$3.1 - \$3.8 million. Federal funds will be utilized for the project and it will go through the competitive procurement process of an RFP. The Nebraska Information Technology Commission (NITC) has given this project a Tier 2 rating – "Recommended. Has high strategic importance to the agency and/or state."	Gen Cash Fed Rev	0 0 1,918,116 0	0 0 1,451,238 0

Agency Staff Reductions (Prog 194 Protect people/property) This -59.689 -59.689 Gen issue relates directly to the situation with the federal funds Cash -62,759 -62,759 accounting discrepancies that occurred between January 2003 Fed 0 0 and March 2008 that cumulatively resulted in shortfalls in several 0 Rev 0 grants. Federal guidelines require restoration of those fund sources. In addition, the U.S. Department of Labor rescinded \$2.4 million in funding, related to programs administered through the Workforce Investment Act (WIA). The net result of these circumstances has required the agency to take measures that include staff reductions. The agency is making these reductions through attrition, reduction in force, and furlough. This program has been reduced by 3.0 FTE. Reduce Staff Labor Law Specialist from 1.0 FTE to 0.5 FTE (Prog. Gen -26,877 -26,877 194). (Prog 194 Protect people/property) Initially offered as a Cash 0 0 budget modification by the agency, the Committee originally shifted 0 0 Fed some funding for the position to Cash Funds, so that the position 0 Rev 0 would have been funded equally by General Funds and Cash Funds with no reduction in FTE. After a determination that the subprogram in question, Wage & Hour Regulation, does not receive Cash Funds, the Committee took the original budget modification and reduced the General Fund appropriation by the amount shown. NIS Debt Assessment Savings (Prog. 194), (Prog 194 Protect Gen -144 -144 people/property) Cash -279 -279 -252 Fed -252 Rev 0 0

Agency 24 Dept of Motor Vehicles

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	20,648,041	25,192,324	26,069,617		97,338	26,087,045
Federal Revolving	740,520 0	740,520 0	740,520 0	7	53,769 0	769,981 0
Subtotal-Oper	21,388,561	25,932,844	26,810,137	25.9	51,107	26,857,026
·	21,000,001	20,002,011	20,010,107	20,0	01,107	20,007,020
State Aid	0	•	•		0	0
General	160,000	160,000	160,000	4	0	160,000
Cash Federal	160,000 1,907,898	160,000 1,907,898	160,000 1,907,898		60,000 07,898	160,000 1,907,898
Revolving	1,907,090	0 0	0 0	1,3	07,090	1,907,090
Subtotal-Aid	2,067,898	2,067,898	2,067,898	2,0	67,898	2,067,898
		, ,	, ,	ŕ	•	, ,
Agency Total	0	0	0		0	0
General	0	0	0	25.2	0	0
Cash Federal	20,808,041 2,648,418	25,352,324 2,648,418	26,229,617 2,648,418		57,338 61,667	26,247,045 2,677,879
Revolving	2,040,410	2,040,410	2,040,410	2,0	0	2,077,079
Agency Total	23,456,459	28,000,742	28,878,035	28.0	19,005	28,924,924
rigonoy rotar	20, 100, 100	20,000,7 12	20,070,000	20,0	710,000	20,021,021
Operations				F	Y2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen		0 0
71111144112011100	Calary moreacce (r rog o rigorioy w	140)	Cash	54,15	-
				Fed	1,99	,
				Rev		0 0
* DAS Workers C	ompensation Asses	ssment (Prog 0 A	.gency-wide)	Gen		0 0
	•	`	,	Cash	-2,72	
				Fed		0 0
				Rev		0 0
* FY10 / FY11 Sa	lary Increases (Pro	a 0 Aaencv-wide)	Gen		0 0
	,	3 3 7 gc.10, 11140	,	Cash	212,16	
				Fed	8,45	
				Rev		0 0

FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) 0 Gen 0 Cash 171,629 361,695 Fed 2,153 9,180 Rev 0 0 Decrese in AS/400 computer retainer fee paid to the Office of the Gen 0 0 CIO per department request (Prog 70 Motor vehicle admin) Cash -164,708 -164,708 Fed 0 0 0 Rev 0 Decrease in data processing rental expense for devices for the 0 0 Gen Vehicle Title and Registration System per request (Prog 70 Motor Cash -146,080 -122,218 vehicle admin) Fed 0 0 Rev 0 0 Decrease in expenditures for administrative license revocation 0 Gen 0 contract hearings due to teleconferencing of hearings per Cash -40,000 -40,000 department request (Prog 70 Motor vehicle admin) Fed 0 0 0 0 Rev Annualize LB 736 - Ignition interlock one-time computer changes 0 Gen 0 (Prog 70 Motor vehicle admin) -36,000 -36.000 Cash Fed 0 0 Rev 0 0 Annualize LB 911 - Secure Issuance of Operator's Licenses (Prog Gen 0 0 70 Motor vehicle admin) Cash 926,531 -274.304 Fed 0 0 Rev 0 0 Base adjustment (Prog 70 Motor vehicle admin) Gen 0 0 -421,675 Cash -830,970 Fed 0 0 0 0 Rev New Issuance of license plates (Prog 90 MV license plates) DMV Gen 0 0 is requesting the transfer of \$5.7 million in 2009-10 and \$8 million in Cash 3.972.248 5.998.268 2010-11 from the Highway Trust Fund to the License Plate Cash Fed 0 0 Fund to cover the cost of producing license plates and stickers. In 0 Rev 0 2009-10, production will begin on a new issuance of digital plates that will be issued beginning in January, 2011. The 2011 plate will be valid for a six year period. Until January 2011, the department will also continue to produce plates for the 2005 issuance.

Agency 25 Dept of Health & Human Services

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	F	committee Proposed Y2010-11
<u>Operations</u>						
General	224,867,892	230,942,606	234,245,249	256,892,0		258,626,205
Cash Federal	54,883,446 252,366,957	55,708,407	56,482,721	56,397,3 252,211,6		54,627,198
Revolving	252,300,957	253,836,507 0	254,915,268 0	252,211,0	0	248,273,682 0
Subtotal-Oper	532,118,295	540,487,520	545,643,238	565,501,0	-	561,527,085
·	002,110,200	0.0,.01,020	0.10,0.10,200	000,001,0	0.	301,021,000
State Aid	4 000 007 704	000 400 404	4 045 045 074	070 000 0		200 055 000
General	1,000,667,731	992,422,401	1,015,215,874	872,926,3		980,955,608
Cash Federal	91,971,700 1,265,477,732	94,042,543 1,207,461,770	94,366,595 1,232,413,170	93,780,1 1,353,408,8		94,520,473 327,108,061
Revolving	1,205,477,732	1,207,401,770	1,232,413,170	1,333,406,6	0	0
Subtotal-Aid	2,358,117,163	2,293,926,714	2,341,995,639	2,320,115,2	-	402,584,142
Cubiciai 7 iid	2,000,117,100	2,200,020,711	2,011,000,000	2,020,110,2	.00 2,	102,001,112
Agency Total						
General	1,225,535,623	1,223,365,007	1,249,461,123	1,129,818,4		239,581,813
Cash	146,855,146	149,750,950	150,849,316	150,177,4		149,147,671
Federal	1,517,844,689	1,461,298,277	1,487,328,438	1,605,620,4		575,381,743
Revolving	0	0	0		0	0
Agency Total	2,890,235,458	2,834,414,234	2,887,638,877	2,885,616,3	330 2,	964,111,227
Operations				FY20	09-10	FY2010-11
*						
Annualize FY09	Salary Increases ((Prog 0 Agency-v	vide)		154,434	
				Cash	81,431	
					32,869	
				Rev	0	0
* DAC Warkers Co		acomposit (Draw o	\	0.00	10 100	240 400
DAS Workers Co	ompensation Asse	ssment (Prog 0 P	agency-wide)		349,180	
				Cash Fed	18,301 18,133	
				reu Rev	10,133	
				T(CV	O	O
* DAS Vehicle Lial	bility Assessment	(Prog 0 Agency-v	wide)	Gen	31,201	31,201
	,	· -g ·g - · · · · · ·	/	Cash	0.,20.	_
				Fed	5,225	_
				Rev	0	

FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 3,610,732 7.308.096 Cash 308,282 623.947 Fed 2,181,561 4,415,472 Rev 0 0 FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) 2,748,813 5,684,438 Gen 193,764 400.696 Cash Fed 1,437,292 2,972,265 Rev 0 Transfer \$100,000 to the Soupkup Trust from the Health Care Cash 0 0 Gen Fund (Prog 0 Agency-wide) Cash 0 0 Fed 0 0 Rev 0 0 Annualize LB830-2008 (Prog 32 Prescription Drug) The cash funds 1,254,303 1,254,303 Gen from the Health Care Cash Fund were provided for the start up Cash -632,637 -6,326,370 costs of the multi-state purchasing pool and development of the Fed 1,254,303 1,254,303 preferred drug list. The ongoing state match is from general funds Rev 0 once savings start to accrue to the Medicaid Program in FY 10. The annual projected savings in the Medicaid budget due to the Medicaid Prescription Drug Act are \$3.5 million (\$1.46 million Capped federal funds (Prog 33 Administration) Several block Gen 1,143,332 1.143.332 grants such as the Mental Health and Substance Abuse Block Cash 0 Grant and the Child Care Block Grant have not increased. Others Fed -1,143,332 -1,143,332 have had a reduction in the amount charged. Rev 0 0 Inflationary increases (Prog 33 Administration) Gen 80,244 111,752 Cash 0 0 Fed 72,168 97.947 Rev 0 0 Reduce costs in the Primary Care Case Management (PCCM) -337,963 -337,963 Gen contract (Prog 33 Administration) The agency currently has a Cash 0 0 -337,963 PCCM contract and a managed care organization (MCO) contract Fed -337,963 for primary health care in Douglas and Lancaster Counties. Under Rev 0 0 the PCCM contract primary care physicians are paid \$2 per member per month to coordinate clients care. The department pays for the actual services. Under the MCO contract, the contractor receives an estimated average cost per eligible client for all services covered by the contract and assumes payment for all services provided under the contract. The agency is planning on eliminating the PCCM option in the Medicaid Program. The agency intends to request bids for two MCO contracts and no PCCM contract, It is also extending the geographic area to the counties surrounding Douglas and Lancaster.

Transfer funding for the public health veterinarian (Prog 33 Gen -102.785-102.785Administration) This is a transfer of the veterinarian position from Cash 0 general funds to the West Nile grant (75%) and the Bioterrorism Fed 102,785 102,785 Preparedness grant (25%). The state vet is actively involved in Rev 0 0 both activities and the impact of the fund shift will be minimal. Transfer business unit staff to the respective institutions budgets Gen -794,401 -794,401 (Prog 33 Administration) These expenditures would be transferred Cash 0 0 to the Youth Rehabilitation and Treatment Centers (Prog. 250), the Fed -533,708 -533,708 Beatrice State Developmental Center (Prog. 421), the veterans' Rev 0 0 homes (Prog. 519) and the regional centers (Prog. 365). Reduced pooled expenditures (Prog 33 Administration) The Gen -278,749 -278,749 department believes that they can achieve savings through less Cash 0 0 printing and mailing costs of publications and other information. Fed -119,464 -119,464 These will instead be available through their website or other Rev 0 0 electronic means. Reduce expenses in Children and Family Services and Economic Gen -234,287 -234,287 and Family Support administration (Prog 33 Administration) The Cash 0 0 budget request document shows the elimination of a Program Fed -99,254-99,254 specialist position (\$39,482) and contractual services (\$162,059). Rev 0 0 The work of the Program specialist would have to be given to other employees or not performed. Travel will also be cut, limiting the amount of interaction between central office staff and workers in the Children and Family Division. Reduce expenses in Behavioral Health administration (Prog 33 Gen -53,077 -53,077 Administration) Two contracts would be eliminated and travel Cash 0 0 would be reduced. One contract is with the University of Nebraska Fed 0 0 Medical Center (UNMC) for data compilation and analysis of Rev 0 0 persons leaving the regional centers. This function will be transferred to HHS staff. The other contract that will be eliminated is for events planning. This contract was for organizing meetings and conferences, handling the registration technical support.

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*	Implement AccessNebraska (Prog 33 Administration) There are three phases to ACCESSNebraska. The first is on-line submission of applications for public assistance and also a screening tool to indicate potential eligibility for Aid to Aged, Blind and Disabled, Aid to Dependent Children, Medicaid, food stamps, energy assistance and child care. The second step is the scanning, storage and retrieval of documents. The system will process and store 29 million new documents a year. The scanning and storage will be done within 24 hours of receipt. The final phase is a single contact phone number for clients to call to apply for benefits or for information about there benefits and eligibility. There will be 3 to 4 call centers. The locations have not been determined. Each call center will employ approximately 120 to 150 people. The changes will result in the need for 65 fewer caseworkers in FY10 and an additional 29 positions would be eliminated in FY 11. FY 12 savings are estimated to be between \$4 and \$8 million. Most or all will be handled by attrition. The development and implementation are being paid for from federal food stamp bonus money. The agency received \$2,553,952 in bonus funds. Total costs for ACCESS development and implementation are: \$4,540,188 with \$2.5 million from bonus federal funds and the balance of \$2.0 million from federal matching funds.	Gen Cash Fed Rev	-712,411 0 2,168,167 0	-1,331,691 0 -1,054,852 0
*	Evaluate/eliminate vacant positions (Prog 33 Administration) The central office and the five service areas will determine what vacant positions could be eliminated. No specific positions have been identified. This is part of a continuing evaluation.	Gen Cash Fed Rev	0 0 0 0	-780,827 0 490,195 0
*	Eliminate the medical director in the Medicaid Program (Prog 33 Administration) The Medicaid Program had 1.6 FTE physicians employed prior to the retirement of the full-time doctor in July 2008. The part-time doctor is filling the role now and the state medical director may also be asked to assist in performing some of the functions.	Gen Cash Fed Rev	-45,000 0 -135,000 0	-45,000 0 -135,000 0
*	Eliminate a secretary (Prog 33 Administration)	Gen Cash Fed Rev	-34,266 0 0	-34,266 0 0 0
*	Eliminate a health management administrator (Prog 33 Administration) This position is vacant and the duties have been assigned to other employees.	Gen Cash Fed Rev	-78,065 0 0	-78,065 0 0

Change the dental director from a dentist to a dental hygienist (Prog Gen -70.909 -70.909 33 Administration) The dental director position has been vacant Cash 0 0 and the agency has not had success in trying to fill it. State statute Fed 0 0 prohibits the dental director from engaging in paid employment Rev 0 0 outside of the state agency. Dentists must complete a certain number of hours of practice to maintain their licenses. The dental director if a dentist then must complete this by providing the services free of charge. Eliminate 10 FTE (Prog 33 Administration) Specific positions have Gen -350,000 -350.000 not been identified. Cash 0 Fed -150,000 -150,000 Rev 0 Reduce expenditures in the Environmental Health area (Prog 33 Gen -79.983 -79.983 Administration) This is an unspecified cut in environmental health. Cash 0 0 Fed 0 0 0 Rev 0 Reduce expenditures in the financial services area (Prog 33 Gen -56,000 -56,000 Administration) This is an unspecified cut in financial services. Cash 0 0 Fed 0 0 Rev 0 0 Eliminate 2 attorneys (Prog 33 Administration) The attorneys Gen -139,000 -139,000 provide legal advice and representation for the department and Cash 0 0 interpret federal laws and regulations, state statutes and Fed 0 0 administrative rules and regulations. The ability of the remaining 0 0 Rev attorneys to perform these functions adequately and efficiently would be compromised. The department had 23 staff attorneys. Reduce expenditures in the Deputy Medical Director's Office (Prog Gen -10.000 -10.000 33 Administration) This is an unspecific cut in the deputy medical Cash 0 0 director's office. In the last biennium, \$14,912 was cut from the Fed 0 0 medical director's budget. Rev 0 0 Additional inspectors for community-based developmental Gen 205.482 315.928 disabilities programs (Prog 33 Administration) This is a Cash 0 recommedation of the legislature's study of developmental 205,482 315,928 Fed disabilities. This would add 4 inspectors in FY 10 and 8 in FY 11. Rev 0 Eliminate funding for the Behavioral Health Commission, set to Gen 0 0 sunset on June 30, 2009 (Prog 33 Administration) Cash -10,000 10.000 Fed 0 0 0 Rev 0

Developmental disability rate equity methodology study (Prog 33 150,000 0 Gen Administration) Cash 0 0 Fed 0 0 0 Rev 0 Transfer funds to Program 347 - Public Assistance (Prog 39 Gen -1,889,556 -1,889,556 Childrens Task Force) Cash Fed -86,694 -86,694 Rev 0 0 Reduce operating expenses (Prog 178 Examining Boards) -3,763 Gen -3,763Cash 0 0 Fed 0 0 Rev 0 0 Inflationary increases in operating expenses (Prog 178 Examining Gen 0 0 2,341 Boards) Cash 2,341 Fed 0 0 0 0 Rev Reduce operating expenses (Prog 179 Public Health Admin) -17,528 -17,528 Gen Cash 0 0 Fed 0 0 Rev 0 0 Decrease in depreciation and maintenance per request (Prog 250 Gen -193,533 -193,533 Juvenile Services) Cash 0 0 0 Fed 0 0 Rev 0 Transfer in business unit staff (Prog 250 Juvenile Services) These Gen 199,209 199,209 employees would be transferred from Program 033. Cash 0 0 Fed 0 0 Rev 0 0 Provider rate increases of 1.5% per year for OJS 106,173 213.939 Gen Community-based services (Prog 250 Juvenile Services) This is Cash 0 0 the requested rate increase for most providers. Fed 0 0 Rev 0 0 Institutional inflationary increases (Prog 250 Juvenile Services) Gen 69,564 142,222 Projected inflationary rate increases for food (5%), drugs (6%) and Cash 0 0 medical services and supplies (2%). Fed 0 0 0 0 Rev

*	Federal fund reduction (Prog 250 Juvenile Services) Federal VOITS funds were awarded to the Department of Corrections. Those funds are time-limited and are now exhausted. Some funding was given to the Office of Juvenile Services, but not at the level shown. Various discussions were held over the years on projects in both agencies that the money might be used for and the appropriation was set at a level discussed several years ago.	Gen Cash Fed Rev	0 0 -2,159,219 0	0 0 -2,158,714 0
*	Annualize deficit for recruitment, retention and referral incentives (Prog 250 Juvenile Services) The request annualizes the deficit request which provides funds for the 24 hour facilities at HHS for recruitment and retention incentives for front-line direct care staff. In FY08, the turnover rate for facility direct care workers ranged from 14% for Mental Health Security Specialists to 50% for Staff Care Technicians/Specialists, with an average turnover rate for direct care staff of 32%. The vacancy rate is also high at 19% for FY08. The incentives will be given to Psychiatric Tech/Specialists, Mental Health Specialists, Staff Care Tech/Specialists, Developmental Tech/Specialists and Youth Security Specialists. The three types of incentives are as follows: Recruitment/Retention - \$500 for each new hire successfully completing 6 mos. of probation – add'l \$500 after 1 yr. Retention/Performance - \$500 for each current employee on anniversary dateReferral - \$500 for each referral by an employee in one of the classes after the new employee successfully completes 6 mos. of probationThe department is proposing to use approximately \$2 million of the cash fund balance from the Hastings Regional Center to fund incentives for all of the 24 hour facilities in the current year and both years of the next biennium retention and recruitment incentives	Gen Cash Fed Rev	73,409 0 0 0	146,818 0 0 0
*	Decrease federal funds at the regional centers per request (Prog 365 Regional Centers)	Gen Cash Fed Rev	0 0 -2,765,299 0	0 0 -2,765,299 0
*	Decrease in maintenance and depreciation expenses for the regional centers per request (Prog 365 Regional Centers)	Gen Cash Fed Rev	-1,102,791 0 0 0	-1,102,791 0 0 0
*	Use cash and federal funds to offset general funds for the regional centers per request (Prog 365 Regional Centers)	Gen Cash Fed Rev	-295,487 99,882 195,605 0	-375,978 132,079 243,899 0
*	Inflationary increases for food, drugs, medical and clinical services and medical supplies for the regional centers (Prog 365 Regional Centers)	Gen Cash Fed	0 215,796 0	81,038 362,016 0

Transfer business facility staff to the regional centers (Prog 365 211,955 211.955 Gen Regional Centers) Cash 0 0 0 Fed 0 0 Rev 0 27th Payroll at the Lincoln and Hastings regional centers (Prog 365 0 Gen 0 Regional Centers) 1,021,260 0 Cash Fed 0 0 0 Rev 0 Annualize deficit for recruitment, retention and referral incentives at 0 0 Gen the regional centers (Prog 365 Regional Centers) Cash 200,464 200,464 Fed 0 0 Rev 0 0 Transfer "savings" from the regional centers to community-based -3,500,000 -3,500,000 Gen programs pursuant to behavioral health reform (Prog 365 Regional Cash 0 0 Centers) The final \$3.5 million of savings will be transferred to Fed 0 0 community-based providers during 2008-09, so the budget base for 0 0 Rev the regional centers is reduced by the amount of the transfer. Including the transfer shown here, since the passage of LB 1083, a total of \$31.4 million has been transferred from the regional centers to behavioral health operations (\$987,266) and behavioral health aid (\$30,405,252). Decrease in maintenance and depreciation expenses per request -402,910 -402,910 Gen for the Beatrice State Developmental Center (Prog 421 Beatrice Cash 0 0 0 Develop Cntr (BSDC)) Fed 0 Rev 0 0 Inflationary increases for food, drugs, medical and clinical services 156,141 320,680 Gen and medical supplies for BSDC (Prog 421 Beatrice Develop Cntr Cash 0 0 (BSDC)) Fed 0 0 0 0 Rev Transfer business facility staff to BSDC (Prog 421 Beatrice Gen 205,545 205,545 Develop Cntr (BSDC)) Cash 0 0 Fed 0 0 Rev 0 0

Department of Justice right-sizing of BSDC (Prog 421 Beatrice Gen 2.500.000 2.500.000 Develop Cntr (BSDC)) HHS entered into an agreement with the Cash 0 0 Department of Justice on July 2, 2008 to achieve and /or maintain Fed 0 0 desired outcomes for BSDC residents and ensure they are Rev 0 0 provided with the protections, supports and services they need to ensure their constitutional and statutory rights are protected. The agreement is anticipated to be in effect for about four years. In order to provide needed services, the department must fill a number or staffing vacancies and/or reduce the census at BSDC. Contract for pharmacy service at BSDC (Prog 421 Beatrice Develop Gen -1,778,659 -1.778.659Cntr (BSDC)) The department issued an RFP on November 19, Cash 0 0 2008 for the purpose of selecting a qualified contractor to provide Fed 0 0 pharmacy services for the veterans' homes (except ENVH), BSDC 0 0 Rev and the YRTC's. It is believed that outsourcing the pharmacy function will result in more cost-effective provision of services as well as a decrease in medication errors and reduced paperwork by nursing staff. Outsourcing the pharmacy program to a private vendor will eliminate about nine FTE in the pharmacy program at BSDC. Potential savings also come from larger pharmacy companies purchasing, billing and operating economies of scale. Annualize deficit for recruitment, retention and referral incentives at 241.403 241,403 Gen BSDC (Prog 421 Beatrice Develop Cntr (BSDC)) Cash 0 0 Fed 0 0 Rev 0 0 Governor's Initiative - BSDC Action Plan (Prog 421 Beatrice Develop Gen 4,794,518 4,684,072 Cntr (BSDC)) Cash 0 0 Fed 0 0 0 Rev 0 Adjustment per department hearing request to reflect declining Gen 0 -3,325,001 census at BSDC (Prog 421 Beatrice Develop Cntr (BSDC)) Cash 0 -1.449.886 Fed -5,237,555 0 Rev 0 Provide funds as a contingent liability to support BSDC if the CMS 25,000,000 Gen 24.477.558 decision to terminate federal funding is upheld by an administrative Cash 0 0 law judge (Prog 422 BSDC Contingency Appropriation) Fed 0 0 0 0 Rev Decrease in maintenance and depreciation expenses per request -417,441 -417,441 Gen for the veterans homes (Prog 519 Veterans Homes) Cash 0 0 Fed 0 0 Rev 0 0

Transfer business facility staff to the veterans homes (Prog 519 670,607 670.607 Gen Veterans Homes) Cash 0 0 Fed 0 0 Rev 0 0 Inflationary increases for food, drugs, medical and clinical services Gen 181,741 371,933 and medical supplies for the veterans homes (Prog 519 Veterans Cash 0 0 Fed 0 0 Homes) 0 0 Rev Annualize deficit for recruitment, retention and referral incentives at 222,204 222,204 Gen the veterans homes (Prog 519 Veterans Homes) Cash 0 0 Fed 0 0 Rev 0 0 Salary limit increase to hire permanent staff to replace temporary 0 0 Gen staff at the Eastern Nebraska Veterans Home (Prog 519 Veterans Cash 0 0 Homes) Fed 0 0 0 0 Rev Decrese in maintenance and depreciation expenses per request for -208.460 Gen -208.460 the Norfolk Sex Offender Treatment Program (Prog 870 Norfolk Cash 0 0 Sex Offender) Fed 0 0 0 0 Rev 27th Payroll at the Sex Offender Treatment Program at Norfolk Gen 339,376 0 (Prog 870 Norfolk Sex Offender) Cash 0 0 Fed 0 0 0 0 Rev Inflationary increases for food, drugs, medical and clinical services 120.042 Gen 58.434 and medical supplies for the Norfolk Sex Offender Treatment Cash 0 0 Program (Prog 870 Norfolk Sex Offender) In the past, requests for Fed 0 0 these items have been considered to be unique operating costs for 0 Rev 0 institutional facilities. The agency guidelines for increases in these line items were as follows: food is increased 5% each year; drugs are inflated by 6% each year; and, medical services and supplies are increased 2% each year. Medical supplies include laboratory supplies, contracts with doctors, and costs to take clients to medical appointments. The increases are based upon historical inflationary increases in these line items. Transfer business facility staff to the Norfolk Sex Offender Gen 40,793 40,793 Treatment Program (Prog 870 Norfolk Sex Offender) Cash 0 0 0 Fed 0 0 0 Rev

*	Annualize deficit for recruitment, retention and referral incentives for the Norfolk Sex Offender Treatment Program (Prog 870 Norfolk	Gen Cash	55,904 0	55,904 0
	Sex Offender)	Fed Rev	0	0
S	tate Aid		FY2009-10	FY2010-11
*	Eliminate duplicative accounting for federal Medicaid funds (Prog 38 Behavioral Health) HHS indicates the federal authorities are asking the department to pay providers directly from the Medicaid program (Prog. 348) rather than provide funds to the behavioral health program which then makes payments to behavioral health providers. The request eliminates the duplication of funding in the single agency.	Gen Cash Fed Rev	0 0 -8,000,000 0	0 0 -8,000,000 0
*	Increase cash fund authority for gambler's assistance aid (Prog 38 Behavioral Health) The additional funds, if available from lottery proceeds, will be used to contract with providers to provide services to persons with gambling addictions.	Gen Cash Fed Rev	0 250,000 0 0	0 250,000 0 0
*	1.5% rate increase for behavioral health providers (Prog 38 Behavioral Health)	Gen Cash Fed Rev	1,318,061 0 0 0	2,655,892 0 0 0
*	Increase behavioral health aid to reflect "savings" transferred from the regional centers pursuant to behavioral health reform (Prog 38 Behavioral Health) The final \$3.5 million of savings will be transferred to community-based providers during 2008-09, so the aid base is adjusted by this amount to reflect the transfer. Including the transfer shown here, since the passage of LB 1083, a total of \$31.4 million has been transferred from the regional centers to behavioral health operations (\$987,266) and behavioral health aid (\$30,405,252).	Gen Cash Fed Rev	3,500,000 0 0 0	3,500,000 0 0 0

Additional cash funding for statewide trauma plan (Prog 179 Public Gen 0 0 Health Admin) The implementation of the statewide trauma plan 65,000 65.000 Cash was phased by region in beginning in 2001. The funding has not Fed 0 0 been adjusted as the system has become fully operational 0 Rev 0 statewide in all four trauma regions. The agency needs an additional staff assistant and operating costs to adequately designate and redesignate hospitals. The cost would be \$65,000 annually. The funding is from the Fifty Cents for Life Cash Fund. The statewide trauma system is funded through the Fifty Cents for Life fee (.50 fee on all vehicle registrations). The cash fund balance is sufficient to sustain the additional expenditures. Transfer funding for predispositonal juvenile detention to Program -156,536 -156,536 Gen 347 Public Assistance (Prog 316 Juvenile Detention) The state Cash 0 0 pays counties for residential services beyond the first ten days for 0 Fed 0 0 0 juveniles in the juvenile justice system who have been ordered for Rev a state evaluation. Base adjustment-SCHIP (Prog 344 Children's Health Insurance) Gen -3,676,218 -3,676,218 Three categories of services were lower than estimated at the time Cash the current biennium budget was set. Those are inpatient hospital, Fed 1,329,984 1,329,984 inpatient mental and drugs. Drug costs were assumed to increase Rev 0 0 10% a year; the actual increase was 6% each year. The reason for lower hospital utilization is unknown. The state enhanced CHIP match is capped at a certain level. Expenditures exceeding the cap are matched at the Medicaid match rate. Unused funds from the prior year can be carried forward. When the budget was set, costs were anticipated to be above the allotted enhanced match rate and carryover balance. However, with the lower utilization, the higher General Fund match rate was not triggered. Rates and utilization (Prog 344 Children's Health Insurance) 260,255 851.400 Gen Utilization is projected to increase 1.5% each year. Provider rates Cash 0 are increase by1.5% each year. The cost for prescription Fed 1,470,888 2,623,972 drugs is projected to increase 6% each year. Rev 0 n Two-tiered payment rate for doctor visits in hospitals (Prog 344 0 Gen -62,122Children's Health Insurance) A 20% payment differential would be Cash 0 0 established between procedures delivered in an inpatient or Fed 0 -62,122outpatient setting compared to the same procedures performed in Rev 0 0 an office. Lower outpatient reimbursement (Prog 344 Children's Health Gen 0 -56.689 Insurance) This would lower the outpatient reimbursement rates to Cash 0 0 75% from 82.45% of the hospital specific cost-to-charge ratio. In Fed 0 -145,195 some cases, because rates have not been rebased in a number of Rev 0 years, reimbursement may exceed costs.

*	Lower indirect medical education factor (Prog 344 Children's Health Insurance) Medicaid reimburses teaching facilities at a higher reimbursement level because those facilities have more costs due to time, procedures and equipment required in a teaching environment. The current IME factor is 72.64%. This would lower it to 70%.	Gen Cash Fed Rev	0 0 0 0	-1,219 0 -3,122
*	Change in the federal match rate (Prog 344 Children's Health Insurance) The federal match rate is changing from 28.08% to 27.61% in FY 10 and an estimated change in FY 11 to 27.78%.	Gen Cash Fed Rev	-144,337 0 144,337 0	-149,697 0 149,697 0
*	Public Assistance - Base adjustment (Prog 347 Public assistance) The department has used significant resources to find permanent placements for children through guardianships with relatives, increased adoptions and returning children to their homes. Although utilization of child welfare services was projected to be flat over the current biennium, the total number of state wards declined by 4% in FY 08 and by 5% in FY 09. Out-of-home placements declined by 2% and 8%, during FY 08 and FY 09, respectively. This resulted in under spending in child welfare programs and in the state education for state wards Program. The programs serving the elderly and disabled population were projected to increase by 3% each year in the current biennium. The population has been flat, savings funds in the State Supplement and State Disabled – Medical Program.	Gen Cash Fed Rev	-8,288,764 0 -974,953 0	-8,288,764 0 -974,953 0
*	Public Assistance - Federal fund base adjusment (Prog 347 Public assistance) The following base adjustments were made to federal funds: Refugee Assistance \$175,000 Community Service Block Grant \$159,713	Gen Cash Fed Rev	0 0 334,713 0	0 0 334,713 0
*	Subsidized Adoption increase (Prog 347 Public assistance) This Program is the same as the IV-E Adoption Assistance Program, except the children are not eligible for a federal match. Provider rate increases of 1.5% per year. The projected change in the number of clients is 10%.	Gen Cash Fed Rev	1,569,522 0 0 0	3,393,762 0 0 0
*	Transfer in predisposition detention from Program 316 (Prog 347 Public assistance)	Gen Cash Fed Rev	156,536 0 0 0	156,536 0 0 0

IV-E Foster Care Program decrease (Prog 347 Public assistance) Gen -123.211-320.417This program provides services to state wards meeting the Cash 0 0 requirements of the federal Title IV-E Program who are living in out-Fed 0 0 of-home placements. The services provided include assessment, Rev 0 0 referral, case planning and supportive services such as counseling and maintenance payments. Provider rate increases of 1.5% year. The projected change in the number of clients varies by by service and ranges from -7 to 5%. IV-E Adoption Assistance increase (Prog 347 Public assistance) Gen 693,968 1,653,543 The two adoption Programs provide monthly maintenance payments Cash 0 and assistance for non-recurring expenses to families adopting a Fed 89,908 136,292 state ward when the adoption would not be possible without the Rev 0 0 financial assistance. Provider rates of 1.5% per year are provided. The projected change in the number of clients by service type ranges from 3% to 15%. Employment First rate increase and fund shift (Prog 347 Public Gen -1.787.265-1.572.403assistance) Families receiving assistance under TANF are Cash 0 0 Fed 2,000,000 required to participate in work requirements unless exempt. Federal 2,000,000 law requires 50% of single parent families and 90% of two-parent Rev 0 families to be involved in work requirements which can include education. Work activities must be supervised on a daily basis. During the FY 07 and 08 biennium, general funds were increased by \$2.2 million and federal TANF were reduced by that amount. The fund mix is changed back to the prior allocation. Emergency Assistance increase (Prog 347 Public assistance) Gen 126,590 265.839 Low-income families may receive emergency assistance once a Cash 0 0 year for food, shelter, clothing, utilities and other basic needs. A Fed 0 0 10% increase in requests is anticipated. 0 Rev 0 Educational Assistance to State Ward Program increase (Prog 347 Gen 171,948 345.615 Public assistance) Any minor child who is adjudicated as a ward Cash 0 0 of the court or the state or who is placed under the guardianship of Fed 0 0 the Department of Health and Human Services will have their Rev 0 0 education and transportation costs reimbursed by the state, if the child is placed outside of the resident school district of the child or the child's parents and the child is not residing in family foster care. A one-percent increase is provided each year. Child Welfare utilization and rate increases (Prog 347 Public Gen 1,241,131 2.489.035 assistance) This request includes provider rate increases of Cash 0 0 1.5% per year. The projected change in the number of Fed 0 0 clients by service type is -7 to 5%. Rev 0 0

Child Care Subsidy increase (Prog 347 Public assistance) This 7,097,636 9.065.789 Gen Program funds child care services for low-income families Cash 0 0 participating in training, education or employment. The Program 0 Fed 0 provides full payment of child care costs for families on ADC, those 0 Rev 0 transitioning off of ADC and families in the child welfare system. For low-income families above the ADC level up to 120 percent of federal poverty guidelines and those transitioning off of ADC, up to 185% of poverty, the Program covers child care costs on a sliding fee scale. In FY 2008, the average monthly number of families receiving subsidized child care was 17,108. By state statute, the department is required to pay rates between the 60th and 75th percentile. The rates are adjusted every two years. The next rate adjustment will be on July 1, 2009 and ranges from 5% to 11%, depending on the type of care. This funds the schedule at the 60th percentile. Utilization is projected to increase in a range from 0 to 3%, depending on the type of child care. AABD Special Rates rate increase (Prog 347 Public assistance) Gen 64,167 143,244 The state instituted an higher rate for individuals who live in Cash 0 0 0 assisted living facilities that are not covered by Medicaid because Fed 0 prior rates did not cover the costs to these providers. Prior to the 0 0 Rev provision of this additional rate, residential facilities were on the verge of closing and one, Paxton Manor, did close. Many of these facilities serve mentally ill clients. Provider rates are increased by 1.5% per year. Transfer in child welfare Programs from Program 039 (Prog 347 Gen 1,889,556 1,889,556 Public assistance) The programs were those established per the Cash 0 0 recommendations for the Governor's Children's Task Force in 2004 Fed 86,694 86,694 and include a child abuse public awareness campaign, funding for Rev 0 0 the eight Child Advocacy Centers in the state, training funds for medical and law enforcement professionals and home visitation programs. State Disabled - Maintenance increase (Prog 347 Public 37,902 77,700 Gen assistance) The maintenance program provides monthly income Cash 0 0 for persons with a disabilities lasting between 6 and 12 months. If Fed 0 0 the disability continues beyond 12 months, Social Security Rev 0 0 coverage begins. A retroactive reimbursement is claimed if the person later becomes eligible for Social Security. This program covers about 160 people each month. The request includes a combined utilization and cost-of-living increase of 5% each year. State Disabled – Medical increase (Prog 347 Public assistance) 292,568 639,572 Gen Medical coverage is provided to low-income individuals with a Cash 0 0 disability lasting between 6 and 12 months. If the disability Fed 0 0 continues beyond 12 months, Medicare coverage begins. Income Rev 0 0 must be at or below \$867 for one person or \$1,167 for a twoperson household. A retroactive reimbursement is claimed if the person later becomes Medicare eligible. This Program covers about 157 people each month. The request includes a utilization increase of 3% and a provider rate increases of 1.5% per year.

State Food Stamp Program utilization increase (Prog 347 Public Gen 16.657 34.147 assistance) A 5% increase in utilization each year. In the past Cash 0 0 year, the increase was 21%. Fed 0 0 0 0 Rev Medically Handicapped Children's Program increase (Prog 347 72,770 Gen 36.114 Public assistance) This Program pays for diagnosis, referral and Cash 0 0 medical treatment of children with severe handicaps and chronic Fed 0 0 medical conditions and adults with certain specific medical 0 0 Rev conditions. Medicaid does not cover these children and adults. Approximately 2,420 children and adults receive services. For children, the major conditions covered are cleft lip/palates, cerebral palsy, heart defects, hemophilia, orthopedic problems, midline birth defects, cystic fibrosis, hyper alimentation, neoplasm and premature births. For adults, the only conditions covered are cystic fibrosis, hemophilia and sickle cell anemia. Provider rates are increased 1.5% per year. Title XX increase (Prog 347 Public assistance) Title XX services Gen 114,759 231,239 are directed at promoting self-sufficiency, preventing abuse and Cash 0 0 neglect and preventing inappropriate institutional care for elderly Fed 0 0 individuals and persons with disabilities. The services provided Rev 0 0 are: chore services, home-delivered and congregate meals, respite care, adult day care, and transportation services. Provider rates increase by 1.5% per year. State Supplement increase (Prog 347 Public assistance) This Gen 375,965 770,728 Program provides a supplement to low income individuals receiving Cash 0 0 Social Security payments to bring their income up to the standard of 0 Fed 0 0 need in Nebraska. The request includes a combined utilization and Rev 0 cost-of-living increase of 5% each year. Eliminate funding for adoption incentive Program (Prog 347 Public Gen -690.000 -690,000 assistance) This program provided a \$1,000 per year bonus Cash 0 0 payment for the first five years for families adopting state wards. It Fed 0 0 was eliminated in the special session in 2002. The payments in FY Rev 0 0 07 were \$220,000. No payments were made in FY 08, so no further payments will be made. ARRA Enhanced Fed Financial Participation-IV-E Adoption Gen -956,235 -518,412 Assistance (Prog 347 Public assistance) The match rate is Cash 0 adjusted by 6.2% through December 30, 2010. Fed 956,235 518,412 Rev 0 0 ARRA Enhanced Fed Financial Participation-IV-E Foster Care (Prog Gen -671.480 -314.136 347 Public assistance) The match rate is adjusted by 6.2% through Cash 0 December 30, 2010. Fed 671,480 314,136

ARRA Child Care funds, offset GF increase (Prog 347 Public assistance) Child care funds from the federal stimulus are being used to cover a portion of the rate increase and utilization increase. ARRA funding available for the low-income child care subsidy program is \$11.7 million. The funds must be used to supplement and not supplant state general funds. Of the amount available, approximately 12.7% \$1,498,473 is designated for activities such as consumer education, parental choice and quality and availability of child care. Of that amount, 36% (\$539,450) is designated for programs that improve the quality of infant and toddler care

Gen -7,000,000 -3,200,000 Cash 0 0 Fed 7,000,000 3,200,000 Rev 0 0

The federal guidance recently issued on the supplement/supplant issue is as follows: a state will be determined to have met the "...'supplement and not supplant' requirement if the state has not made administrative or legislative changes to reduce the amount of general revenue funds for child care assistance to low-income families below the amount the State would have spent under state law and policies in place on the date of enactment or ARRA (February 17, 2009)."(Administration for Children and Families, Child Care Bureau, April 9, 2009)

Medicaid - Base adjustment (Prog 348 Medicaid) Two areas account for the majority of underspending from the projections done in 2007: prescription drugs and nursing facilities. Gen -19,965,296 -19,965,296 Cash 0 0 Fed -4,886,046 -4,886,046 Rev 0 0

Drugs were projected to increase 10% per year; the actual increase was 6%. In addition, the "clawback," the amount the state must pay the federal government for the saving to the Medicaid Program because of Part D coverage was also lower than projected, by approximately \$4 million in FY 08 and by \$6.2 million in FY 09.

Nursing facilities costs were \$19 million less than projected in FY08 and is estimated to be \$9.5 million below the original projections in FY 09. Three factors likely account for the lower utilization. The aged population was projected to increase by 1.5% each year of the biennium. In FY 08, the average monthly number of aged eligibles declined by 2%. The other reason may be due to Medicaid reform measures. One of the reform measures is an incremental expansion of the home and community based waiver for the aged and disabled. Although savings were calculated in the appropriation, they were conservative. It is also possible that with the Medicare Part D coverage, elderly individuals with high drug costs would not be spending down to Medicaid eligibility or may not be using up their financial resources as fast making them Medicaid eligible.

Gen 17,385,133 40,594,840 Cash 0 0 Fed 46,592,800 91,873,933 Rev 0 0

^{*} Rate and Utilization (Prog 348 Medicaid) General provider rate of1.5% per year is included. Prescription drugs are increasing 6.0%. Overall utilization is anticipated to grow 1.69%. Projected increase by eligibility category:Aged 1% per yr, Disabled 3.0% per yr, Children 1.5% per yr, Adults -1.0% per yr

Change child care payment for disabled children to the amount Gen 0 -725,380 exceeding regular child care (Prog 348 Medicaid) The federal 0 Cash government has taken an exception to coverage for the entire cost Fed 0 -1,087,617 of child care. Medicaid should only be responsible for the cost of Rev 0 specialized care above the cost of regular child care. Regulations are in the process of being changed to bring the state into compliance. Two-tiered payment rate for procedures that could be performed in Gen 0 -637,878 an office but are done in a hospital (Prog 348 Medicaid) A 20% Cash 0 0 payment differential would be established between procedures Fed 0 -956,816 delivered in an inpatient or outpatient setting compared to the same Rev 0 0 procedures performed in an office. Lower outpatient reimbursement (Prog 348 Medicaid) This would Gen 0 -843,137 lower the outpatient reimbursement rates to 75% from 82.45% of Cash 0 0 the hospital specific cost-to-charge ratio. Fed 0 -1,264,179 Rev 0 0 Lower indirect medical education (IME) factor (Prog 348 Medicaid) Gen 0 -49,556 Medicaid reimburses teaching facilities at a higher reimbursement Cash 0 0 level because those facilities have more costs due to time, Fed 0 -74,303 procedures and equipment required in a teaching environment. The Rev 0 current IME factor is 72.64%. This would lower it to 70%. Institute premium payments for families at 185% of poverty and Gen 0 -213,216 above (Prog 348 Medicaid) Families with children receiving Cash 0 Medicaid services through home and community-based waivers -346,690 Fed 0 and the Katie Beckett provisions qualify without regard to the Rev 0 0 parents' income. This would institute a premium payment on families receiving Medicaid services with incomes above 185% of poverty. Approximately 790 families would have a premium payment obligation. The premiums would be on a sliding fee scale, starting at 1% of income and ranging up to 5%. A child's eligibility would not be discontinued until the premium was 60 days past due. To stay in compilance with ARRA requirements that income eligibility cannot be lowered, this change will not be implemented until January 2011. Change in the federal match rate (Prog 348 Medicaid) The federal Gen -6,016,183 -6.210.186 match rate is changing from 59.54% to 60.56% in FY 10 and an Cash 0 0 estimated change in FY 11 to 60.31%. Fed 6,016,183 6,210,186 Rev 0 0 Adjust the federal "clawback" payment to new estimate (Prog 348 Gen -172,871 -182,845 Medicaid) The federal "clawback" amount was assessed the state Cash 0 0 was further reduced after the agency's budget was submitted. Fed 0 0 This reflects the adjustment to the new projected amount. 0 0 Rev

*	ARRA ehanced FMAP (FY10/FY11)-Medicaid (Prog 348 Medicaid)	Gen	-97,376,177	-63,082,483
		Cash	0	0
		Fed	97,376,177	63,082,483
		Rev	0	0
*	Annualize costs for Medicaid smoking cessation (Prog 348	Gen	0	0
	Medicaid)	Cash	175,000	175,000
	wiedicald)	Fed	0	0
		Rev	0	0
			_	_
*	Don't have been to see a see a set of the se	•	500.000	4 000 000
	Provide services to persons with developmental disabilities who	Gen	560,000	1,280,000
	are transitioning from high school (Prog 424 Develop Disability aid)	Cash	0	0
	LB 830 (1991) established an entitlement to services for persons	Fed	0	0
	with developmental disabilities who graduate from high school or	Rev	0	0
	reach age 21. Funding is provided for a net additional 120 graduates in 2009-10 and an additional 100 persons will be served			
	in 2010-11.			
	112010 11.			
*	Eliminate duplicative accounting for federal Medicaid funds (Prog	Gen	0	0
	424 Develop Disability aid) HHS indicates the federal authorities are	Cash		0
	asking the department to pay providers directly from the Medicaid	Fed	0 -94,207,814	•
	program (Prog. 348) rather than provide funds to the behavioral	Rev	-94,207,814	0
	health program which then makes payments to behavioral health	ICCV	O	O
	providers. The request eliminates the duplication of funding in the			
	single agency.			
*	2.5% rate increase for developmental disability providers (Prog 424	Con	1 044 012	3,735,949
	· · · · · · · · · · · · · · · · · · ·	Gen	1,844,913	
	Develop Disability aid)	Cash Fed	0	0
		Rev	0	0
		1/6/	O	O
*		_		
	Increase aid for developmental disability programs to fund persons	Gen	5,000,000	5,000,000
	leaving BSDC (Prog 424 Develop Disability aid)	Cash	0	0
		Fed	0	0
		Rev	0	0
*				
	Developmental disability waiting list (Prog 424 Develop Disability aid)	Gen	5,197,920	10,525,788
		Cash	0	0
		Fed	0	0
		Rev	0	0
*	Provider rate increases of 1.5% per year (Prog 502 Public	Gen	181,575	365,874
	Health grants) This program contains funding for	Cash	0	0
	federally qualified community health centers and local health	Fed	0	0
	departments.	Rev	0	0

Norfolk community health center funding (Prog 502 Public Health Gen 100.000 100.000 grants) A new center has been approved by the federal Cash 0 0 government. The state currently provides general funds for the Fed 0 0 federally recognized community health centers. The Norfolk center 0 0 Rev meets all the same criteria as the currently funded centers. The base amount of \$100,000 is provided for the Norfolk center in each of the next two years. Provider rate increases of 21.5%per year (Prog 514 Health aid) Gen 61.872 124.672 Cash 183,440 323.773 Fed 693,746 1,324,460 Rev 0 0 Increased WIC rebates (Prog 514 Health aid) The source of cash Gen 0 0 funds is from a mandatory food rebate Program from baby formula 1,200,000 1,800,000 Cash manufacturer Mead-Johnson. Cash funds must be expended Fed 0 0 before federal funds can by expended. This is the annualization of Rev 0 0 the deficit request. Funds for the Stay in the Game Program (LB459 into LB315) (Prog 400,000 400,000 Gen 514 Health aid) Cash 0 0 0 Fed 0 0 0 Rev Funds for Every Woman Matters Program (LB369 into LB315) (Prog Gen 200,000 200,000 514 Health aid) Cash 0 0 Fed 0 0 Rev 0 0 Provider rate increase of 1.5% per year (Prog 559 Care management Gen 29,899 59,850 Cash 0 0 Fed 0 0 Rev 0 0 Provider rate for aging services to 3% per year (Prog 571 Aging Gen 171,716 233,533 Services) Cash 0 0 Fed 0 0 Rev 0 0

Agency 27 Dept of Roads

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comr Prop FY20	osed	Pro	mmittee oposed 2010-11
Operations General Cash Federal Revolving Subtotal-Oper	18,184 652,134,915 0 0 652,153,099	18,184 658,870,146 0 0 658,888,330	18,184 658,692,683 0 0 658,710,867		2,610 734,915 0 0 737,525		2,610 8,734,915 0 0 8,737,525
State Aid General Cash Federal Revolving Subtotal-Aid	0 3,024,088 0 0 3,024,088	0 3,024,088 0 2,850,806 5,874,894	0 3,024,088 0 0 3,024,088	2,8	0 024,088 0 850,806 874,894		0 3,024,088 0 0 3,024,088
Agency Total General Cash Federal Revolving Agency Total	18,184 655,159,003 0 0 655,177,187	18,184 661,894,234 0 2,850,806 664,763,224	18,184 661,716,771 0 0 661,734,955	2,	2,610 759,003 0 850,806 612,419		2,610 31,759,003 0 0 0 31,761,613
Operations				F	FY2009-1	0 F	Y2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen Cash Fed	782,7	0 789 0	0 782,789 0
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	.gency-wide)	Gen Cash Fed	-212,9	0 941 0	0 -212,941 0
* DAS Vehicle Lia	bility Assessment ((Prog 0 Agency-v	vide)	Gen Cash Fed	-481,4	0 148 0	0 -481,448 0
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen Cash Fed	2,707,5	0 522 0	0 5,480,921 0
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash Fed	1,986,3	0 324 0	0 4,107,641 0

*	Set the Highway Cash Fund (HCF) appropriation at \$368,000,000 in FY09-10, and \$370,000,000 in FY10-11. (Prog 0 Agency-wide) According to the most recent revenue projections from the Department of Roads, this appropriation will continue the current 26.4 cent fuel tax into the next two fiscal years. The FY08-09 HCF appropriation is \$370,316,930, so the recommended appropriation each year is lower when compared to the current year's appropriation.	Gen Cash Fed Rev	0 -2,316,930 0 0	0 -316,930 0 0
	If a comparison is made to the Department's request the recommended HCF appropriation represents an increase in state funding of \$7 million in FY10 and \$9 million in FY11. This increase is due to both revised revenue projections and a recommended 26.4 cent tax instead of the requested 26 cents. This increase is offset by the denial of the agency's request to use General Funds (\$7.4 million/yr.) to fund the State Patrol's Carrier Enforcement Division. Carrier Enforcement will continue to be funded from the department's cash fund as it has been in the past.			
*	The appropriation in each of the four operating budget programs was adjusted to reflect the Department's best estimate of the cash flow of expenditures as construction projects pay out (Prog 0 Agency-wide)	Gen Cash Fed Rev	0 4,984,518 0 0	0 4,972,152 0 0
*	No additional state funding is provided to pay for salary and health insurance increases. This adjustment reflects the fact that these increases are funded by reducing other costs, which can include highway construction (Prog 0 Agency-wide)	Gen Cash Fed Rev	0 -4,693,846 0 0	0 -9,588,562 0 0
*	Eliminate funding for the Midwest Interstate Passenger Rail Compact (Prog 305 Local transit aid)	Gen Cash Fed	-15,574 0 0	-15,574 0 0
S	tate Aid		FY2009-10	FY2010-11
*	Grants for the rehabilitation of light-density rail lines (Prog 185 Rail line assistance) The Light-Density Rail Line Assistance Revolving Fund is used to provide grants for the rehabilitation of light-density	Gen Cash Fed	0 000 000	0 0 0

Rev

2,850,806

0

rail lines. The July 1, 2008 fund balance was \$2,850,806. The

recommendation provides the authority to use this balance to provide grants to operators of light-density rail lines.

Agency 28 Dept of Veterans Affairs

Commons		Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comn Prope FY200	osed	Committee Proposed FY2010-11
Cash 0 0 0 0 0 0 0 0 0 Revolving 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		4 000 004	4 400 740	4.400.000		250 200	4 400 455
Federal		_	_	2	,	_	_
Subtotal-Oper		_				_	_
Agency Total General	Revolving	0	0	0		0	0
Cash	Subtotal-Oper	1,032,894	1,186,710	1,198,086	(959,393	1,198,455
Cash	Agency Total						
Cash		1,032,894	1,186,710	1,198,086	9	959,393	1,198,455
Revolving				_			0
Agency Total 1,032,894 1,186,710 1,198,086 959,393 1,198,455 Procedure			_			_	
Operations FY2009-10 FY2010-11 * Annualize FY09 Salary Increases (Prog 0 Agency-wide) Gen 3,453 3,453 (Cash 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	•	•	-	-		•	•
* Annualize FY09 Salary Increases (Prog 0 Agency-wide) Gen 3,453 3,453 Cash 0 0 0 Fed 0 0 0 Rev 0 0 0 * DAS Workers Compensation Assessment (Prog 0 Agency-wide) Gen -421 -421 Cash 0 0 0 Fed 0 0 0 Rev 0 0 Fed 0 0 0 Rev 0 0 0 * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 Fed 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0	Agency Total	1,032,694	1,186,710	1,190,000	,	909,393	1,190,400
* DAS Workers Compensation Assessment (Prog 0 Agency-wide) * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Operations				F	FY2009-10	FY2010-11
* DAS Workers Compensation Assessment (Prog 0 Agency-wide) * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	3,45	3 3,453
* DAS Workers Compensation Assessment (Prog 0 Agency-wide) * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)		,		,	Cash		
* DAS Workers Compensation Assessment (Prog 0 Agency-wide) Cash 0 0 0 Fed 0 0 0 Rev 0 0 FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 0 Fed 0 0 0 Rev 0 0 FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0 0							
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide) * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 Fed 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0					Rev		0 0
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide) * FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 Fed 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0	* DAS Workers C	Compensation Asses	ssment (Prog 0 A	aency-wide)	Gen	-42	1 -421
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 0 Fed 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0	Di to trontoro o	omponoation 7.0000	somoni (i rog o 7	goriey wide,			
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 19,531 39,528 Cash 0 0 0 Fed 0 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0							
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Cash 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0							
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Cash 0 0 Rev 0 0 * FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0	* FV40 / FV44 C-	dom discussions (Dro	a. O. A a a a a v v vida	\	0.00	40.52	4 20 520
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Cash Fed 0 0 0 41,599 Cash 0 0 Fed 0 0	FY10/FY11 Sa	liary increases (Pro	g u Agency-wide)			
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 20,116 41,599 Cash 0 0 Fed 0 0							
Cash 0 0 Fed 0 0							
Cash 0 0 Fed 0 0	* EV10 / EV11 U	oolth Ingurance Incr	ooooo (Drog O Ao	opov wido)	Con	20.44	6 41 500
Fed 0 0	FIIV/FIII ME	aim moulance mor	cases (Flug u Ag	jericy-wide)			
1.01					Rev		

Elimination of one Secretary and reduction in operating and travel -29,330 -60,681 Gen expenses (Prog 36 Dept administration) The Department's request Cash 0 0 for FY10 and FY11 shows no increase over the current year's Fed 0 0 appropriation, even though the request includes a 2.5% salary 0 0 Rev increase, salary annualization costs, and a 10% increase in health insurance. A portion of these increases are offset by the decrease in DAS rates for accounting and workers compensation. The balance of the reductions necessary hold the request flat include the phased elimination of a currently vacant Secretary position (savings of \$17,085 in FY10 and \$48,436 in FY11), a \$6,000 reduction in operating expenses, and a \$6,245 reduction in travel. Eliminate funding for the Nebraska Veterans Cemetery Advisory Gen -3,000 -3,000 Board (Prog 37 Vets Cemetery) The work of the Cemetery Cash 0 0 Advisory Board has been completed and any needed advice in Fed 0 0 regards to the cemetery system in the future can be provided by 0 Rev 0 the Veterans' Advisory Commission. Fully fund costs associated with the opening of the new Veterans' Gen -81,028 147,389 Cemetery at Alliance. (Prog 37 Vets Cemetery) The Committee's Cash 0 0 recommendation takes into account unexpended FY09 funds that Fed 0 0 will be reappropriated into FY10, and the delayed opening date of Rev 0 0

the cemetery until the fall of 2010.

Agency 29 Dept of Natural Resources

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Proposed FY2009-1	d I	Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	9,417,678 498,250 530,887 0 10,446,815	9,417,678 499,475 440,719 0 10,357,872	9,417,678 500,729 450,519 0 10,368,926	9,716, 498, 430, 10,645,	,250 ,887 0	9,994,000 498,250 430,887 0 10,923,137
State Aid General Cash Federal Revolving Subtotal-Aid	8,474,374 5,445,840 172,327 0 14,092,541	8,474,374 5,445,840 72,327 0 13,992,541	8,474,374 5,445,840 72,327 0 13,992,541	8,175, 5,445, 72, 13,693,	,840 ,327 0	8,175,755 5,445,840 72,327 0 13,693,922
Agency Total General Cash Federal Revolving Agency Total	17,892,052 5,944,090 703,214 0 24,539,356	17,892,052 5,945,315 513,046 0 24,350,413	17,892,052 5,946,569 522,846 0 24,361,467	17,891, 5,944, 503, 24,339,	,090 ,214 0	18,169,755 5,944,090 503,214 0 24,617,059
Operations				FY20	009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ide)	Gen	43,623	43,623
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen	-3,718	-3,718
* DAS Vehicle Liab	oility Assessment (Prog 0 Agency-w	vide)	Gen	-482	-482
* DAS Building / Rent Charges (Prog 0 Agency-wide)					-310	-310
* Life insurance and DAS purchasing assessment. (Prog 0 Agencywide)					1,464	1,530
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide)					147,294	298,120
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)					91,320	188,846

Reduction of estimated federal funding (Prog 334 Soil/water Gen 0 0 conservation) The agency requested a lower federal fund Cash 0 0 expenditure authority, based upon projected funding levels. -100,000 -100,000 Fed Rev 0 0 Increase personal services limit to reduce reliance on contractual Gen 0 0 services for integrated management workload. (Prog 334 Cash 0 0 Soil/water conservation) The Appropriations Committee increased Fed 0 0 the agency personal services limit by \$250,000 and includes the 0 Rev 0 following intent language: "It is the intent of the Legislature that the Department of Natural Resources 1) examine the use of consultants to carry out integrated water management projects and studies and 2) hire additional staff when cost benefit analysis indicates that it is feasible to decrease the reliance upon consulting

services used to carry out long-term integrated water management

projects and studies."

State Aid		FY2009-10	FY2010-11
* Reduction of estimated federal funding (Prog 304 Water	Gen	0	0
Conservation Fund) The agency requested a lower federal fund	l Cash	0	0
expenditure authority, based upon projected funding levels.	Fed	-100,000	-100,000
	Rev	0	0
* Soil & Water Conservation Fund, reduce General Fund allocatio	n to Gen	-198,619	-198,619
program. (Prog 304 Water Conservation Fund) The Appropriation	ons Cash	0	0
Committee recommendation reduces funding for this program by		0	0
7.4%. Funds allocated to this program are divided between naturesources districts, with the NRDs providing funding to individual property owners undertaking conservation practices.		0	0
* Water Management Fund, reduction of program funding (Prog 3	11 Gen	-100,000	-100,000
Groundwater Mgmt grants) The Appropriations Committee	Cash	0	0
recommendation reduces funding by 9.3%.	Fed	0	0
	Rev	0	0

Agency 30 State Electrical Board

<u>Operations</u>		FY2009-10	Governor FY2010-11	Proposed FY2009-10		Proposed Y2010-11
General	0	0	0		0	0
Cash	1,532,813	1,531,013	1,531,013	1,617,	199	1,667,929
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	1,532,813	1,531,013	1,531,013	1,617,	199	1,667,929
Agency Total						
General	0	0	0		0	0
Cash	1,532,813	1,531,013	1,531,013	1,617,	199	1,667,929
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	1,532,813	1,531,013	1,531,013	1,617,	199	1,667,929
* Annualize FY09 S	alary Increases (Prog 0 Agency-w	ride)	Gen Cash Fed Rev	0 6,594 0 0	
DAS Workers Cor	npensation Asses	ssment (Prog 0 A	gency-wide)	Gen	0	0
				Cash	-573	-573
				Fed	0	
				Rev	0	C
* FY10 / FY11 Sala	ry Increases (Pro	g 0 Agency-wide)	Gen	0	O
	,		,	Cash	23,719	48,004
				Fed	0	.0,00
				Rev	0	Ċ
* FY10 / FY11 Heal	th Insurance Incr	eases (Prog 0 Ac	gency-wide)	Gen	0	C
			,	Cash	22,506	
				Fed	22,300	40,341
					U	U

Operating Expenses (Prog 197 Protect people/property) The 0 0 Gen agency has requested increased authority to address higher Cash 10,673 11,473 anticipated costs for general operations. This issue includes over Fed 0 0 15 areas of expense. No single area is increasing more than 0 Rev 0 \$3,500. These increases are for things such as rent (\$3,500), dues and subscriptions (\$900), NEOnline expenses (\$3,500). Also included in this issue is a travel expense reduciton of \$1,800 each year. Postage and Printing Costs (Prog 197 Protect people/property) The Gen 0 0 agency has requested additional funding for postage (\$5.000) and 5,500 Cash 5,500 printing (\$500). This reflects both higher postage rates and an Fed 0 0 anticipated higher number of mailings and projects. Rev 0 0 Report System Update (Prog 197 Protect people/property) The 0 Gen 0 agency has requested one-time funds to update the current 0 Cash 20,000 electronic reporting system. The current system will no longer Fed 0 0 receive support from Microsoft some time in FY2010. Without this Rev 0 0 updating, the laptops and desktops which are currently used will not function property when reporting inspections and licensing issues.

Agency 31 Military Department

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	sed	Committee Proposed Y2010-11
Operations						
General	3,748,283	3,818,115	3,827,232		31,304	3,890,621
Cash	961,844	966,714	970,798		3,440	970,650
Federal	11,581,921	11,751,874	11,908,180	12,04	12,588	12,287,457
Revolving	0	0	0	40.00	0	0
Subtotal-Oper	16,292,048	16,536,703	16,706,210	16,86	67,332	17,148,728
State Aid						
General	1,024,166	1,525,000	1,525,000	1,52	25,000	1,525,000
Cash Federal	0 6,070,604	0 6,070,604	0 6,070,604	6.07	0 70,604	0 6,070,604
Revolving	0,070,604	0,070,604	0,070,604	6,07	0,604	0,070,604
Subtotal-Aid	7,094,770	7,595,604	7,595,604	7,59	95,604	7,595,604
Agency Total	4 770 440	E 242 44E	E 252 222	F 20	06.204	E 44E 604
General Cash	4,772,449 961,844	5,343,115 966,714	5,352,232 970,798		36,304 53,440	5,415,621 970,650
Federal	17,652,525	17,822,478	17,978,784		13,192	18,358,061
Revolving	0 17	17,822,478	0	10,11	0	10,330,001
Agency Total	23,386,818	24,132,307	24,301,814	24.46	62,936	24,744,332
rigerie, reitin		_ ,, , , _ ,, , ,		,	,	_ ,, ,,
Operations				FY	/2009-10	FY2010-11
т.						
^ Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	14,820	14,820
				Cash	1,217	1,217
				Fed	37,933	37,933
				Rev	C	0
* 5.0.44 + 0		. (5		0	4 400	
DAS Workers C	ompensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	1,420	
				Cash	141	
				Fed	3,546	
				Rev	C	0
* DAS Vahiala Lia	ability Assessment (Prog O Agonos	vido)	Gon	22.720	22 720
DAS VEHICIE LIS	ibility Assessifielit (Flog o Agency-v	viu <i>e)</i>	Gen	-32,729	
				Cash	-6,736	
				Fed	-6,939 C	
				Rev	C	0

Operations		FY2009-10	FY2010-11
* DAS purchasing assessment (Prog 0 Agency-wide)	Gen Cash Fed Rev	-1,816 0 -605 0	0 -605
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide)	Gen Cash Fed Rev	51,277 5,388 125,529 0	10,904 254,063
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen Cash Fed Rev	21,095 1,586 91,794 0	3,280 189,826
* Base reduction to offset salary annualization, salary increases and health insurance increases (Prog 544 Natl & State guard) The agency's General Fund request for FY10 and FY11 is nearly identical to the current appropriation. Since the request includes salary annualization, a 2.5% salary increase, and a 10% increase in health insurance, the agency has had to cut their base appropriation to fund these increases but still show no increase overall. The reduction proposed by the agency is to eliminate or reduce two positions starting in FY11, a Business Manager and a Word Processing Specialist. Remaining staff will be required to absorb the duties previously performed by these two positions.	Gen Cash Fed Rev	0 0 0 0	0
* Fully fund the state match of federal funds for operation and maintenance of Air Guard facilities (includes earmark) (Prog 544 Natl & State guard)	Gen Cash Fed Rev	70,464 0 211,392 0	0 229,695
State Aid		FY2009-10	FY2010-11
* Set the General Fund appropriation at \$1,000,000 each year in the Governor's Emergency Program (Prog 192 Gov Emergency Fund)	Gen Cash Fed Rev	500,834 0 0 0	500,834 0 0

Agency 32 Educational Lands and Funds

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propos FY2009	sed	Commit Propos FY2010	ed
<u>Operations</u>							
General	414,455	344,063	355,390		48,468		0,161
Cash	9,104,806	9,100,087	9,100,489	9,30	68,270	9,64	8,625
Federal	0	0	0		0 0		0 0
Revolving Subtotal-Oper	9,519,261	9,444,150	9,455,879	9,7	16,738	10,00	8,786
Agency Total							
General	414,455	344,063	355,390		48,468		0,161
Cash	9,104,806	9,100,087	9,100,489	9,3	68,270	9,64	8,625
Federal	0	0	0		0		0
Revolving	0	0	0	0.7	0	40.00	0
Agency Total	9,519,261	9,444,150	9,455,879	9,7	16,738	10,00	8,786
Operations				F`	Y2009-10	FY20	10-11
* DAS Workers C	ompensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	-2,09		-2,093
				Cash	-10		-106
				Fed		0	0
				Rev		0	0
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen	6,15		12,463
				Cash	15		319
				Fed		0	0
				Rev		0	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen	4,64	5	9,606
				Cash	17	_	362
				Fed		0	0
				Rev		0	0
* Eliminate deput	y director per reque	est (Prog 529 Lan	d surveyors)	Gen	-76,09	8 -	76,098
				Cash		0	0
				Fed		0	0
				Rev		0	0
* One-time capita	l outlay decrease p	er request (Prog	529 Land	Gen	-2,20	0	0
surveyors)				Cash		0	0
				Fed		0	0
				Rev		0	0

*	Decrease operating expenses and travel per request (Prog 529 Land surveyors)	Gen Cash Fed	-1,673 -38 0	-3,470 -41 0
		Rev	0	0
*	Shift a portion of a Drafter from cash to general funds due to completion of a digital conversion project (Prog 529 Land surveyors)	Gen Cash Fed Rev	5,600 -5,600 0 0	5,600 -5,600 0
*	Decrease base to fund one survey each year per request (Prog 554 Disputed surveys)	Gen Cash Fed Rev	0 -5,000 0 0	-5,000 0 0
*	Estimated 3% increase in expenditures of the Board of Educational Lands and Funds (Prog 582 School land trust)	Gen Cash Fed Rev	0 274,000 0 0	0 554,000 0 0

Agency 33 Game and Parks Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11
Operations						
General	11,288,991	11,345,916	11,356,844	11,6	70,477	12,047,640
Cash	47,397,354	41,759,409	41,977,777		50,218	44,602,526
Federal	246,554	223,484	223,484	2,1	15,795	2,231,337
Revolving	0	0	0		0	0
Subtotal-Oper	58,932,899	53,328,809	53,558,105	56,8	36,490	58,881,503
State Aid						
General	50,000	50,000	50,000		47,500	47,500
Cash	12,721,000	16,601,000	16,601,000		01,000	16,601,000
Federal	125,000	125,000	125,000	1.	25,000	125,000
Revolving	0	0	0		0	0
Subtotal-Aid	12,896,000	16,776,000	16,776,000	16,7	73,500	16,773,500
Agency Total						
General	11,338,991	11,395,916	11,406,844		17,977	12,095,140
Cash	60,118,354	58,360,409	58,578,777		51,218	61,203,526
Federal	371,554	348,484	348,484	2,2	40,795	2,356,337
Revolving	0	0	0		0	0
Agency Total	71,828,899	70,104,809	70,334,105	73,6	09,990	75,655,003
Operations				F	Y2009-10	FY2010-11
* 4	0.1	D 0 A	* 1. \	0	40.04	40044
Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	18,84	
				Cash	71,02	,
				Fed	3,55	
				Rev	,	0 0
* DAS Workers C	compensation Asse	ssment (Prog 0 A	(gency-wide	Gen	5,00°	1 5,001
27.0	· · · · · · · · · · · · · · · · · · ·		.goo,ao,	Cash	18,61	
				Fed	899	
				Rev		
+						
^ FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide	·)	Gen	154,129	
				Cash	587,363	
				Fed	28,20	1 57,067
				Rev	(0 0

FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 96,810 200.199 Cash 388,012 802,393 Fed 20,064 41,492 Rev 0 0 Reduce the cash fund appropriation to a level that matches Gen 0 0 available cash fund revenue (Prog 0 Agency-wide) This issue Cash -3,196,674 -3,338,928 aligns the cash fund authority with more recent expenditure trends Fed 0 0 that take into account the revenues available in the Game Cash 0 Rev 0 Fund and Park Cash Fund. Cost saving measures have been taken over the past few years to decrease expenditures and at the same time fee increases have been implemented to try to halt or reverse the declining balances. Projected cash fund revenue, together with eroding General Fund support, is unable to keep up with rising costs. The agency believes they may have reached a tipping point where more emphasis will have to be placed on destination parks and there will be fewer or less maintained marginal recreation areas unless other sources of revenue are identified. Short term cost saving measures such as deferring maintenance and equipment replacement to the future are turning into long-term backlogs. Although the majority of the reductions identified merely reflect the cost saving measures already implemented by the agency, such as not filling vacant positions, there are two filled positions that will be eliminated. Significant inflationary increases for certain expenses (Prog 0 Gen 116,716 249,586 Agency-wide) The Committee's recommendation funds certain 445,411 954,930 Cash expenses that are more prone to significant inflationary increases. Fed 0 0 This includes: Life and accident insurance, postage expenses, Rev 0 0 communications expenses, utilities (gas, elect., water/sewer), building rental/lease, repair & maint, of motor vehicles, gasoline and diesel fuel, and waste disposal. Increased cost of controlling noxious weeds. This increase is a Gen 0 0 combination of increased need and increased cost of weed control Cash 12,750 27,668 products and contractors. (Prog 330 Habitat development) Fed 0 0 0 0 Rev In-lieu-of-tax payments (Prog 330 Habitat development) Game and Gen 0 0 Parks is required to make in-lieu-of-tax payments to local 84,698 Cash 40,720 governments on wildlife land that they own. Projected increases in Fed 0 0 these payments are as follows. FY07-08 Actual \$471,906; FY08-Rev 0 0 09 Budgeted \$509,000; FY09-10 Request \$549,720; FY10-11 Request \$593,698. Adjust one-time SLEBEC bonus from base. (Prog 336 Wildlife Gen -1,478-1,478conservation) Cash -9,231 -9,231 Fed 0 0 0 Rev 0

Include on-going federal grants in the base budget (Prog 336 Wildlife conservation)	Gen	0	0
	Cash	0	0
	Fed	1,767,695	1,830,942
	Rev	0	0
New Outdoor Education Specialist to implement the hunter/angler recruitment, development and retention plan (Prog 336 Wildlife conservation) The agency has recently developed a 20-year plan for hunter/angler recruitment, development and retention to attemp to reverse the decline in hunter and angler numbers. This new position will assist in the plan's implementation. Although much of the effort will fall on existing staff this new position will help alleviate some pressure on existing positions.	Gen	0	0
	Cash	64,239	66,750
	Fed	0	0
	t Rev	0	0
Include on-going federal grants in the base budget (Prog 337 Administration)	Gen	0	0
	Cash	0	0
	Fed	49,013	50,974
	Rev	0	0
Timber management/fire suppression work (Prog 549 Parks) The Wildcat Hills Nature Center is surrounded by seven acres of overstocked ponderosa pine and red cedar forest that create a fire hazard for the building and park visitors. At Smith Falls State Park the small remaining stands of aspen are declining due to drought and competition from other trees and may disappear without intervention. There are also areas of the park in which the high density of pine and cedar trees are creating a fire hazard. Management plans have been developed for these two areas and the Nebraska Forest Service will assist in securing U.S. Forest Service grants to partially fund management activities. The estimated Game and Parks share is \$3,000 at Wildcat Hills and \$15,000 at Smith Falls.		18,000 0 0	0 0 0 0
Reduced salary limit in FY11 for food service operations at Mahoney State Park. (Prog 549 Parks) The agency has contracted for a study to explore privatizing food service operations at Mahoney SP. The salary limit for FY11 is reduced by \$665,808, an amount equal to the salaries of both permanent and temporary foo service staff. This action will be reviewed by the Appropriations Committee next session by which time the results of the study and the budgetary effect of any privatization efforts will be known.	Fed	0	0
	Rev	0	0
	d	0	0
Increase in credit card service charges (Prog 628 Credit card discount sales) This program was established to record as an expenditure the service/processing fee charged by credit card companies. As in past biennium's, it is expected that there will be an increase in the use of credit cards by customers.	Gen	0	0
	Cash	31,500	65,205
	Fed	0	0
	Rev	0	0

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* Funding the agency's share of costs related to the public safety communications system. (Prog 846 Communication System) Costs have decreased due to a downward revision in the number of Commission employees that will use the system. The current appropriation is \$55,810 GF and \$114,024 CF for a total of \$169,834. The Committee's recommendation will provide \$37,384 GF and \$76,379 CF for a total of \$113,763 in each year of the biennium.	Gen	-18,426	-18,426
	Cash	-37,645	-37,645
	Fed	0	0
	Rev	0	0

State Aid		FY2009-10	FY2010-11
* Distribution of Environmental Trust Fund aid (Prog 162 Environmental Trust Fund) The distribution of aid from the Trust Fund is driven by the amount of lottery revenue received. The Committee's recommendation provides expenditure authority of \$15,000,000 each year to cover expenditures as projects are completed.	Gen	0	0
	Cash	3,500,000	3,500,000
	Fed	0	0
	Rev	0	0
* Increased public access to private lands. (Prog 336 Wildlife conservation) This program enhancement has been identified as a critical component of the agency's efforts to recruit, develop and retain hunters and anglers in the state.	Gen	0	0
	Cash	380,000	380,000
	Fed	0	0
	Rev	0	0
* Reduced General Fund support of the Niobrara Council (Prog 338 Niobrara Council) The appropriation each year for Council support will be \$47,500 GF, \$1,000 CF, and \$125,000 FF.	Gen Cash Fed Rev	-2,500 0 0 0	-2,500 0 0

Agency 34 Nebraska Library Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Proposed FY2009-1	d F	Committee Proposed Y2010-11
Operations General Cash Federal Revolving	2,667,938 94,085 737,661 0	2,667,938 94,085 737,661 0	2,667,938 94,085 737,661 0	2,670, 94, 787,	085	2,673,708 94,085 837,661 0
Subtotal-Oper	3,499,684	3,499,684	3,499,684	3,552,	505	3,605,454
State Aid General Cash Federal	1,220,998 0 761,395	1,220,998 0 761,395	1,220,998 0 761,395	1,218, 711,	0 395	1,215,228 0 661,395
Revolving Subtotal-Aid	0 1,982,393	0 1,982,393	0 1,982,393	1,929,	0 572	0 1,876,623
Agency Total General Cash Federal Revolving Agency Total Operations	3,888,936 94,085 1,499,056 0 5,482,077	3,888,936 94,085 1,499,056 0 5,482,077	3,888,936 94,085 1,499,056 0 5,482,077	1,499, 5,482,	085 056 0	3,888,936 94,085 1,499,056 0 5,482,077
* Annualize FY09 Salary Increases (Prog 0 Agency-wide)					14,953 0 0 0	0
* DAS Workers Compensation Assessment (Prog 0 Agency-wide)					-280 0 0	-280 0 0
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide)					55,883 0 0	0 0

*	FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen	36,092	74,636
		Cash	0	0
		Fed	0	0
		Rev	0	0
*	Unspecified Library Commission staff reduction (Prog 252 Library	Gen	-102,490	-195,618
	services) The Appropriations Committee recommendation includes	Cash	0	0
	a reduction in funding for unspecified staff positions to	Fed	0	0
	accommodate funding for salary, health insurance, and other operating expense increases.	Rev	0	0
*	Authorize reallocation of Program 302 federal funds to Program 252	Gen	0	0
	to support agency operations. (Prog 252 Library services) The	Cash	0	0
	Committee recommendation authorizes a shift of federal funds from	Fed	50,000	100,000
	Program 302 to Program 252 to support agency operations. The shift is authorized so as to mitigate staffing reductions that may be necessitated in consideration of the recommended General Fund appropriation levels for agency operations.	Rev	0	0

S	tate Aid		FY2009-10	FY2010-11
*	State aid program reductions (Prog 302 Library development) The Committee recommendation reduces aid funding to accommodate Program 302 salary and health insurance increases.	Gen Cash Fed Rev	-2,821 0 0 0	0
*	Authorize reallocation of Program 302 federal funds to Program 252 to support agency operations. (Prog 302 Library development) The Committee recommendation authorizes a shift of federal funds from Program 302 to Program 252 to support agency operations. The shift is authorized so as to mitigate staffing reductions that may be necessitated in consideration of the recommended General Fund appropriation levels for Program 252 agency operations.	Gen Cash Fed Rev	0 0 -50,000 0	0-100,000

Agency 35 Liquor Control Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed	Committee Proposed FY2010-11
Operations General Cash	982,122 74,441	979,662 74,441	979,503 74,441		8,654 4,441	1,028,754 74,441
Federal Revolving	0	0	0		0 0	0 0
Subtotal-Oper	1,056,563	1,054,103	1,053,944	1,07	3,095	1,103,195
Agency Total						
General	982,122	979,662	979,503		8,654	1,028,754
Cash Federal	74,441 0	74,441 0	74,441 0	/	74,441 0	74,441 0
Revolving	0	0	0		0	0
Agency Total	1,056,563	1,054,103	1,053,944	1,07	3,095	1,103,195
Operations				FY	2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen	6,217	6,217
				Cash	C	
				Fed Rev	C	
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	gency-wide)	Gen	91	91
DAS Workers C	ompensation Asse.	ssillent (i log o A	igericy-wide)	Cash	C	
				Fed	Č	
				Rev	C	
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide)	Gen	15,771	31,918
	, ,	0 0 ,	,	Cash	Ć	
				Fed	C	0
				Rev	C	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ag	gency-wide)	Gen	12,916	26,710
				Cash	C	
				Fed	C	
				Rev	C	0

* Eliminate Auditor I (Priority 1 of 2, Prog. 73). (Prog 73 Enforce/regulation) This was offered as a budget modification by the agency. The Auditor I position (1 FTE) carries the responsibility of conducting field audits to provide assurance that wholesale beer, wholesale liquor, brewpub, farm winery, and micro distillery licensees have remitted all state excise taxes levied on beer, wine and spirits. The Committee reduced the travel expenses associated with this position.	Gen	5,000	5,000
	Cash	0	0
	Fed	0	0
	Rev	0	0
* Reduce Secretary II position to part-time employee (Priority 2 of 2, Prog.73). (Prog 73 Enforce/regulation) The was offered as a budget modification by the agency. The Secretary II position is the principal gatekeeper/contact with the public. This position is responsible for mail, phone systems, fax transmissions, letter writing, assistance with license renewals, license applicant walk ins, and other projects as assigned. The agency believes shifting the Secretary II position from FTE to PTE would move duties to remaining staff on a rotational basis disrupting work flow and service to the general public. This was originally taken by the committee as a budget modification. At the public hearing the agency asked that the reduction be restored or if not completely restored that the FTE and PSL be restored to allow the agency to absorb the cost and maintain the position. The committee did vote to restore the FTE and PSL as requested by the agency.	Gen	-15,832	-15,832
	Cash	0	0
	Fed	0	0
	Rev	0	0

Agency 36 State Racing Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	0 884,191 0 0 884,191	0 884,191 0 0 884,191	0 884,191 0 0 884,191		0 84,918 0 0 84,918	0 885,578 0 0 885,578
State Aid General Cash Federal Revolving Subtotal-Aid	0 180,000 0 0 180,000	0 180,000 0 0 180,000	0 180,000 0 0 180,000		0 80,000 0 0 80,000	0 180,000 0 0 180,000
Agency Total General Cash Federal Revolving Agency Total	0 1,064,191 0 0 1,064,191	0 1,064,191 0 0 1,064,191	0 1,064,191 0 0 1,064,191		0 64,918 0 0 64,918	0 1,065,578 0 0 1,065,578
Operations				F	Y2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ide)	Gen Cash	0 842	_
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen Cash	0 13,456	_
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Ag	ency-wide)	Gen Cash	0 3,399	-
agency has indica employee salary, salary annualizat	orise Issues (Prog ated they can abso the employee heat ion at their current as a negative num	orb the increases alth insurance, an appropriation lev	for the d the NAPE vel, which is	Gen Cash Fed Rev	-16,970 0 0	-33,717 0

Agency 37 Workers Compensation Court

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Propose FY2009-	ed	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	4,850,783	4,820,783	4,820,783	5,166	6,867	5,538,554
Federal	31,512	49,556	31,512	50	0,386	33,208
Revolving	0	0	0		0	0
Subtotal-Oper	4,882,295	4,870,339	4,852,295	5,217	7,253	5,571,762
Agency Total						
General	0	0	0		0	0
Cash	4,850,783	4,820,783	4,820,783	5,16	6,867	5,538,554
Federal	31,512	49,556	31,512	50	0,386	33,208
Revolving	0	0	0		0	0
Agency Total	4,882,295	4,870,339	4,852,295	5,217	7,253	5,571,762
Operations				FY	2009-10	FY2010-11
* FY10 / FY11 Sa	alary Increases (Pro	og 0 Agency-wide)	Gen	(0 0
				Cash	57,158	3 115,687
				Fed	480	972
				Rev	(0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ac	nencv-wide)	Gen	(0 0
		(15 1	, ,	Cash	51,449	9 106,394
				Fed	350	,
				Rev		0
* Annualization o	f IT appropriation. (Prog 0 Agency-w	ide)	Gen	(0 0
	«բբբրուստու (/	Cash	-30,000	-
				Fed		00,000
				Rev		0

0 0 0

0

0

*	Rent for New Courtroom Facilities (Prog 530 Adjudication/admin)	Gen	0	0
		Cash	238,613	496,314
	The Workers Compensation Court has its court-related functions on	Fed	0	0
	the 12th and 13th floors of the State Capitol Building. The	Rev	0	0

the 12th and 13th floors of the State Capitol Building. The administrative offices are located in the TierOne building. The court is requesting funds to move their courtroom facilities. The court plans to move into new courtroom facilities by January 2010. The first year's rent estimate is for one-half a year. The court is requesting an appropriation since it does not pay rent for the Capitol space. The court is fully cash funded so the rent for their new courtroom facilities would come from their cash fund.

Four of the seven judges of the court are located at the Capitol, together with the Clerk of the Court and related support staff. However, the court's space at the Capitol is inadequate in a number of important ways, including inadequate access for the public and disabled clients, lack of security for the judges and court staff, and insufficient courtroom space and technology equipment. Despite diligent efforts, the court has been unsuccessful in overcoming these limitations.

Federal Grant Award (Prog 530 Adjudication/admin)	Gen	0	
	Cash	0	(
The court conducts a survey of work-related injuries and illnesses	Fed	18.044	

Rev

The court conducts a survey of work-related injuries and illnesses and a data collection program for fatal injuries pursuant to a federal grant. The court has done this survey since 1971. In 1991, the court contracted to conduct the Census of Fatal Injuries. The employee that formerly performed these duties has left. The new staff person hired for the federal program requires additional training (travel) and equipment and supplies. This federal grant requires a match (50-50). The court notes that it can absorb the match so it is only requesting a one-time increase in federal funds.

Agency 39 Nebraska Brand Committee

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11	_
Operations General Cash Federal Revolving Subtotal-Oper	0 4,456,362 0 0 4,456,362	0 4,456,362 0 0 4,456,362	0 4,456,362 0 0 4,456,362		0 956,362 0 0	4,456,36 4,456,36	0 0
Agency Total General Cash Federal Revolving Agency Total	0 4,456,362 0 0 4,456,362	0 4,456,362 0 0 4,456,362	0 4,456,362 0 0 4,456,362	4,4	0 156,362 0 0 156,362	4,456,36 4,456,36	0 62 0
Operations				F	Y2009-10	FY2010-1	11
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash Fed Rev	1,062	0 2 1,0 0	0 062 0 0
* Life Insurance In	crease (Prog 0 Ag	ency-wide)		Gen Cash Fed Rev	336	0 6 3 0	0 336 0 0
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen Cash Fed Rev	67,008 () 3 135,6))	0 623 0 0
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash Fed Rev	65,302 (0 2 135,0 0	0 042 0 0
The Appropriation	n at current year le ons Committee rec ority for the Nebra level.	commends that th	e cash fund	Gen Cash Fed Rev	-127,743 () 3 -266,7)	0 745 0 0

Agency 40 Motor Vehicle Industry Licensing Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	osed	Committee Proposed FY2010-11
<u>Operations</u>	0	0	0			
General Cash	0 675,886	0 675,886	0 675,886		0 699,080	0 719,756
Federal	0,000	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	675,886	675,886	675,886		699,080	719,756
Agency Total						
General	0	0	0		0	0
Cash	675,886	675,886	675,886		699,080	719,756
Federal Revolving	0	0	0		0	0
Agency Total	675,886	675,886	675,886		699,080	719,756
Operations					FY2009-10	FY2010-11
*						
^ Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen		0
				Cash	5,499	
				Fed Rev		0 0
				itev	,	<i>5</i>
* DAS Workers C	compensation Asses	ssment (Prog 0 A	gency-wide)	Gen	(0
				Cash	-279	9 -279
				Fed		0
				Rev	(0 0
* FY10 / FY11 Sa	alary Increases (Pro	og () Agency-wide)	Gen	(0 0
11.07.11.10	ilary moreaces (i re	ig o rigorioy mao	,	Cash	12,179	
				Fed		0 0
				Rev	(0
* EV10 / EV11 U	ealth Insurance Incr	oosos (Prog O As	ropov wido)	Gen	,	0 0
FIIU/FIII ME	aim moulance mer	cases (Flug V AQ	gency-wide)	Cash	7,59 ²	-
				Fed		0 0
				Rev		0
				-		_

Agency 41 Real Estate Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY200s	sed	Committee Proposed FY2010-11
Operations						
General	0	0	0		0	0
Cash	1,105,262	1,106,812	1,135,928	1,1	15,476	1,148,972
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	1,105,262	1,106,812	1,135,928	1,1	15,476	1,148,972
Agency Total						
General	0	0	0		0	0
Cash	1,105,262	1,106,812	1,135,928	1,1	15,476	1,148,972
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	1,105,262	1,106,812	1,135,928	1,1	15,476	1,148,972
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen Cash	Y2009-10 (8,287	
*		. (5				
DAS Workers C	compensation Asses	ssment (Prog U A	(gency-wide	Gen Cash	-25(_
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide	·)	Gen	(0
				Cash	13,561	27,445
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen	`	0
				Cash	10,568	3 21,854
* Balancing adjus	stment to equal requ	ıest (Prog 77 Enf	orce standards)	Gen	(0
The agency ha	as identified several	expenses that th	ney anticipate	Cash	-22,452	-18,326
will be lower in t	the next biennium. ⁻	These include: co	mmunication	Fed		
current year included to fewer care	uctor travel, data pro ludes some one-tim ndidates, no need fo ases, and lower cos	ne costs, decreas or furniture/equip	ed exam costs ment or	Rev	(0

Agency 45 Board of Barber Examiners

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Proposed FY2009-1	d F	ommittee Proposed Y2010-11
Operations						
General	0	0	0		0	0
Cash	146,472	146,472	146,472	150,	,655	154,780
Federal	0	0	0		0 0	0
Revolving Subtotal-Oper	146,472	146,472	146,472	150,	,655	0 154,780
Agency Total						
General	0	0	0		0	0
Cash	146,472	146,472	146,472	150	,655	154,780
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	146,472	146,472	146,472	150	,655	154,780
* Appublica EVOC) Calary Ingrange (Drog O Agonov w	iida)		009-10	FY2010-11
^ Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	0	_
				Cash	526	
				Fed Rev	0	0
				Rev	U	U
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	0	0
				Cash	-32	-32
				Fed	0	0
				Rev	0	0
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide)	Gen	0	0
	, ,	0 0 ,	,	Cash	2,336	4,726
				Fed	0	0
				Rev	0	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ac	nency-wide)	Gen	0	0
		(. 10g o / 1g	,55,30,	Cash	1,463	
				Casn	1.403	3,025

Rev

Agency 46 Dept of Correctional Services

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Committee Proposed FY2010-11
<u>Operations</u>						
General	148,460,688	156,384,198	161,690,341	120,9	10,021	144,131,132
Cash	1,851,764	2,012,612	1,913,396	2,07	75,808	2,010,768
Federal	375,217	956,458	975,658		53,754	17,970,288
Revolving	17,644,507	17,889,343	18,058,189	17,90	00,770	18,073,965
Subtotal-Oper	168,332,176	177,242,611	182,637,584	176,84	40,353	182,186,153
State Aid						
General	3,910,000	3,910,000	3,910,000	3,9	10,000	3,910,000
Cash	0	0	0		0	0
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Aid	3,910,000	3,910,000	3,910,000	3,9	10,000	3,910,000
Agency Total						
General	152,370,688	160,294,198	165,600,341		20,021	148,041,132
Cash	1,851,764	2,012,612	1,913,396		75,808	2,010,768
Federal	375,217	956,458	975,658		53,754	17,970,288
Revolving	17,644,507	17,889,343	18,058,189	•	00,770	18,073,965
Agency Total	172,242,176	181,152,611	186,547,584	180,7	50,353	186,096,153
Operations				F\	Y2009-10	FY2010-11
* Annualize FY09 S	Salary Increases (Prog 0 Agency-w	ride)	Gen	358,17	4 358,174
711111441120111000	alary moreaces (. rog o rigolio, ii	140)	Cash		0 0
				Fed	2,65	-
				Rev	22,07	•
* DAS Workers Cor	mnensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	193,11	2 193,992
Drie Welkele eel	inportoation 7 tooot	somont (i rog o 7)	igonoy wido,	Cash		0 0
				Fed		0 0
				Rev		0 0
* 546.4		(D. 0.4		0	.	
* DAS Vehicle Liabi	IIItv Assessment ((Prog 0 Agency-w	vide)	Gen	-21,63	1 -21,631
	.,			<u> </u>		_
	,			Cash		0 0
	,			Cash Fed Rev		0 0 0 0 0 0

*	FY10 / FY11 Salary Increases (Prog 0 Agency-wide)	Gen	2,288,181	4,631,180
		Cash	25,314	
		Fed	5,408	•
		Rev	90,733	183,738
*	5740 / 5744 H W 1 1 1 1 1 1 1 1 1	0	4 704 440	0.707.040
	FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen	1,794,118	
		Cash	19,828	41,003
		Fed	4,233	8,754
		Rev	69,482	145,912
*	ARRA General Fiscal Stabilization funds to offset General Funds	Gen	-35 000 000	-17,000,000
	(Prog 200 Adult Services)	Cash	0	0
		Fed	35,000,000	
		Rev	0	0
*	Annualization of Plan for Expanded Substance Abuse and Mental	Gen	586,830	615,363
	Health Staffing and Programs (Prog 200 Adult Services)	Cash	. 0	. 0
	Trouble Graning and Frograms (Frog 200 Made Gol Wood)	Fed	0	0
	This is an annualization of a previous proposal approved and	Rev	0	0
	• • • • • • • • • • • • • • • • • • • •			

The Department of Correctional Services had initially requested a Corrections Substance Abuse Treatment Facility for the treatment of substance abuse (meth). This facility would have cost \$16.5 million to construct and over \$6 million per year to staff (95.5 FTE). This facility was recommended in a report commissioned by the Community Corrections Council entitled "Nebraska Methamphetamine Treatment Study (2005-2006), University of Nebraska at Omaha, May 2006."

funded in 2007. A summary of the 2007 proposal:

Rather than constructing this stand-alone facility, the 2007 DCS proposal would expand residential substance abuse and mental health treatment capacity in existing facilities. They would add staff (40 FTE) that would treat substance abuse, mental health, and sex offenders. Capacity would be increased by 182 beds at the following facilities: Nebraska State Penitentiary (100), Omaha Correctional Center (72), and the Nebraska Correctional Center for Women (10).

Federal Fund Increase for Education (Prog 200 Adult Services) Gen 0 Cash 0 DCS is now operating its own education program. The Nebraska Fed 130,570 137,047

Rev

0

0

Correctional Youth Facility (NCYF) has also been accredited as a Rule 10 high school allowing access to federal funds for the inmate education program. DCS has hired two teachers in FY07-08. It is anticipated funding for these positions will be available through at least the next biennium.

*	Federal Funds Increase for Other Targeted Programs (Prog 200 Adult Services)	Gen Cash Fed	0 0 435,674	0 0 435,674
	These federal funds will continue to support these initiatives: Reentry, meth treatment, Prison Rape Elimination Act (PREA), and education. The meth treatment grant allows for the hiring of a chemical dependency counselor. These federal funds will provide for substance abuse programming and increased drug interdiction efforts for inmates and parolees, including canine units to assist with drug interdiction.	Rev	0	0
*	Inmate Food Cost Increases (Prog 200 Adult Services)	Gen Cash	325,000 0	400,000
	Similar to what is occurring nationally, DCS is experiencing higher food costs. Even though Nebraska's cost per meal is one of the lowest in the country, costs continue to significantly increase. DCS looks for opportunities to manage costs, such as utilizing garden produce and opportunity buys. Opportunity buys are purchases of canned or dry goods that the agency makes as the opportunity arises for the purchase.	Fed Rev	0	0 0
*	Vehicle Usage and Repair and Maintenance Increases (Prog 200 Adult Services)	Gen Cash Fed	150,000 0 0	150,000 0 0
	This request is for additional funding at DCS facilities for increases in vehicle usage of \$50,000, and repair and maintenance of \$100,000.	Rev	0	0

The agency wants to restore some of the budget for transporting inmates on 'travel orders'. Some examples of travel orders are medical transport, inmate transport between facilities, or for court appearances.

The agency has been unable to budget and spend needed dollars on facility repair and maintenance. Repair and maintenance expenses were just over \$600,000 for FY08. For FY09, the budget is \$443,000, a decrease of \$157,000 or 26%. The request would restore \$100,000 to both years.

*	Add A Maintenance Supervisor and a Shop Supervisor for	Gen	0	0
	Correctional Services Industries (Prog 200 Adult Services)	Cash	0	0
	, -	Fed	0	0
	The request is for a facility maintenance supervisor and a CSI shop	Rev	99 983	103 743

The request is for a facility maintenance supervisor and a CSI shop operations manager. This is a revolving fund request, and does not involve General Funds.

A facility maintenance supervisor is needed to oversee the preventive maintenance duties relating to the various shops and equipment, and to troubleshoot maintenance issues as needed. Having a facility maintenance supervisor dedicated to CSI will result in more timely preventive maintenance efforts, and will help forestall any costly maintenance errors.

An additional shop operations manager is needed because CSI has expanded its private venture shops and other operations at the Omaha Correctional Center. A second supervisor will allow further expansion of programs at OCC. This will enable more inmates to participate in CSI, and ensure they learn skills they can take back into society with them.

*	Provide funding to be able to maintain electronic monitoring of	Gen	80,000	120,000
	lifetime sex offenders (Prog 200 Adult Services)	Cash	0	0
	,	Fed	0	0
	LB1199 (2006) required that certain sex offenders be subject to community supervision by Parole for the remainder of their lives. There were no funds included for electronic monitoring of Lifetime Sex Offenders (LSO) in LB1199, and there is no statutory authority allowing DCS to charge LSO for electronic monitoring.	Rev	0	0
*	Telephone Upgrade, Server Changes, and GPS for Vehicles (Prog	Gen	60,000	60,000
	200 Adult Services)	Cash	0	0
	,	Fed	0	0
	The Appropriations Committee recommendation included partial funding for the following items:	Rev	0	0

Telephone Upgrade: A few years ago the PBX system on the LRC campus was upgraded. This step finishes the project of upgrading all of DCS. Repair and replacement of the equipment is becoming very difficult.

Server Changes: DCS will be renting server space from the CIO instead of maintaining all servers on its own. Rental of servers will eliminate the need for costly air conditioning and humidity upgrades in the DCS server room, and ensure data backup and security.

GPS for Vehicles: DCS is also requesting funding over two years to install active GPS in vehicles at various facilities. Having at least one vehicle at each major facility with active GPS will allow DCS to track the vehicle especially when transport of dangerous prisoners is involved.

Operations

*	Partially restore funding for DCS Equipment (Prog 200 Adult	Gen	200,000	200,000
	Services)	Cash	0	0
	,	Fed	0	0
	DCS would use the increased funding for the following items:	Rev	0	0

Radios: DCS would begin replacing radios, which are over 10 years old in many of the facilities. This is beyond their normal life cycle, and they can no longer be repaired.

Computer Replacement at Tecumseh (TSCI): Some computers are at a point where they have begun failing. Computers are the original ones purchased when the facility opened in 2001.

Specialized security equipment: This equipment (vests, helmets) gets damaged and degrades with time.

Kitchen Equipment: Kitchen equipment replacement requests have also had to be deferred for two years, since a large commercial mixer or convection oven can cost up to \$10,000. DCS is unable to predict when kitchen or other equipment will fail, and is currently only replacing equipment as it does fail.

Examples of other items purchased include security cameras, perimeter vehicles, medical equipment, furniture, and office equipment.

with the State Patrol.

*	Utilities Increase (Prog 200 Adult Services)	Gen	783,520	1,018,388
		Cash	0	0
	The agency is projecting the cost for utilities will increase based on	Fed	0	0
	an estimated overall 5.75% increase in costs in FY09, a 9.2% increase in FY10, and another 5% in FY11. DCS operates ten 24-hour facilities housing inmates (made up of 122 individual buildings), and a central office building. DCS has completed energy savings projects over the years such as new windows and energy efficient lighting. They have also started practices to help reduce energy usage, such as setting thermometers at certain maximum and minimum presets.	Rev	0	0
*	Statewide Radio System Upgrade (Prog 200 Adult Services)	Gen Cash	0 178,902	0 66,768
	The agency will need to replace approximately 28 vehicle radios	Fed	0	0
	units and 30 handhelds. The upgrade will be done in conjunction with the State Patrol moving to their new system by the end of the biennium. Adult Parole and Special Services both have State Patrol radios in their cars and as handhelds. Both areas use the equipment to communicate with the State Patrol during prisoner transfers and parolee activities. Implementation will be coordinated	Rev	Ō	0

Increase in Inmate Medical Costs (Prog 200 Adult Services) 1,500,000 2.000.000 Gen Cash 0 0 DCS notes that the last 10 years have seen average per year Fed 0 0 increases of 15% while the inmate population has increased about Rev 0 0 2.4%. The agency notes that the increases would have been significantly larger except for two initiatives which were put in place in FY04: Use of Medicaid funds and negotiating PPO rates with the hospitals. Since then, the increase per year has been only 2.5% per year. Unfortunately, the major savings from these two initiatives has already been realized. The inmate population is becoming older and sicker, and treatment and prescription costs continue to increase. Contract medical costs with the medical provider at Tecumseh are expected to increase over the next biennium. Hospital visits and costs continue to increase. Even with PPO BCBS rates, the cost of medical services continues to escalate. Increases for Other Inmate Per Diem Costs (Prog 200 Adult 100,000 120,000 Gen Services) Cash 0 0 Fed 0 0 DCS is requesting additional funds for other inmate per diem. Items Rev 0 0 in these categories include the law library, clothing, cleaning and cell supplies, wages, food service, institutional supplies, and laundry. DCS is required by law to maintain the law libraries, and costs are expected to increase over the next biennium. DCS reuses inmate clothing and cell supplies if the items are in good condition. Items not usable are turned into rags. Cell supplies include blankets, sheets, and mattresses. There is no inmate wage increase, but the wage base needs to be increased because there are more inmates. Convert funding for a temporary position to a Staff Assistant I Gen 0 0 position in IT department (Prog 200 Adult Services) 0 Cash 0 0 Fed 0 This request is for a PSL increase only. There is no General Fund 0 Rev impact. DCS is requesting that a SOS position be changed to a permanent position in the IT area. The agency states that this can be done within the current dollars being paid to the SOS program. The agency currently has no permanent support staff assistance in this area. Having a permanent support staff would ensure continuity. This position provides secretarial support when needed, maintains records and documentation for the analysts, and coordinates requests, orders, and activities of the staff. Suspended LB1100 assessments (Prog 725 Deprec surcharge) -938,339 -938,339 Gen

Cash

Fed

Rev

0

0

-26,007

0

0

-26,007

Agency 47 Nebr Educational Telecommunications Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Propo FY20	osed
Operations General	10,136,091	9,849,661	9,866,751	9,9	68,024	10,2	202,739
Cash	255,532	255,532	255,532		55,532		255,532
Federal	0	0	0		0		0
Revolving	10 201 623	0 10,105,193	0 10,122,283	10.2	0 23,556	10	0 450 274
Subtotal-Oper	10,391,623	10,105,195	10,122,203	10,2	23,336	10,2	458,271
Agency Total							
General	10,136,091	9,849,661	9,866,751		68,024		202,739
Cash	255,532	255,532	255,532	2	:55,532	ž	255,532
Federal Revolving	0	0	0		0 0		0
Agency Total	10,391,623	10,105,193	10,122,283	10.2	23,556	10	458,271
Agonoy Total	10,001,020	10,100,100	10,122,200	10,2	.20,000	10,	100,271
Operations				F	Y2009-10	FY2	2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	30,96	60	30,960
				Cash		0	0
				Fed		0	0
				Rev		0	0
* FY10 / FY11 Sa	alary Increases (Pro	og 0 Agency-wide)	Gen	119,31	3	241,489
				Cash		0	0
				Fed		0	0
				Rev		0	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ag	gency-wide)	Gen	72,60)5	150,144
		, ,	,	Cash		0	0
				Fed		0	0
				Rev		0	0
* Phone System I	Maintenance Costs	(Prog 533 Educa	ational TV)	Gen	10,50	00	10,500
•	ided for increased h	` •	,	Cash	,	0	0
	NET's phone syste			Fed		0	0
	-			Rev		0	0

Transmission and Retransmission Study (Prog 533 Educational TV) 35.000 Gen 0 Funding is provided for one-time costs associated with an Cash 0 0 engineering feasibility study of NET's telecommunications delivery Fed 0 0 0 system. Rev 0 Analog savings (Prog 533 Educational TV) Since FY2003 NETC -300,000 -300,000 Gen has be simulcasting in analog and digital for over-the-air Cash 0 0 broadcasts. During FY2009 NETC discontinued analog broadcasts. Fed 0 0 The analog shtudown savings is estimated at \$300,000 for FY2010 Rev 0 0 and beyond. Assistant Engineering Position (Prog 533 Educational TV) -54,425 -54,425 Gen Elimination of an Engineering position that provides support for the Cash 0 0 remote truck and overall Network Operations. Fed 0 0 0 0 Rev PBS dues (Prog 533 Educational TV) Gen 8,700 8,700 Cash 0 0 Fed 0 0 0 Rev 0 Programming Consultant Fee (Prog 533 Educational TV) Funding is Gen -42.000 -42.000 is eliminated for the consultant used to assist with programming the Cash 0 0 entire network. Fed 0 0 Rev 0 0 Radio Operating Expenses (Prog 566 Public radio) Reduces or Gen -13,720 -13,720eliminates a variety of radio operating expenses including supplies, Cash 0 0 travel, programming and communications costs. Fed 0 0 0 Rev 0

Agency 48 Coordinating Commission for Postsecondary Education

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Propose FY2009-	ed	Committee Proposed FY2010-11
Operations						
General	1,303,819	1,303,819	1,303,819	1,303		1,303,819
Cash	10,037	10,037	10,037		,037	10,037
Federal	27,005	27,005	27,005	27	,005	27,005
Revolving	0	0	0		0	0
Subtotal-Oper	1,340,861	1,340,861	1,340,861	1,340	,861	1,340,861
State Aid	0.000.045	0.000.045	0.000.045	0.000	045	7.400.045
General	6,832,315	6,832,315	6,832,315	6,992	•	7,162,315
Cash Federal	6,000,000	7,000,000	7,750,000 971,731	7,000		7,750,000
Revolving	971,731 0	971,731 0	9/1,/31	971	,731 0	971,731 0
•		_	•	44.004	-	•
Subtotal-Aid	13,804,046	14,804,046	15,554,046	14,964	,046	15,884,046
Agency Total	0.400.404	0.400.404	0.400.404	0.000	104	0.400.404
General	8,136,134	8,136,134	8,136,134	8,296		8,466,134
Cash	6,010,037	7,010,037	7,760,037	7,010	•	7,760,037
Federal Revolving	998,736 0	998,736 0	998,736 0	998	3,736 0	998,736 0
Agency Total	15,144,907	16,144,907	16,894,907	16,304	-	17,224,907
rigority Total	10,111,007	10,111,007	10,001,001	10,001	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	11,221,001
Operations				FY2	2009-10	FY2010-11
*						
DAS Workers C	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen	373	373
				Cash	C	
				Fed	C	
				Rev	C	0
* EV10 / EV11 So	lary Increases (Pro	a O Agonov wido	`	Gen	24,348	3 49,279
FIIU/FIII Sa	liary increases (Fig	g o Agency-wide)		_	
				Cash		
				Fed Rev	C	
.						
^ FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Ag	jency-wide)	Gen	9,425	19,490
				Cash	C	0
				Fed	C	0
				Rev	C	0

*	Reduce funds for Public Information and Special Projects Coordinator position (Prog 640 Administration) The Appropriations Committee recommendation for the Coordinating Commission's operating budget holds General Fund appropriations for each year of the 2009-11 biennium at the current year (2008-09) appropriation level. Accommodation of salary, health insurance and other operating budget increases at levels assumed in the Committee's recommendation will require reallocations within the agency's operating budget. Reduced funding for the agency's Public Information and Special Projects Coordinator position could be included in such adjustments. However, any adjustments to agency staffing that may be required will be significantly dependent upon salary increase policies established by the Coordinating Commission for the staff it employs. As a constitutional agency, the Coordinating Commission retains discretion to establish salary policy for its staff.	Gen Cash Fed Rev	0 0 0	-27,874 0 0
*	Eliminate Administrative Assistant position (Prog 640 Administration) The Appropriations Committee recommendation for the Coordinating Commission's operating budget holds General Fund appropriations for each year of the 2009-11 biennium at the current year (2008-09) appropriation level. Accommodation of salary, health insurance and other operating budget increases at levels assumed in the Committee's recommendation will require reallocations within the agency's operating budget. Elimination of an administrative assistant position could be included in such adjustments. However, any adjustments to agency staffing that may be required will be significantly dependent upon salary increase policies established by the Coordinating Commission for the staff it employs. As a constitutional agency, the Coordinating Commission retains discretion to establish salary policy for its staff.	Gen Cash Fed Rev	-32,613 0 0	-40,578 0 0
*	Reduce funds for contractual services (Prog 640 Administration) The Appropriations Committee recommendation for the Coordinating Commission's operating budget holds General Fund appropriations for each year of the 2009-11 biennium at the current year (2008- 09) appropriation level. Accommodation of salary, health insurance and other operating budget increases at levels assumed in the Committee's recommendation will require reallocations within the agency's operating budget. Reduction of funds for contractual services could be included in such adjustments.	Gen Cash Fed Rev	-2,819 0 0 0	-2,819 0 0 0

State Aid FY2009-10 FY2010-11

*	Additional funds available from the Nebraska Scholarship (Cash)	Gen	
	Fund (Prog 690 Nebr Scholarship Prog) A portion of state lottery	Cash	1,000,00
	receipts have been credited to the Nebraska Scholarship Fund	Fed	
	since 2003-04. Sec. 9-812, as last amended in 2007, provides that	Rev	
	such amounts credited to the fund are to represent 24.75% of		
	lottery receipts net of prizes, lottery operating expenses and		
	amounts credited to the Compulsive Gamblers Assistance Fund.		
	Amounts credited to the fund are to be awarded as need-based		
	student financial aid pursuant to the Nebraska Scholarship Program		
	Act. Increased appropriation authority is included in the		
	Appropriations Committee recommendation so as to accommodate		
	distribution of related student financial aid at levels commensurate		
	with estimated annual lottery revenue credited to the fund. For		
	2007-08, total revenue (including interest on invested balances)		
	credited to the fund amounted to \$7,740,438.		

Gen	0	0
Cash	1,000,000	1,750,000
Fed	0	0
Rev	0	0

*	
	Increase funding for Access College Early Scholarship Program
	(Prog 691 Access College Early) Under this program, qualified low-
	income high school students who enroll in college courses from
	accredited Nebraska colleges and universities, either through dual
	enrollment or early enrollment agreements, are eligible to receive a
	scholarship for one or more courses. Scholarships awarded
	under the program are to equal the lesser of (1) tuition and
	mandatory fees accrued by the student after any applicable
	discounts or (2) the tuition and mandatory fees that would have
	been accrued by the student for the same number of credit hours if
	the student were taking the course as a full-time, resident,
	undergraduate student from the University of Nebraska-Lincoln.
	Scholarship amounts are forwarded to the relevant postsecondary
	education institution as payment of eligible students' tuition and
	mandatory fees. Appropriations for the program for 2007-08, the
	first year the program was in effect, were fully expended.
	Scholarships were awarded to 363 eligible students; however, 180
	students who applied for the scholarship were declined after
	appropriated funds were exhausted. For 2008-09, available funds
	were sufficient to support 758 scholarships at an average grant
	amount of \$284. However, 310 scholarship applicants were
	declined after available funds were exhausted. Subsequent to
	compilation of their 2009-11 budget request, the Commission
	learned that it had been awarded federal funds for each of two
	years under the U.S. Department of Education College Access
	Challenge Grant Program. Of amounts awarded under the grant,
	\$100,000 has been approved to be applied to the Access College
	Early Scholarship Program for each of 2008-09 and 2009-10.
	Increased General Funds are included in the Appropriations
	Committee recommendation so as to limit the need to decline
	scholarship applicants due to lack of sufficient funds.

Gen	160,000	330,000
Cash	0	0
Fed	0	0
Rev	0	0

Agency 50 Nebraska State Colleges

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
Operations					
General	45,393,201	45,847,133	46,305,604	46,174,099	47,015,210
Cash	25,129,721	25,129,721	25,129,721	25,129,721	25,129,721
Federal	4,007,392	18,091,090	18,091,090	4,007,392	4,007,392
Revolving	7,291,348	7,291,348	7,291,348	7,291,348	7,291,348
Subtotal-Oper	81,821,662	96,359,292	96,817,763	82,602,560	83,443,671
State Aid					
General	0	0	0	0	0
Cash	0	0	0	0	0
Federal	14,083,698	0	0	14,083,698	14,083,698
Revolving	0	0	0	0	0
Subtotal-Aid	14,083,698	0	0	14,083,698	14,083,698
Agency Total					
General	45,393,201	45,847,133	46,305,604	46,174,099	47,015,210
Cash	25,129,721	25,129,721	25,129,721	25,129,721	25,129,721
Federal	18,091,090	18,091,090	18,091,090	18,091,090	18,091,090
Revolving	7,291,348	7,291,348	7,291,348	7,291,348	7,291,348
Agency Total	95,905,360	96,359,292	96,817,763	96,686,258	97,527,369

Operations FY2009-10 FY2010-11

Legislature appropriated \$3,500,000 to the Nebraska State College System (NSCS) for construction of the South Sioux City College Center with accompanying intent language providing that project costs to be financed by Northeast Community College are to at least equal amounts appropriated by the Legislature. Federal, private and other funds were also authorized to support the project. Funds are requested by NSCS for the 2009-11 biennium to support one-half of costs associated with operating the Center. The balance of funds to meet such costs is to be met by the Northeast Community College Area. For 2009-10, NSCS requested \$123,524 (General Fund) for preliminary organizational operating expenses in advance of planned opening of the Center in 2010-11. For 2010-11, NSCS requested \$400,182 (General Fund) for first year operating costs for the Center. The Appropriations Committee recommendation includes partial funding of the amounts requested. The Committee recommendation includes \$100,000 for 2009-10 and \$250,000 for 2010-11 (General Fund).

Increase General Funds 1.5% for 2009-10 and 1.5% for 2010-11. Gen 680,898 1,372,009 (Prog 48 System office) The Appropriations Committee Cash 0 recommendation increases General Funds to support Nebraska Fed 0 0 State College System operations by 2.0% for 2009-10 and 1.5% for 0 0 Rev 2010-11 (3.5% increase over the biennium).

South Sioux City College Center operations. (Prog 48 System 100,000 Gen 250,000 office) For the 2005-07 biennium, the Legislature appropriated Cash 0 0 \$265,850 to support planning for an education center to be jointly Fed 0 0 operated by Wayne State College and Northeast Community Rev 0 0 College in South Sioux City. For the 2007-09 biennium, the

Agency 51 University of Nebraska

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Р	ommittee roposed '2010-11
Operations General Cash Federal Revolving Subtotal-Oper	492,106,037 309,407,963 278,320,566 456,954,304 1,536,788,870	497,027,097 314,016,991 292,862,174 457,799,054 1,561,705,316	501,997,368 314,016,991 292,862,174 457,799,054 1,566,675,587	499,912,628 313,726,784 292,718,541 479,875,285 1,586,233,238	3 3 5	08,440,667 17,741,811 06,103,734 01,246,178 33,532,390
State Aid General Cash Federal Revolving Subtotal-Aid Agency Total General Cash Federal Revolving Agency Total	0 4,609,028 14,541,608 844,750 19,995,386 492,106,037 314,016,991 292,862,174 457,799,054 1,556,784,256	0 0 0 0 0 497,027,097 314,016,991 292,862,174 457,799,054 1,561,705,316	0 0 0 0 0 0 501,997,368 314,016,991 292,862,174 457,799,054 1,566,675,587	4,609,028 14,541,608 844,750 19,995,386 499,912,628 318,335,812 307,260,149 480,720,035 1,606,228,624	3 5 2 3 3 3 5 5	0 4,609,028 14,541,608 844,750 19,995,386 08,440,667 22,350,839 20,645,342 02,090,928 53,527,776
Operations				FY2009	-10	FY2010-11
FY2010-11 (Uni The Appropriation Fund support fo	al Funds 1.5% for law one for law one committee record the University of law one for FY2010-nium.	NCTA). (Prog 515 commendation ind Nebraska operati	NU lump sum) creases General ons by 2.0% for	Gen 7,342 Cash Fed Rev	2,589 0 0 0	14,795,317 0 0 0
* UNMC College	of Nursing at. Norf	olk (Prog 515 NU	lump sum)	Gen 425 Cash Fed Rev	5,000 0 0	1,460,724 0 0 0
	al Funds for NCTA (Prog 516 Curtis)	1.5% for FY2009	9-10 and 1.5%	Gen 39 Cash Fed Rev	0,002 0 0 0	78,589 0 0

Agency 52 State Fair Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
Operations					
General	0	0	0	0	0
Cash	7,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Subtotal-Oper	7,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Agency Total					
General	0	0	0	0	0
Cash	7,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Agency Total	7,500,000	2,500,000	2,500,000	2,500,000	2,500,000

Operations FY2009-10 FY2010-11

Adjustment due to one-time transfer in FY08-09. (Prog 694 Support Gen 0 0 and Improvement Fund) A one-time \$5,000,000 from the Cash Cash -5,000,000 -5,000,000 Reserve Fund was carried out in FY08-09 to provide financial Fed 0 0 assistance related to moving the State Fair from Lincoln to Grand 0 Rev 0 Island. This adjustment reflects the one-time nature of the transfer and adjusts the cash fund expenditure authority to prior levels.

Agency 53 Real Property Appraisers Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	mittee oosed 009-10	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	297,325	278,056	282,423		286,715	291,170
Federal	0	0	0		0	0
Revolving Subtotal-Oper	0 297,325	0 278,056	0 282,423		0 286,715	0 291,170
Agency Total						
General	0	0	0		0	0
Cash	297,325	278,056	282,423		286,715	291,170
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	297,325	278,056	282,423		286,715	291,170
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen		0 0
				Cash	32	26 326
				Fed		0 0
				Rev		0 0
* DAS Workers C	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen		0 0
				Cash	-11	5 -115
				Fed		0 0
				Rev		0 0
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen		0 0
				Cash	2,81	5 5,697
				Fed		0 0
				Rev		0 0
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen		0 0
				Cash	1,37	
				Fed		0 0

Rev

Continuation of the salary increase provided to the Director in July 0 0 Gen 2008 (Prog 79 Appraiser licensing) At their August 2008 meeting Cash 4,565 4,565 the Real Property Appraiser Board voted to increase the Director's Fed 0 0 salary to \$67,000 retroactive to July 1, 2008. The amount included Rev 0 0 in the FY08-09 salary limit for the Director was \$63,036. The agency was able to fund this increase by reducing the amount budgeted for Per Diems by \$1.500, and by using vacancy savings from a Clerk position. This add would reset the baseline salary for the Director at \$67,000 and allow for the continuation of the \$67,000 salary into the next biennium. Funding earmarked for legal services (\$55,000) (Prog 79 Appraiser Gen 0 0 licensing) The current appropriations bill earmarks \$35,000 in Cash 0 0 FY08-09 (current fiscal year) strictly for use on legal services. The Fed 0 0 agency has increased the amount budgeted for legal services in Rev 0 0 the current year to \$55,000 by reallocating funding from other areas within their current appropriation. The request for legal services in the next biennium continues at \$55,000 each year. Since the \$20,000 increase in legal services is offset by a like decrease in contractual services and travel the net change is \$0. Eliminate the vacant Clerk position (Prog 79 Appraiser licensing) In 0 0 Gen 2005, the agency requested and received funding for a half-time Cash -18,996 -18,996 Clerk position beginning in FY05-06. This position has been annually Fed 0 0 funded but never filled. When the seasonal workload requires 0 0 Rev additional help the agency has turned to the temporary SOS employment pool. This adjustment would eliminate from the budget the funding for this unfilled position and would bring the salary limit

in line with actual salary expenditures.

Agency 54 State Historical Society

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Propose FY2009-	ed .	Committee Proposed FY2010-11
Operations						
General	4,514,311	4,514,311	4,514,311	4,505		4,505,813
Cash Federal	1,652,380 679,857	1,652,380 679,857	1,652,380 679,857	1,789 692	,201 :,035	1,847,997 703,251
Revolving	0/3,03/	0/3,03/	075,057	032	0	00,251
Subtotal-Oper	6,846,548	6,846,548	6,846,548	6,987	,129	7,057,061
State Aid						
General	0	0	0		0	0
Cash	0	0	0	400	0	0
Federal	100,000	100,000	100,000	100	,000	100,000
Revolving Subtotal-Aid	100,000	100,000	100,000	100	0	100,000
Subtotal-Alu	100,000	100,000	100,000	100	,000	100,000
Agency Total						
General	4,514,311	4,514,311	4,514,311	4,505		4,505,813
Cash	1,652,380	1,652,380	1,652,380	1,789		1,847,997
Federal Revolving	779,857 0	779,857 0	779,857 0	792,035 0		803,251 0
Agency Total	6,946,548	6,946,548	6,946,548	7,087	-	7,157,061
Operations				FY2	2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen	9,315	9,315
7.1111.0011.2011.100	Calary moreacoo (. rog o rigorio, ii	140)	Cash	4,491	
				Fed	1,277	
* DAS Workers C	ompensation Asse	ssment (Prog () A	aency-wide)	Gen	1,187	7 1,187
DAG WORKERS OF	ompensation Asse	SSITICITE (1 TOG O A	igericy wide)	Cash	296	
				Fed	88	
* FV10 / FV11 Sa	lary Increases (Pro	na O Agency-wide	١	Gen	67,281	136,175
1 1 10 / 1 1 1 1 5a	iary increases (i ic	g o Agency-wide	,	Cash	29,501	
				Fed	7,548	
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Ac	gency-wide)	Gen	46,381	95,914
			· ·	Cash	23,865	•
				Fed	3,265	

Base Reduction for 309 Match (Prog 648 Historical Society) This is Gen -25.000-25.000 the reduction for the one-time funding of 309 Projects. Cash 0 0 0 Fed 0 Historic Preservation Matching Funds (Prog 648 Historical Society) 0 -34,361 Gen Among services reduced would be identification of historic Cash 0 0 structures eligible for National Register inclusion, review of Fed 0 0 federally funded projects, assistance to building owners seeking to 0 0 Rev develop historic structures for housing and income-producing purposes and assistance to individuals seeking to rehabilitate structures under the VIP Program. This reduction was included to achieve a funding level similar to the current year. Reduce 0.5 FTE in Museum Exhibits (Prog 648 Historical Society) -26,643 Gen 0 By eliminating this half-time position the museum's ability to generate Cash 0 0 new temporary exhibits will be directly affected. This position 0 Fed 0 provides graphic design and exhibit fabrication. This issue includes 0 0 Rev PSL of \$19,863. Reduce 0.8 FTE in Archeology (Prog 648 Historical Society) This -52,014 Gen -34,914would eliminate a partial position that performs investigatory, Cash 0 0 research, and public education functions. In addition to retrieving Fed 0 0 materials from excavations this position studies findings and draws Rev 0 0 conclusions about early Native American and US cultures then publishes those results. This issue includes PSL of \$31,992 in FY10 and \$32,792 in FY11. Reduce 1.5 FTE Research and Publications (Prog 648 Historical Gen -37,301 0 Society) This would eliminate a partial position in the second year Cash 0 0 of the biennium. This reduction was included in order to achieve a Fed 0 0 funding level similar to the current year's funding. 0 0 Rev Transfer Ford Center Positions to Cash (Prog 648 Historical Gen -78.748 -81.770 Society) In order to maintain services but still meet modification Cash 78,748 81,770 requirements, the agency has submitted the transfer of funding for Fed 0 0 two 0.6 FTE (Business Manager I and Conservator) from Cash Rev 0 0 Funds to General Funds. This would not impact services, it's simply changing the fund source from which these employees are paid. Matching Funds for Historical Repair Markers (Prog 648 Historical 6,000 6,000 Gen Society) Due to the Department of Roads receiving higher than Cash 0 0 anticipated funding for this program, the match is estimated to be Fed 0 0 approximately 90/10, much higher than the originally expected 4/1. 0 Rev 0

Agency 56 Nebraska Wheat Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	1,410,422	1,406,062	1,400,051	1,41	0,422	1,410,422
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	1,410,422	1,406,062	1,400,051	1,41	0,422	1,410,422
Agency Total						
General	0	0	0		0	0
Cash	1,410,422	1,406,062	1,400,051	1,41	0,422	1,410,422
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	1,410,422	1,406,062	1,400,051	1,41	0,422	1,410,422
Operations				FY	'2009-10	FY2010-11
DAS Workers Co	mpensation Asses	ssment (Prog 0 A	(gency-wide	Gen	(0
				Cash	-75	-75
				Fed	(
				Rev	(0
* FY10 / FY11 Sala	ary Increases (Pro	a 0 Agency-wide)	Gen	(0
	,	g - 1 · g - 11 · j · 11 · 12 ·	,	Cash	3,233	
				Fed	(
				Rev	(
* FV10 / FV11 Hos	alth Insurance Incr	oasos (Prog 0 Ac	roncy-wido)	Gen	(0
FTIU/FTITHea	iiiii iiisurance iiici	eases (Flog o Ag	gericy-wide)			
				Cash Fed	2,297 (
				Rev	(-
				Kev) 0
* Reduction of cas	h fund expenditure	e authority. (Prog	381 Wheat	Gen	(0
	at Board structure	, , ,		Cash	-4,230	-10,034
	and salary and he			Fed		0
request level for leading same as the current Appropriations Control of the current same and the current same as the current s	both years of the Fent year cash fundommittee recommority for this agend	Y09-11 bienniun dexpenditure aut ended that the ca	n would be the hority. The ash fund	Rev	(0

Agency 57 Oil and Gas Conservation Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
<u>Operations</u>						
General Cash	0 585,608	0 570,867	0 587,169		0 788,772	0 790,067
Federal	99,691	89,773	91,974		88,964	91,028
Revolving	0	0	0		0	0
Subtotal-Oper	685,299	660,640	679,143		877,736	881,095
Agency Total						
General	0	0	0		0	0
Cash	585,608	570,867	587,169		788,772	790,067
Federal Revolving	99,691 0	89,773 0	91,974 0		88,964 0	91,028 0
Agency Total	685,299	660,640	679,143		877,736	881,095
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	vide)	Gen		0 (
7 	carary mercacos (Cash	4,85	
				Fed		0 (
				Rev	(0 (
* DAS Workers C	compensation Asses	ssment (Prog 0 A	(gency-wide	Gen	(0 (
	·	` •	,	Cash	-16	6 -166
				Fed	(0 (
				Rev	(0 (
* DAS Vehicle Lia	ability Assessment ((Prog 0 Agencv-v	vide)	Gen	(0 (
			,	Cash	-38	
				Fed		0 (
				Rev	(0 (
* FY10 / FY11 Sa	lary Increases (Pro	oa 0 Aaencv-wide)	Gen	(0 (
	,	3 - 3 - 7	,	Cash	9,52	
				Fed	1,67	
				Rev	(0 (
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ac	gency-wide)	Gen	(0 (
		, -5	,/	Cash	4,99	
				Fed	88	
				Rev	(0 (

Fund Shift (Prog 335 Administration) The agency anticipates a 0 0 Gen reduction in Federal Funds and has requested an increase in Cash Cash 13,291 13,891 Fund authority to offset that reduction. The fund balance and Fed -13,291 -13,891 revenues are anticipated to be sufficient to cover the increased Rev 0 0 Cash Fund authority. Internships (Prog 335 Administration) The agency requested funds 0 Gen 0 to provide for 1 summer internship in FY10 and 2 in FY11. The Cash 7,751 15,932 agency hopes to increase interest in college students pursuing Fed 0 0 careers in petroleum engineering and petroleum geology. The 0 0 Rev average age of individual in the industry is 55. Young new career minded individuals are badly needed. Interns would be exposed to the regulatory side of the industry as well as the technical aspects. Operating Expenses (Prog 335 Administration) This represents the Gen 0 0 remaining operational operations adjustments. These are a mixture 17,404 23,104 Cash of increases and decreases that net out to the figures shown. Fed 0 0 Rev 0 0 Scanner (Prog 335 Administration) The agency has requested Gen 0 0 funding to purchase a large format scanner. Project case files 0 Cash 32.500 contain documents up to 42" in width. In order to make files Fed 0 0 completely available to the public and companies exploring Rev 0 0 Nebraska's oil and gas resources, the ability to scan these large files into electronic formats is needed. Add 1.0 FTE: Assistant Director (Prog 335 Administration) Due to Gen 0 0 increasing workload issues, the agency requested funding for the Cash 114,708 118,834 position of Assistant Director. By allowing for this position, the Fed 0 0 agency will be able to maintain timely responses for permits and Rev 0 0 approvals of regulatory requirements.

Agency 58 Board of Engineers and Architects

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	osed	Committee Proposed FY2010-11
Operations						
General	0	0	0		0	0
Cash	762,654	744,750	760,283		778,559	794,909
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	762,654	744,750	760,283		778,559	794,909
Agency Total						
General	0	0	0		0	0
Cash	762,654	744,750	760,283		778,559	794,909
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	762,654	744,750	760,283		778,559	794,909
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen		0 0
				Cash		92
				Fed		0 0
				Rev		0 0
* FY10 / FY11 Sa	lary Increases (Pro	a 0 Agency-wide)	Gen		0 0
1110711110	ialy intoroacco (i re	g o rigorio, mao	,	Cash	9,33	-
				Fed		0 0
				Rev		0 0
*						
^ FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Ag	gency-wide)	Gen		0 0
				Cash	4,63	9,585
				Fed		0 0
				Rev		0 0
* Rent Expenses	(Prog 82 Enforce s	tandards) The D	AS – negotiated	Gen		0 0
•	ncrease February 1	•	-	Cash	1,84	-
	nt for the agency's			Fed		0 0
Building. The lea	ase agreement runs 016 with rent incre	s from July 1, 200	7 through	Rev		0 0

Agency 59 Board of Geologists

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
<u>Operations</u>					
General	0	0	0	0	0
Cash	33,850	32,480	33,016	32,461	33,002
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Subtotal-Oper	33,850	32,480	33,016	32,461	33,002
Agency Total					
General	0	0	0	0	0
Cash	33,850	32,480	33,016	32,461	33,002
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Agency Total	33,850	32,480	33,016	32,461	33,002

Operations FY2009-10 FY2010-11

Reduced cash fund expenditure authority (Prog 159 Enforce Gen 0 0 standards) The Board of Geologists requested a slightly lower Cash -1,370 -834 cash fund expenditure authority in both years of the FY09-11 Fed 0 0 biennium. Slight increases in operating costs were offset by a 0 Rev 0 reduction in funds budgeted for contractual services, resulting in an overall reduction to the agency request.

Agency 60 Nebraska Ethanol Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	mittee posed 009-10	Committee Proposed FY2010-11
Operations General Cash Federal Revolving	0 560,329 0 0	0 560,329 0 0	0 560,329 0 0		0 560,329 0 0	0 560,329 0 0
Subtotal-Oper	560,329	560,329	560,329		560,329	560,329
Agency Total General Cash Federal Revolving Agency Total	0 560,329 0 0 560,329	0 560,329 0 0 560,329	0 560,329 0 0 560,329		0 560,329 0 0 560,329	0 560,329 0 0 560,329
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen Cash Fed Rev	72	0 0 22 722 0 0 0 0
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen Cash Fed Rev	6,86	0 0 68 13,900 0 0
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash Fed Rev	3,22	0 0 24 6,667 0 0
* Balance to current year funding level. (Prog 516 Ethanol) The Appropriations Committee recommended that the cash fund expenditure authority for the Nebraska Ethanol Board remain at the current year level.					-10,81	0 0 4 -21,289 0 0 0 0
fund. (Prog 516 E recommends tha	00 from Agricultura Ethanol) The Appr t \$200,000 be tran Fund to the Ethar e June 30, 2010.	opriations Comm sferred from the	iittee Agricultural	Gen Cash Fed Rev		0 0 0 0 0 0 0 0

Agency 61 Dairy Industry Development Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11
Operations						
General	0	0	0		0	0
Cash	1,800,000	1,400,000	1,400,000	1,4	00,000	1,400,000
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	1,800,000	1,400,000	1,400,000	1,4	00,000	1,400,000
Agency Total						
General	0	0	0		0	0
Cash	1,800,000	1,400,000	1,400,000	1,4	00,000	1,400,000
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	1,800,000	1,400,000	1,400,000	1,4	00,000	1,400,000
Operations				F	Y2009-10	FY2010-11
* Base adjustmer	nt (Prog 114 Dairy I	ndustry)		Gen Cash		0 0 9 -1,049
				Fed	-1,049	9 -1,049 0 0
				Rev		0 0
*						
Reduction of ca	sh fund expenditure	, , ,	•	Gen		0 0
	Dairy Industry Devel			Cash	-398,89	
	with DAS rate adjus			Fed		0 0
) in each year of the Committee recomm uest level.			Rev	(0 0

Agency 62 Board of Examiners for Land Surveyors

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	mittee posed 009-10	Pro	mmittee oposed 2010-11
Operations General	0	0	0		0		0
Cash	33,615	26,523	27,296		29,879		29,885
Federal	0	0	0		0		0
Revolving Subtotal-Oper	0 33,615	0 26,523	0 27,296		0 29,879		0 29,885
Agency Total							
General	0	0	0		0		0
Cash Federal	33,615 0	26,523 0	27,296 0		29,879 0		29,885 0
Revolving	0	0	0		0		0
Agency Total	33,615	26,523	27,296		29,879		29,885
Operations					FY2009-10) F	Y2010-11
Enforce standard complaints againg investigation and one land surveyor CAD operator	A Architectural Serveds) This item is releast land surveyors. nually. An investigation, two field technical to perform deed reports, a land survey,	ated to the invest The agency anti ation requires the cians, and one off esearch, local sur	tigation of icipates one e services of fice technician	Gen Cash Fed Rev	1,50	0 00 0 0	0 1,500 0 0
* Legal Related E	xpense Increase (F	Prog 83 Enforce s	standards) The	Gen		0	0
-	tes one hearing an	-	•	Cash	50	00	500
and land survey	enses include hirin or as hearing office It rates obtained fro	er. The requeste		Fed Rev		0	0
* Other Operating	Expense Decreas	e (Prog 83 Enford	ce standards)	Gen		0	0
from applicants for Engineers are proctoring and ginstruct all applications the expense of processing the expense of processing are processed.	sage of LB 252 in 2 and in turn paid the and Surveyors (NCE grading services. Leants approved for ently NCEES. Becapaying, and does not exam prep, procepted for exam prep, procepted for the exam prep.	e National Counci ES) for examinat B 252 allowed the examination to di ause the agency of collect the fees	il of Examiners ion preparation, e agency to irectly pay a no longer has s from	Cash Fed Rev	-6,99	92 0 0	-6,992 0 0
The agency is re with the majority conducts four bo	xpense adjustment equesting an increa being Personal Ve pard meetings each oard members qua	ase in travel relate chicle Mileage. To ryear, all held in	ed expenses he agency Lincoln. A	Gen Cash Fed Rev	1,40	0 00 0 0	0 1,400 0 0

Agency 63 State Board of Public Accountancy

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	nmittee posed 009-10	Committee Proposed FY2010-11
Operations						
General	0	0	0		0	0
Cash	419,701	419,701	419,701		424,490	433,803
Federal Revolving	0	0	0		0 0	0
Subtotal-Oper	419,701	419,701	419,701		424,490	433,803
Agency Total						
General	0	0	0		0	0
Cash	419,701	419,701	419,701		424,490	433,803
Federal Revolving	0	0	0 0		0	0
Agency Total	419,701	419,701	419,701		424,490	433,803
Operations					FY2009-10	FY2010-11
* Appubliza EV00.9	Salary Increases (Prog O Agonov w	vido)	Gen		0 0
Allitualize F109	Salary increases (Prog o Agency-w	nue)	Cash	99	•
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen		0 (
				Cash	-6	97 -97
* DAS Purchasing	Assessment. (Pro	g 0 Agency-wide)	Gen		0 (
				Cash	2	17 47
* Life and Accident	Insurance. (Prog	0 Agency-wide)		Gen		0 0
				Cash	1	18 18
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen		0 (
	,			Cash	4,11	0 8,318
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Ac	gency-wide)	Gen		0 (
		, ,	,	Cash	4,68	9,692
* Elimination of ten	nporary salary fun	ding (Prog 84 En	force	Gen		0 0
	agency has used r			Cash	-4,16	
increases and me recommends elin	ed for temporary herit bonuses for oth nination of the rem no expenditures f	her staff. The Containing fo	mmittee or temporary	Fed Rev 8.		0 0
* Per diem earmar	king language is e	eliminated (Prog 8	34 Enforce	Gen		0 (
standards) This	will allow the flexib	oility to react to sp	pecial	Cash		0 0
	s in-grade salary a I staying within the		retirement	Fed Rev		0 0

Agency 64 Nebraska State Patrol

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	52,926,634 14,901,931 2,076,169 800,503 70,705,237	54,769,542 15,517,068 2,172,162 819,121 73,277,893	56,231,319 15,937,838 2,274,616 840,190 75,283,963	14,7 2,1 8	96,251 57,647 32,983 23,530 10,411	57,114,888 15,061,856 2,192,056 847,530 75,216,330
Agency Total General Cash Federal Revolving Agency Total	52,926,634 14,901,931 2,076,169 800,503 70,705,237	54,769,542 15,517,068 2,172,162 819,121 73,277,893	56,231,319 15,937,838 2,274,616 840,190 75,283,963	14,7 2,1 8	996,251 '57,647 32,983 323,530 10,411	57,114,888 15,061,856 2,192,056 847,530 75,216,330
Operations				F	Y2009-10	FY2010-11
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen Cash Fed Rev	896,09 173,58 36,38 13,44	1 351,326 9 73,649
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash Fed Rev	468,49 95,81 20,42 9,57	1 198,133 5 42,238
* Annualize FY09 Salary Increases (Prog 0 Agency-wide)						,
* DAS Building / Rent Charges (Prog 0 Agency-wide)					(4 -25,274 0 0 0 0 0 0
* DAS Vehicle Liab	bility Assessment ((Prog 0 Agency-v	vide)	Gen Cash Fed Rev		

				
*	DAS Workers Compensation Assessment (Prog 0 Agency-wide)	Gen Cash Fed Rev	-12,256 0 0 0	-12,256 0 0 0
*	Gasoline price (Prog 0 Agency-wide) The Patrol (Troopers and Carrier Enforcement) requested \$772,730 additional General Funds and \$158,270 additional cash funds for fuel for each year of the next biennium to reflect higher fuel prices. The Appropriations Committee recommendation reduced that amount because the price of fuel has come down from the highs reached during the summer of 2008, when the Patrol put together their budget request.	Gen Cash Fed Rev	275,000 56,379 0 0	275,000 56,379 0 0
*	Vacancy Savings (Prog 0 Agency-wide) The Patrol anticipates that there will be vacancy savings due to turnover of personnel. Allowing these positions to remain vacant will help to offset the effect of other budget increases. A reduction in the number of available officers will reduce service to the public and other law enforcement agencies. For Program 100 Public Protection (Troopers), the Patrol is estimating that there will be the equivalent of 15 vacant positions during the biennium. The Appropriations Committee recommendation funded 8 positions, leaving 7 vacant positions. For Program 205 Carrier Enforcement, the Patrol is estimating that there will be the equivalent of 5 vacant positions during the	Gen Cash Fed Rev	-625,646 -178,756 0 0	-642,649 -183,614 0 0
*	biennium. The Appropriations Committee recommendation funded 3 positions, leaving 2 vacant positions. Annualize LB179A, electronic recording of custodial interrogations (one-time cost) (Prog 100 Public protection)	Gen Cash	-4,200 0	-4,200 0
*	Recognize DROP Savings (Prog 100 Public protection)	Fed Rev Gen	-86,449	-86,449
*	Additional ratingment contribution (Progratical According)	Cash Fed Rev	0 0 0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
	Additional retirement contribution (Prog 100 Public protection)	Gen	0	280,000

*	Maintenance Contracts (Prog 100 Public protection) The Nebraska State Patrol has developed several new information systems and programs which will have continuing requirements for maintenance contracts. The new programs were developed with federal funding include the CAD (Computer Aided Dispatch), FILEBOUND, and the RMS (Records Management System).	Gen Cash Fed Rev	168,000 0 0 0	168,000 0 0
	A brief description of each item follows: CAD allows call takers and dispatchers to create, monitor, and update multiple incidents in separate windows simultaneously. FILEBOUND is an electronic record storage system that manages documents and files stored off-site, documents converted to digital images, Word documents, PDF's, E-mails, and any other digital files. RMS is a complete repository for all police records, including criminal reports, citations, traffic accidents, field interviews, gang reports, and arrests. RMS automatically links cases, names, vehicles, and property for future detailed analysis.			
*	Reduce one-time costs of the Nebraska Public Safety Communication System. (Prog 325 Oper improvements)	Gen Cash Fed Rev	0 -1,602,826 0 0	0 -1,602,826 0 0
*	Aircraft Purchase (Prog 325 Oper improvements) The Patrol intends to replace the current fleet of 3 fixed-wing aircraft. An aging fleet of three fixed-wing aircraft is an immediate concern due to the accumulation of thousands of hours of flight time. One aircraft has amassed over ten thousand hours, the second has over eleven thousand hours, and the third aircraft has in excess of twelve thousand hours. Although the aircraft are maintained, structural integrity becomes an ever-present concern with those high accumulations of flight time. The Patrol plans to replace 1 plane each in FY10 and FY11. Additionally, the Patrol will replace 1 plane with carryover funds in FY09.	Gen Cash Fed	0 580,000 0	0 609,000 0
*	Annualize funding, Public Safety Communications System (LB 322-2007) (Prog 850 Communication System)	Gen Cash Fed Rev	1,144,429 686,953 0 0	1,182,139 686,953 0 0

Agency 65 Dept of Administrative Services

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Committee Proposed =Y2010-11
<u>Operations</u>	0.420.050	0.627.402	0.620.460	0.0	12 660	0.504.404
General Cash	9,128,050 6,987,956	8,637,192 6,826,830	8,638,460 6,822,452		13,668 98,224	8,581,401 6,800,242
Federal	0	0	0		0	0
Revolving Subtotal-Oper	186,225,874 202,341,880	177,691,350 193,155,372	180,430,602 195,891,514		69,990 81,882	183,864,043 199,245,686
·	202,341,860	193,133,372	195,691,514	190,7	01,002	199,245,000
<u>State Aid</u> General	0	0	0		0	0
Cash	2,655,961	2,500,000	2,500,000	2,5	00,000	2,500,000
Federal	0	0	0	,	0	0
Revolving	0	0	0	2.5	0	0
Subtotal-Aid	2,655,961	2,500,000	2,500,000	2,5	00,000	2,500,000
Agency Total						
General	9,128,050	8,637,192	8,638,460		13,668	8,581,401
Cash Federal	9,643,917 0	9,326,830 0	9,322,452 0	9,2	.98,224 0	9,300,242 0
Revolving	186,225,874	177,691,350	180,430,602	180,9	69,990	183,864,043
Agency Total	204,997,841	195,655,372	198,391,514	199,2	281,882	201,745,686
Operations				F	Y2009-10	FY2010-11
* Annualize FY09	Salary Increases (Proa 0 Aaencv-w	ide)	Gen	4,258	3 4,258
	(-3 - 3 - 7	,	Cash	5,113	
				Fed		0 0
				Rev	115,736	6 115,736
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	.aencv-wide)	Gen	-1,819	9 -1,819
			J,,	Cash	-579	
				Fed	(0 0
				Rev	-16,02	4 -15,807
* DAS Vehicle Lial	bility Assessment (Prog 0 Agency-w	vide)	Gen	(0 0
2	,			Cash		0
				Fed		0
				Rev	-176,547	7 -176,547

				
*	DAS Building / Rent Charges (Prog 0 Agency-wide)	Gen Cash Rev	-6,540 14,313 -42,755	-16,623 22,953 -42,762
*	FY10 / FY11 Salary Increases (Prog 0 Agency-wide)	Gen Cash Rev	99,824 37,154 758,526	202,036 75,198 1,535,241
*	FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen Cash Rev	56,837 24,257 444,651	117,535 50,162 919,521
*	Adjustment to achieve Governor's recommended funding level. (Prog 49 Dept administration)	Gen Cash Fed Rev	0 0 0 757	0 0 0 -87,277
*	Reduce Cash Funds to Requested Level (Prog 101 Chief Info Officer)	Gen Cash Fed Rev	0 -289,095 0 0	0 -289,095 0 0
*	Miscellaneous Adjustments (Prog 101 Chief Info Officer) These are the dollar figures required to maintain a level General Fund appropriation in the program.	Gen Cash Fed Rev	1,144 0 0 0	-1,346 0 0 0
*	Network Connectivity (Prog 170 Intergovt Data Services) This is the cost associated for over 2,000 devices located throughout the state to be connected to the state network. The current method of charges is being replace to more accurately reflect costs incurred for AS/400s, PCs, printers, etc. Due to the more equitable charging structure, the overall cost is going up in this program but decreasing elsewhere in state government.	Gen Cash Fed Rev	0 0 0 94,000	0 0 0 94,000
*	Staff Transfer to IM Services (Prog 170 Intergovt Data Services) The agency requested transferring one position to IM Services (Program 172). This person would be working in the GIS area if Information Management Services. The PSL associated with this reduction is \$68,501 in FY09-10 and \$70,213 in FY10-11.	Gen Cash Fed Rev	0 0 0 -78,894	0 0 0 -80,866
*	Reductions per Request (Prog 170 Intergovt Data Services) The agency's request includes reductions for equipment, software and contractual maintenance and changes in master lease purchases.	Gen Cash Fed Rev	0 0 0 -96,889	0 0 0 -104,643

*	Paper Price Increase (Prog 171 Materiel Division) According to the agency, the price of paper has increased by 36% since the previous budget request. This funding will address those increased costs.	Gen Cash Fed Rev	0 0 0 199,087	0 0 0 416,459
*	Postage and Postage Meters Expenses (Prog 171 Materiel Division) The USPS is allowed to adjust postage rates annually every May based on the previous year's Consumer Price Index. This funding will address some of that increased cost.	Gen Cash Fed Rev	0 0 0 100,000	0 0 0 200,000
*	Transfer Attorney to Central Legal (Prog 171 Materiel Division) The agency has requested authority to transfer the balance of an attorney's salary and benefits from Materiel (Program 171) to Central Legal budget in the director's office. Currently, 25% of the salary and benefits are paid from Materiel's budget. Included in this issue is PSL of (\$15,149) in FY09-10 and (\$15,528) in FY10-11.	Gen Cash Fed Rev	0 0 0 -20,196	0 0 0 -20,196
*	Reductions to Requested Level (Prog 171 Materiel Division) This is the reduced amount charged by the director's office in support of central HR, Finance, Legal, and director's administrative services.	Gen Cash Fed Rev	0 0 0 -41,904	0 0 0 -41,904
*	Cash Fund Balance, Resource Recovery Fund \$150,000 (Prog 171 Materiel Division) The Resource Recovery Fund has a projected fund balance of \$209,551. The agency requested spending authority of \$67,064 and reports the same in receipts. Under section 81-1188 transfers may be made to the General Fund at the direction of the Legislature. \$150,000 is being transferred to the General Fund	Gen Cash Fed Rev	0 0 0 0	0 0 0 0
*	Staff Transfers for GIS Transfer (Prog 172 Info Mgt Services (IMS)) The agency requested transferring 2.25 FTE from other programs within DAS. 1.25 of these FTE are from the CIO's Office. The remaining 1.0 FTE is from Intergovernmental Data Services Division (Program 170). The PSL associated with this issue is \$145,349 in FY09-10 and \$148,981 in FY10-11.	Gen Cash Fed Rev	0 0 0 182,707	0 0 0 186,890
*	Reductions to Requested Level (Prog 172 Info Mgt Services (IMS)) Included in this issue are reductions for things such as: rent expense, contractual services, changes in master lease amounts, changes in repair and maintenance of data processing equipment, equipment and software.	Gen Cash Fed Rev	0 0 0 -852,609	0 0 0 -1,455,855
*	Reduction to achieve \$48 million funding level. (Prog 172 Info Mgt Services (IMS))	Gen Cash Rev	0 0 -3,936,584	0 0 -3,922,179

Reductions to achieve Governor's recommended funding level. Gen 0 0 (Prog 173 Communications) Cash -67,613 -129,491 Fed Rev -103,595 -175,612 PDQ Salary Adjustment (Prog 180 Transportation Services) This is Gen 0 0 the result of a Position Description Questionnaire that was 0 0 Cash submitted, evaluated and approved by the State's Human Fed 0 0 Resources Department. It was determined that the position of 11.569 Rev 11.857 Automotive Equipment Repair Supervisor was approximately 30% lower than was appropriate. The PSL included in this issue is \$10,046 in FY09-10 and \$10,297 in FY10-11. Reductions Per Request (Prog 180 Transportation Services) This Gen 0 0 represents general reductions included in the agency's budget 0 0 Cash request. Fed 0 0 -96,750 -117.117 Rev Vehicle Liability Assessments (Prog 180 Transportation Services) 0 0 Gen The vehicle liability costs incurred by the state have increased. 0 0 Cash The small amounts that are paid be each state agency are paid to Fed 0 0 TSB to cover the vehicle liability costs. Rev 80,152 80,152 Vehicle Purchases (Prog 180 Transportation Services) This is the 0 0 Gen funding to address increased costs to purchase vehicles in the Cash 0 0 next biennium. The fleet purchases are for 154 vehicles in FY09-Fed 0 0 10 and 192 in FY10-11. Rev 400,000 700,000 Fuel Costs (Prog 180 Transportation Services) This is funding to Gen 0 0 address increases in fuel costs for the upcoming biennium. 0 Cash 0 Fed 0 0 100,000 200,000 Rev Reduce General Funds (Prog 245 Public Safety comm.) The \$255 -255 -255 Gen of General Funds was in the current budget to address the CIR Cash 0 0 ruling last year. Due to the small dollar amount, and the fact that it Fed 0 0 was the entirety of General Funds in the program's base budget, it Rev 0 0 was reduced to \$0. Adjustment to achieve total of earmarked funding in LB315. (Prog Gen 0 0 245 Public Safety comm.) The funding for operational costs of the 0 Cash 0 Public Safety Communication System is set at an amount equal to Fed 0 0 the total of the various participating agency earmarks. The Rev 0 0 agencies with earmarks designated for system operations include: Game and Parks, Fire Marshal, State Patrol, and the Department of Roads. The appropriation to this program is equal to the sum of those agencies' earmarks.

Reduction to achieve Governor's recommended funding level. (Prog. Gen -38.868 -80.353 509 Budget Div.) Cash 0 0 Fed 0 0 Rev 0 0 ARRA Coordination Costs (Prog 509 Budget Div.) Funding was 0 Gen 404,356 provided to address ARRA coordination efforts. 0 Cash 0 Fed 0 0 0 Rev 0 DAS Assessment to Divisions (Prog 535 Risk Management) DAS Gen 2,839 9,511 allocates for assessment to its division the following activities: the Cash 0 0 Director's Office, Central Finance, Central Human Resources, and Fed 0 0 Central Legal or program 049 – Departmental Administration. Funds Rev 0 0 are provided due to a change in that assessment. Claims Tracking System (Prog 535 Risk Management) Funds are Gen 0 0 provided for a 3% increase for the claims tracking system that is Cash 0 0 used to handle tort, miscellaneous, indemnification, contract and Fed 0 0 other claims. 831 1.687 Rev Other Adjustment (Prog 535 Risk Management) The Appropriations Gen -3.078-11.538Committee recommendation includes other adjustments in order to Cash 0 0 provide funding at the FY2008-09 level. Fed 0 0 Rev -1,983 -11,373 Proposed reductions in revolving fund expenditure authority. (Prog 0 0 Gen 560 Building Division) State Building Division (SBD) proposed Cash 0 0 reductions to various revolving fund expenditures to offset Fed 0 0 requested increases in revolving fund appropriations for a variety Rev -2.133.104 -3.308.432 of other purposes. In total, proposed reductions amounted to \$2,133,104 for 2009-10 and \$3,308,432 for 2010-11. The Appropriations Committee recommendation includes these reductions as proposed by SBD. Increase in intra-agency charges to support central DAS functions 0 0 Gen (Prog 560 Building Division) Intra-agency charges are assessed to Cash 0 0 operating units of DAS to support operation of the DAS Director's Fed 0 0 Office as well as DAS Central Finance. Central Human Resources 54.788 69.817 Rev and Central Legal functions. The Committee recommendation includes amounts requested to meet increases in these charges proposed to be assessed to SBD for the 2009-11 biennium.

7	Increases in various non-personnel operational costs (Prog 560 Building Division) The Committee recommendation includes amounts requested by State Building Division to accommodate operating expense increases predominated by increases in costs for utilities. Utilities budgets for 2008-09 were established by applying assumed increase factors to 2007-08 actual expenditures. Requests were derived by then applying increase factors to 2008-09 budgeted levels including fuel (3% / year), electricity (5% / year), water and sewer (15% each year), and chilled water expense (5% / year). Increases requested for various other operational costs generally range from 3 to 5% for each year of the biennium.	Gen Cash Fed Rev	40,657 0 0 703,309	56,0 1,180,0	0 0
7	Initiate operation of Assurity Building as State Building Division facility. (Prog 560 Building Division) The Committee recommendation for State Building Division (SBD) includes funding requested to initiate operation of the Assurity Building as an SBD facility. The Governor's 2007 budget recommendations included funding to acquire property from Assurity Life Insurance Company. The property includes a four-story office building (122,304 gross and 101,004 net square feet) with an adjoining 94-stall surface parking lot located on the block bounded on the south and north by K and L Streets, on the west by Centennial Mall and on the east by 16th Street. The property also includes a 202-stall paved surface parking lot located on the block bounded on the south and north by K and L Streets and on the west and east by 17th and 18th Streets. The Legislature concurred with the recommendation under which \$1,220,000 was appropriated for 2007-08 for an earnest money deposit toward the property acquisition and \$10,980,000 was committed to be appried at the time of closing for the balance of a \$12,200,000 purchase price. In addition, \$2,100,000 was committed for moving, equipment and other costs associated with relocating state agency occupants to the building. On October 1, 2007, Assurity Security Group Inc. and DAS-State Building Division executed a real estate purchase agreement relating to the property. Delivery of the \$1,220,000 earnest money has occurred. State Building Division is to pay \$10,980,000 at closing not earlier than October 1, 2010 or later than October 1, 2012. The closing date is to be specified by the seller at least 180 days prior to the date.	Gen Cash Fed Rev	0 0 0 0	814,	0 0 0 568

Funding to operate the building as an SBD facility was requested under an assumption that closing will occur at the earliest date

provided under the purchase agreement.

*	Centralized property leasing program. (Prog 560 Building Division) LB1241 [1992] provided for a process to centralize leases of real property occupied by state agencies. Under current law, authority to enter into leases is vested with State Building Division. The division negotiates as the lessee for rental space to be occupied by state agencies throughout the state. Rents are paid by state agencies to Building Division, which in turn remits payments to lessors. For each year of the 2009-11 biennium, SBD requested increases approximating 10% over the \$11,731,841 budgeted revolving fund level for 2008-09 centralized lease costs. The Appropriations Committee recommendation includes the increased funding requested to accommodate increases in rental costs associated with existing leases as well as for costs associated
	with any newly leased space.

Gen	0	0
Cash	0	0
Fed	0	0
Rev	1,203,098	2,509,526

Convert Building Division architectural and engineering services to revolving funded operation (Prog 560 Building Division) Existing State Building Division staff includes 4 FTE architects, 1 FTE engineer and 1 FTE information technology position that support architectural and engineering services relating to existing state facilities and proposed capital projects. Historically, personnel and operating expenses associated with these positions have been supported with General Fund appropriations. Building Division proposed to convert budgetary support for this architectural and engineering function to revolving funds. Related costs would be incorporated into rental charges assessed to occupants of facilities administered by Building Division. The Appropriations Committee recommendation includes the proposed shift in budgetary support for this function.

Gen	-505,657	-505,657
Cash	0	0
Fed	0	0
Rev	505 657	505 657

*	Authorize expenditure of amounts from Vacant Building and Excess Land Cash Fund (Prog 560 Building Division) Amounts accrue to the Vacant Building and Excess Land Cash Fund from the sale of real property that has been declared excess to the state's needs pursuant to related statutory provisions. Appropriations from the fund for the current biennium included \$1,900,000 for 2007-08 and \$50,000 for 2008-09. Expenditures for the biennium through 3/31/2009 have amounted to approximately \$688,000 and have accommodated demolition of a number of structures on the former Lincoln Reformatory property (Corrections) as well as structures at the Beatrice State Developmental Center, Grand Island Veterans' Home and Hastings Regional Center (HHS). State Building Division requested total appropriations of \$241,500 from the fund for each of 2009-10 and 2010-11 (\$191,500 above the \$50,000 appropriation level for 2008-09). Amounts requested for the 2009-11 biennium were proposed to accommodate demolition of some of the structures at the Norfolk Regional Center and Hastings Regional Center where a number of vacant buildings are to be demolished. The balance of the Vacant Building and Excess Land Cash Fund as of 3/31/2009 was approximately \$536,000. The Appropriations Committee recommendation includes the related cash fund expenditure authority as requested by Building Division.	Gen Cash Fed Rev	0 191,500 0 0	0 191,500 0 0
*	Other adjustments (Prog 560 Building Division)	Gen Cash Fed Rev	-80 0 0 7,154	-161 0 0 7,440
*	Increased Data Storage for NIS (Prog 567 Accounting) The agency reports that they are in need of additional storage for NIS. This is due to added functionality and "system maturity". In effect, as agencies utilize NIS more, the data storage needs increase. The agency has stated that the system's memory is approximately 60% full and an additional 15%-18% of capacity is used each year.	Gen Cash Fed Rev	0 0 0 20,265	0 0 0 55,000
*	Reduction to meet Request (Prog 567 Accounting) The vast majority of this issue is reductions to master lease payments. These payments are decreasing as the debt service for particular items is retired.	Gen Cash Fed Rev	0 0 0 -17,891	0 0 0 -292,951
*	Initial Funding for Talent Management System. (Prog 567 Accounting) Increased expenditure authority is provided for the initial costs associated with a new Talent Management System	Gen Cash Fed Rev		250,000

				
*	ARRA Coordination Costs (Prog 567 Accounting) Funding was	Gen	0	0
	provided to address ARRA coordination efforts.	Cash	0	0
		Fed	0	0
		Rev	195,644	190,762
*	Increase in intra-agency charges to support central DAS functions	Gen	0	0
	(Prog 573 309 Task Force) Intra-agency charges are assessed to	Cash	5,605	6,489
	operating units of DAS to support operation of the DAS Director's	Fed	0	0
	Office as well as DAS Central Finance, Central Human Resources and Central Legal functions. The Committee recommendation includes amounts requested to meet increases in these charges proposed to be assessed to the Task Force for Building Renewal for the 2009-11 biennium.	Rev	0	0
*	Reduction in budgeted non-personnel expenses (Prog 573 309	Gen	0	0
	Task Force) The Task Force proposed reductions to 2008-09	Cash	-14,920	-15,278
	budgeted levels for various operating and travel costs to offset a	Fed	0	0
	portion of increased funding requested for biennium salary and health insurance increases as well as a net increase for various other operating expenses. The Appropriations Committee recommendation includes the proposed reductions.	Rev	0	0
*	Other adjustments (Prog 573 309 Task Force) The Appropriations	Gen	0	0
	Committee recommendation includes other adjustments in order to	Cash	-6,996	-24,413
	equate its funding recommendation for the Task Force with the	Fed	0	0
	Governor's recommendation.	Rev	0	0
*	Change in Projected Losses for Workers Comp. (Prog 593 Workers	Gen	0	0
	Comp) The losses in the Workers' Compensation program are	Cash	0	0
	projected to be less than the 2007-09 biennium based on an	Fed	0	0
	actuarial study.	Rev	-457,129	-470,318
*	Salary Cost for attorney in AG's office (Prog 593 Workers Comp)	Gen	0	0
	The Workers' Compensation Program pays the salary cost of an	Cash	0	0
	attorney in the Attorney General's office. The increased cost is	Fed	0	0
	associated with the salary increase for this individual which will be passed on to this program.	Rev	2,186	4,426
*	Third Party Administrative Costs (Prog 593 Workers Comp) Funds	Gen	0	0
	are provided for increased costs associated with a new third party	Cash	0	0
	administrator or new contract for the workers compensation	Fed	0	0
	program.	Rev	200,000	200,000
*	Initial Funding for the Talent Management System. (Prog 593	Gen		
	Workers Comp) Increased expenditure authority is provided for the	Cash		
	initial cost associated with a new Talent Management System.	Fed		
		Rev	150,000	200,000

Other Adjustment. (Prog 593 Workers Comp) The Appropriations Gen 0 0 Committee recommendation includes other adjustments in order to 0 Cash 0 provide funding at the FY2008-09 level Fed 0 0 Rev 254.943 265.892 Other Adjustment. (Prog 594 Insurance) The Appropriations Gen 0 0 Committee recommendation includes other adjustments in order to 0 0 Cash provide funding at the FY2008-09 level. Fed 0 0 2,325 7.479 Rev Premium Costs (Prog 594 Insurance) The Risk Manager has 0 0 Gen determined that the cost of polices that State Insurance would Cash 0 0 purchase would increase 1% each year of the biennium. Increased Fed 0 0 premium costs are due to losses, changes and losses within the 27,385 55,042 Rev industry and increased value of items to be insured. (prog. 594) Third Party Administrative Costs (Prog 594 Insurance) Funds are 0 Gen 0 provided for increased costs associated with a new third party 0 Cash 0 administrator or a new contract for the state insurance program for Fed 0 0 broker services and for an actuarial study. Rev 27,954 27,954 Changes in Projected Losses for State Insurance Program (Prog Gen 0 0 594 Insurance) The losses are project to be less than the previous Cash 0 0 year based on an actuarial study. Fed 0 0 -90,475 Rev -57,664 Applicant Tracking System (Prog 605 Personnel) Personnel is -20.000 Gen -20.000replacing the current applicant tracking system with a Talent Cash 0 0 Management System with an applicant tracking component. Funding Fed 0 0 for the current system will be transferred to the new system. See Rev -2,925-2,925 item #6 for more details. (prog. 605) Reduce /Eliminate or Change Expenses (Prog 605 Personnel) Per -43.478 -90.262 Gen the budget request document, reduce or eliminate amounts for Cash 0 0 various budgeted expenses in order to offset increases from Fed 0 0 salaries, health insurance, rate increases and other agency issues. Rev -142,407-255,660 Personnel Assistant (Prog 605 Personnel) Transfer the remainder 0 0 Gen of the financial support for a .05 FTE Personnel Assistant from Cash 0 0 Personnel to Central Human Resources. Fed 0 0 Rev -2,515 -2,515 DAS Assessment to Divisions (Prog 605 Personnel) DAS allocates Gen 4,211 5,205 for assessment to its divisions the following activities: the Cash 0 0 Director's Office, Central Finance, Central Human Resources, and Fed 0 0 Central Legal or program 049 – Departmental Administration. Funds Rev -40,622 -39,126 are provided due to the change in that assessment.

Building Rental (Prog 605 Personnel) A proposed reduction in Gen -3.318-3.318occupied space. Cash 0 0 Fed 0 0 Annual Costs for the Talent Management System. (Prog 605 Gen Personnel) Funding is provided for the annual costs associated Cash with a new Talent Management System. The Talent Management Fed System is a human resource management software product. 450,000 Rev 365,000 Reduction in SOS (Prog 605 Personnel) The SOS Temporary Gen 0 0 Employee Pool, operated for state agencies by the Personnel 0 Cash 0 Division, has seen a significant reduction (55%) in utilization since Fed 0 0 the 2007-09 biennium budget was set. -2,032,156 -2,032,156 Rev Administrative Cost for Flex Spending (Prog 606 Benefits Admin) Gen 0 0 Increased costs associated with a Third Party Administrator for the 54,800 Cash 54.800 Medical and Dependant Care Flexible Spending program. Fed 0 0 0 0 Rev DAS Assessment to Divisions (Prog 606 Benefits Admin) DAS 0 0 Gen allocates for assessment to its divisions the following activities: the Cash 73,604 76,748 Director's Office. Central Finance. Central Human Resources, and Fed 0 0 Central Legal or program 049 – Department Administration. Funds Rev 0 0 are provided due to a change in that assessment. Eliminate Wellness related activities (Prog 606 Benefits Admin) Per Gen 0 0 the DAS budget request funding is eliminated for wellness activities. Cash -44.000 -44.000 Fed 0 0 Rev 0 0 Other Adjustment (Prog 606 Benefits Admin) The Appropriations Gen 0 0 Committee recommendation includes other adjustments in order to Cash -30.840 -28.657 provide funding at the FY2008-09 level. Fed 0 0 Rev 0 0 DAS Assessment to Divisions (Prog 608 Employee Relations Gen 490 716 Division) DAS allocates for assessment to its divisions the Cash 0 0 following activities: the Director's Office, Central Finance, Central Fed 0 0 Human Resources, and Central Legal or program 049 -0 0 Rev Departmental Administration. Funds are provided due to a change in that assessment. Increase in Legal Expenses (Prog 608 Employee Relations Division) 0 Gen 2,632 Cash 0 0 Fed 0 0 Rev 0 0

Reduce/Eliminate or Change Expenses (Prog 608 Employee Gen -14.029-23.157Relations Division) Per the DAS budget request, funding is reduced Cash 0 0 for various budgeted expenses in order to offset increases from Fed 0 0 salaries, health insurance, rate increases and other agency issues. Rev 0 0 Other Adjustments (Prog 608 Employee Relations Division) The Gen -290 -303 Appropriations Committee recommendation includes other Cash 0 0 adjustments in order to provide funding at the FY2008-09 level. Fed 0 0 0 0 Rev Reduce funding for NIS debt service - project paid off (Prog 625 Gen 0 0 NIS Info System) Cash -162,824 -162,824 Fed 0 0 -1,098,911 Rev -1,098,911 Reduction in budgeted non-personnel expenses. (Prog 685 Capitol -148,035 -285,322 Gen Commission) The Capitol Commission proposed reductions to 2008- Cash 0 0 09 budgeted General Funds for operating expenses that in net Fed 0 0 terms completely offset increased funding requested for biennium Rev 0 0 salary, health insurance, utilities and other operating expense increases. The Appropriations Committee recommendation includes the proposed reductions. Increase in intra-agency charges to support central DAS functions Gen 9,378 9,469 (Prog 685 Capitol Commission) Intra-agency charges are assessed Cash 0 0 to operating units of DAS to support operation of the DAS Fed 0 0 Director's Office as well as DAS Central Finance. Central Human 0 Rev 0 Resources and Central Legal functions. The Committee recommendation includes amounts requested to meet increases in these charges proposed to be assessed to the Capitol Commission for the 2009-11 biennium. Increase in utilities expenses (Prog 685 Capitol Commission) Funds 56,731 113,773 Gen requested by the Capitol Commission to accommodate operating Cash 0 0 expense increases were predominated by increases in costs for Fed 0 0 utilities. Utilities budgets for 2008-09 were established by applying 0 0 Rev assumed increase factors to 2007-08 actual expenditures. Requests were derived by then applying increase factors to 2008-09 budgeted levels including natural gas for steam generation (3% / year), electricity (5% / year), water and sewer (15% each year). and chilled water expense (5% / year). The Committee recommendation includes funding adjustments to accommodate amounts requested for increased utilities expenses. Other adjustments (Prog 685 Capitol Commission) The Gen -7.312 -14.210Appropriations Committee recommendation includes other Cash 0 0 adjustments in order to equate its General Fund recommendation Fed 0 0 for the Capitol Commission with the Governor's recommendation. Rev 0 0

Operations	F	FY2009-10	FY2010-11
* Adjust Cash & Revolving Fund to more realistic estimate of funds available to expend (Prog 685 Capitol Commission) The Appropriations Committee recommendation adjusts cash and revolving fund appropriations for the Capitol Commission to levels as requested.	Gen	0	0
	Cash	20,000	20,000
	Fed	0	0
	Rev	-20,000	-20,000
State Aid	F	FY2009-10	FY2010-11
* Reduce Cash Fund Aid to Requested Level (Prog 101 Chief Info Officer)	Gen	0	0
	Cash	-155,961	-155,961
	Fed	0	0
	Rev	0	0

Agency 66 Abstracter's Board of Examiners

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	mittee oosed 009-10	Commi Propos FY2010	sed
<u>Operations</u> General	0	0	0		0		0
Cash Federal	42,728 0	42,728 0	42,728 0		46,041 0	4	47,354 0
Revolving	0	0	0		0		0
Subtotal-Oper	42,728	42,728	42,728		46,041	4	47,354
Agency Total							
General Cash	0 42,728	0 42,728	0 42,728		0 46,041		0 47,354
Federal	42,728	42,728	42,728		40,041	•	47,354
Revolving	0	0	0		0		0
Agency Total	42,728	42,728	42,728		46,041	•	47,354
Operations					FY2009-10) FY20	010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen		0	0
				Cash		0	0
* FY10 / FY11 Sal	ary Increases (Pro	a 0 Agency-wide)	Gen		0	0
1110711110	ary moroacco (r re	g o rigorioy wido	,	Cash	4	50	911
				Fed		0	0
				Rev		0	0
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Ac	nency-wide)	Gen		0	0
111071111100		00000 (i 10g 0 / ig	jeriej mae,	Cash		0	0
	cy director's salary			Gen		0	0
	agency requested			Cash	80	63	1,715
	rd sets the salary a nually. This reques			Fed Rev		0	0
assumed increas	se in employee sal	aries noted in Ge	neral Policies	1101		J	Ü
results in a total	increase for each f	iscal year of \$1,2	200.				
* Increase in trave	l expenses (Prog 5	58 Enforce standa	ards) The	Gen		0	0
	sing travel related			Cash	2,00	00	2,000
	board chairperson			Fed		0	0
	n meetings. In the rith travel, lodging,			Rev		0	0
the board approv	ed adding the cha	irperson of the bo	oard as an				
	are two national n	neetings and two	regional				
meetings each y	cai.						

Agency 67 Equal Opportunity Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Committee Proposed FY2010-11
Operations General Cash	1,373,311 0	1,373,311	1,373,311		26,333	1,370,691 0
Federal Revolving	666,236 0	685,886 0	697,831 0	78	38,513 0	811,886 0
Subtotal-Oper	2,039,547	2,059,197	2,071,142	2,11	14,846	2,182,577
Agency Total General	1,373,311	1,373,311	1,373,311	1,32	26,333	1,370,691
Cash Federal	0 666,236	0 685,886	0 697,831	78	0 88,513	0 811,886
Revolving Agency Total	0 2,039,547	0 2,059,197	0 2,071,142	2,1	0 14,846	0 2,182,577
Operations				FY	/2009-10	FY2010-11
* Annualize FY09 S	Salary Increases (Prog 0 Agency-w	ide)	Gen Cash	6,447	
				Fed Rev	6,132 (6,132
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash Fed	-751 (0
				Rev	(
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide)				Gen Cash Fed	23,860 (11,753	0
* FY10 / FY11 Hea	Ith Insurance Incr	eases (Prog 0 Ag	gency-wide)	Rev Gen Cash	19,374	40,065
				Fed Rev	9,538 (19,724
federal. (Prog 59	tigator and staff as Equal opportunity nce to approximate) This will bring t	he ending	Gen Cash Fed	-94,681 (94,654	0
. o con a rand balan	to approximate			Rev	04,00	

Agency 68 Mexican-American Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	osed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	215,312 0 0 0 215,312	211,430 3,882 0 0 215,312	215,312 0 0 0 215,312		200,461 37,162 0 0 237,623	210,352 35,000 0 0 245,352
Agency Total General Cash Federal Revolving Agency Total	215,312 0 0 0 215,312	211,430 3,882 0 0 215,312	215,312 0 0 0 215,312		200,461 37,162 0 0 237,623	210,352 35,000 0 0 245,352
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	66	5 665
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen	-12	3 -123
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen	3,49	6 7,074
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)				Gen	2,27	6 4,707
* Reduce operating cost (Prog 537 Mex-American Commission) These are reductions to several operating expenses, such as postage, printing, office supplies, consultant services and other contractual services that were identified in the agency's modification budget.				Gen Cash Fed Rev		3 -17,283 0 0 0 0 0 0
* Increase cash to Commission)	Increase cash to offset general funds. (Prog 537 Mex-American			Gen Cash	-3,88. 3,88.	
* Provide cash fund authority to hire an interpreter (Prog 537 Mex-American Commission) If the agency receives contracts to provide interpreter services to state agencies, this cash fund authority will allow the agency to hire an interpreter.				Gen Cash Fed Rev	33,28	0 35,000

Agency 69 Nebraska Arts Council

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	F	Committee Proposed Y2010-11
Operations						
General	618,060	618,060	618,060	626,89	4	623,722
Cash	10,000	10,000	10,000	10,00		10,000
Federal	128,444	128,444	128,444	129,39		129,465
Revolving	0	0	0		0	0
Subtotal-Oper	756,504	756,504	756,504	766,28	7	763,187
State Aid	004.054	004.054	004.054	004.05		004.054
General	861,654	861,654	861,654	861,65		861,654
Cash	1,500,000	1,500,000	1,500,000	1,500,00		1,500,000
Federal	520,810 0	520,810 0	520,810 0	520,81	0	520,810
Revolving		_			-	0
Subtotal-Aid	2,882,464	2,882,464	2,882,464	2,882,46	4	2,882,464
Agency Total	4 470 744	4 470 744	4 470 74 4	4 400 54	0	4 405 070
General	1,479,714	1,479,714	1,479,714	1,488,54		1,485,376
Cash	1,510,000	1,510,000	1,510,000	1,510,00		1,510,000
Federal	649,254 0	649,254 0	649,254 0	650,20	0	650,275
Revolving	_	_			-	0
Agency Total	3,638,968	3,638,968	3,638,968	3,648,75) [3,645,651
Operations				FY2009	9-10	FY2010-11
* Appubliza EV00	Salary Increases (Prog O Agonov w	iido)	Gen	2,315	2,315
Annualize F109	Salary Increases (Flog o Agency-w	iue)			
				Cash Fed	0 877	_
				Rev	0	
* DAS Workers C	ompensation Asses	ssmont (Prog.0 A	aonov-wido)	Gen	151	151
DAS WOIKEIS C	ompensation Asset	SSITIETIL (Flog o A	igericy-wide)			
				Cash	0	
				Fed	0	
				Rev	U	U
* Slight increase i	n life insurance cos	sts (Prog 0 Agend	cy-wide)	Gen	256	529
•		, 5 5	• ,	Cash	0	
				Fed	72	
				Rev	0	

FY10 / FY11 Salary Increases (Prog 0 Agency-wide) 11.680 Gen 23.640 Cash 0 0 Fed 0 0 0 Rev 0 FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) 12,248 Gen 5,923 Cash 0 0 Fed 0 0 0 0 Rev Eliminate temporary clerical services (Prog 326 Promote/develop -5,019 -5,019 Gen arts) Existing funding for temporary clerical services would be Cash 0 0 eliminated as a result of this reduction. The agency currently has 1 Fed 0 0 FTE support position, and temporary services are used for short Rev 0 0 term project assistance, particularly in the area of records management. Reduce travel funding for board members (Prog 326 Gen -5.010 -5.010 Promote/develop arts) A budget reduction undertaken by the Cash 0 0 Appropriation Committee decreases funding allocated for the travel Fed 0 0 expenses of board members by 45%. Individuals appointed to the Rev 0 0 Nebraska Arts Council are eligible for reimbursement for travel costs. Reduction in operating costs. (Prog 326 Promote/develop arts) A Gen 0 -21,928 general reduction in Arts Council operating budget in FY10-11 is Cash 0 0 included in the Appropriations Committee recommednation. Fed 0 0 Rev 0 0 Change transfers to the Cultural Preservation Endowment Fund Gen 0 0 (LB316) (Prog 329 Cultural Trust) The Appropriations Committee Cash 0 0 recommendation amends the section of law regarding General Fed 0 0 Fund transfers to the Cultural Preservation Endowment Fund. Rev 0 0 Current law provides for a \$2,000,000 General Fund transfer to the Endowment Fund in both years of the 09-11 biennium. Committee amendments to LB 316 authorize a General Fund transfer of up to \$1,000,000 in FY09-10 if private matching funds are secured. The FY10-11 transfer would be up to \$1,000,000 plus any unused transfer amount from the prior year, if private matching funds are secured.

Agency 70 Foster Care Review Board

Operations General 1,336,371 1,336,371 1,336,371 1,421,906 1,458, Cash 6,000	000 043 0 361
Cash 6,000	000 043 0 361 318 000 043 0
Federal 603,389 603,389 380,000 635,331 651, Revolving 0 0 0 0	043 0 361 318 000 043 0
Revolving 0 0 0	0 361 318 000 043 0
Subtotal-Oper 1,945,760 1,945,760 1.722.371 2.063.237 2.115.	318 000 043 0
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	000 043 0
Agency Total	000 043 0
General 1,336,371 1,336,371 1,421,906 1,458,	043 0
	0
	_
Revolving 0 0 0 0 0	36 T
Agency Total 1,945,760 1,945,760 1,722,371 2,063,237 2,115,	
Operations FY2009-10 FY2010	-11 -
* Annualize FY09 Salary Increases (Prog 0 Agency-wide) Gen 5,661	,661
Cash 0	0
Fed 1,887	,887
Rev 0	0
* FY10 / FY11 Salary Increases (Prog 0 Agency-wide) Gen 20,116 40	,712
Cash 0	0
	,452
Rev 0	0
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide) Gen 15,862 32	,802
Cash 0	0
	,058
Rev 0	0
* Add one review specialist (Prog 116 Foster care review) This will Gen 43,896 42	,772
allow the board to review approximately 300 additional children per Cash 0	0
	,257
Rev 0	0

Agency 71 Nebraska Energy Office

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed I	Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	0 426,087 1,071,188 0 1,497,275	0 418,850 967,331 0 1,386,181	0 411,079 967,331 0 1,378,410	99	0 6,470 7,787 0 4,257	0 436,339 1,031,029 0 1,467,368
State Aid General Cash Federal Revolving Subtotal-Aid	0 250,000 7,240,902 0 7,490,902	0 1,250,000 5,120,550 0 6,370,550	0 1,250,000 5,081,397 0 6,331,397	5,12	0 0,000 0,550 0	0 1,250,000 5,081,397 0 6,331,397
Agency Total General Cash Federal Revolving Agency Total	0 676,087 8,312,090 0 8,988,177	0 1,668,850 6,087,881 0 7,756,731	0 1,661,079 6,048,728 0 7,709,807	6,11	0 6,470 8,337 0 4,807	0 1,686,339 6,112,426 0 7,798,765
Operations				FY	2009-10	FY2010-11
The agency anticoperations. It should be agency and the agency and	Funds to Request ipates reduced levould be noted that stimulus) funding.	els of federal fun this issues does	nds used for not reflect any	Gen Cash Fed Rev	0 0 -78,979 0	-78,979
* Reduce 1.0 FTE per Request (Prog 106 Energy Office) The agency requested reducing staffing by one position: Energy Assistant Director of Planning and Research. According to the agency, when the full-time director was appointed July 1, 2008 he took on some of the functions of this position. In an effort to eliminate duplicative efforts, this position was eliminated.					0 -8,294 -24,878 0	-8,294 -24,878
Committee includ	projects funding (led funding of \$25 unding for matchir ded in LB 569.	,000 Cash Funds	in the first year	Gen Cash Fed Rev	0 25,000 0 0	0

Earmark language for this purpose is included in LB 315.

* Reduce Operating Costs (Prog 107 Energy Office/weatherization)	Gen	0	0
The agency has requested a slight decrease in funding for this	Cash	-827	-1,926
program. According to the agency this is due to the fact that the	Fed	0	0
last loan repayment is due in 2011.	Rev	0	0

State Aid		FY2009-10	FY2010-11
* Reduce Federal Aid to Request Level (Prog 106 Energy Office) The agency anticipates reduced levels of federal aid. It should be noted that this issues does not reflect any ARRA (Federal Stimulus) funding. ARRA funds are addressed in a separate bill.	Gen	0	0
	Cash	0	0
	Fed	-2,120,352	-2,159,505
	Rev	0	0
* Increase Aid (Prog 106 Energy Office) The agency has received funding from NPPD that will be used with agency funds (e.g. oil overcharge funds) to provide low interest rate loans to consumers who want to make energy improvements to their homes. This spending authority allows the agency to partner with the industry and local lenders and provide such loans.	Gen	0	0
	Cash	1,000,000	1,000,000
	Fed	0	0
	Rev	0	0

Agency 72 Dept of Economic Development

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed	Committee Proposed FY2010-11
<u>Operations</u>						
General	4,441,717	4,445,463	4,485,242		6,018	5,069,360
Cash	4,147,833	5,189,174	4,225,035		8,817	4,209,269
Federal Revolving	2,310,842 0	2,342,309 0	2,367,486 0	2,35	5,564 0	2,394,520 0
Subtotal-Oper	10,900,392	11,976,946	11,077,763	12 61	0,399	11,673,149
	10,300,332	11,970,940	11,077,703	12,01	0,099	11,073,149
State Aid						
General	2,225,000	2,225,000	2,225,000		7,500	1,597,500
Cash	19,130,944	12,880,944	12,880,944		0,944	12,880,944
Federal	19,587,291	19,587,291	19,587,291	19,58	7,291	19,587,291
Revolving	0	0	0	04.00	0	0
Subtotal-Aid	40,943,235	34,693,235	34,693,235	34,06	5,735	34,065,735
Agency Total						
General	6,666,717	6,670,463	6,710,242	6.67	3,518	6,666,860
Cash	23,278,777	18,070,118	17,105,979		59,761	17,090,213
Federal	21,898,133	21,929,600	21,954,777		2,855	21,981,811
Revolving	0	0	0		0	0
Agency Total	51,843,627	46,670,181	45,770,998	46,67	76,134	45,738,884
Operations				FY	′2009-10	FY2010-11
* Appubliza EV00	Salary Increases (Drog O Agonov w	iido)	Gen	10,743	3 10,743
Annualize F109	Salary Increases (Flog o Agency-w	ide)	Cash	1,734	
				Fed	7,357	
				Rev		0 0
					·	
* 5,40 / 5,44 0			、	_		
FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen	57,550	
				Cash	17,755	
				Fed	21,524	_
				Rev	(0
* FY10 / FY11 Ha	alth Insurance Incr	eases (Prog 0 Ac	rency-wide)	Gen	37,46	1 77,468
1 1 10 / 1 1 1 1 1 10	a.a.i iiioaiaiioo iiioi	cases (i rog o Ag	, , , , , , , , , , , , , , , , ,	Cash	11,495	
				Fed	15,84	
				Rev	13,04	
				1101	`	, 0

*	Miscellaneous operating reductions (Prog 134 Rural Development) In order to maintain General Fund operating costs at approximately the same level as the current year, miscellaneous operating cost reductions were made in to offset increases in salary and health insurance expenses. The reduction in the Rural Development Commission program will reduce the travel budget by 7% and the postage budget by 25%.	Gen Cash Fed Rev	-5,400 0 0 0	-5,400 0 0
*	Miscellaneous operating reductions (Prog 600 Administration) Miscellaneous operating cost reductions were made to offset increases in salary and health insurance expenses. The reductions in the Administration program will impact temporary personnel and consulting expenses and reduce the travel budget by almost 18%.	Gen Cash Fed Rev	-25,700 0 0 0	-25,700 0 0 0
*	Miscellaneous operating reductions (Prog 601 Community/Rural Develop) In order to maintain General Fund operating costs at approximately the same level as the current year, miscellaneous operating cost reductions were made in to offset increases in salary and health insurance expenses. The reductions in the Community and Rural Development program will impact postage and travel expenses.	Gen Cash Fed Rev	-9,376 0 0	-9,376 0 0 0
*	Budget adjustments due to Innovation Zone Commission sunset on December 31, 2010 (Prog 603 Industry Recruit) The Innovation Zone Commission sunsets on December 31, 2010. The reduction reflects funding allocated to the Commission after December 31, 2010.	Gen Cash Fed Rev	0 0 0 0	-46,129 0 0 0
*	Designate surety bond support funding as operations rather than state aid (Prog 603 Industry Recruit) Under existing law, the Department of Economic development is allowed, but not mandated, to provide surety bond support services. Since 1997, funding has been provided for a contract to carry out the surety bond support program and earmarked as state aid. The Appropriations Committee recommendation removes the earmark as part of the state aid budget and moves the funding the the Department's operating budget.	Gen Cash Fed Rev	0 0 0 0	0 0 0 0
*	Miscellaneous operating reductions (Prog 603 Industry Recruit) In order to maintain General Fund operating costs at approximately the same level as the current year, miscellaneous operating cost reductions were made in to offset increases in salary and health insurance expenses. The reductions in the Industrial Recruitment program will impact postage and travel expenses, but will largely be focused in the consulting services and travel line items.	Gen Cash Fed Rev	-58,477 0 0 0	-117,940 0 0 0

Operations FY2009-10 FY2010-11

*	Increase cash funds based upon one-time transfer from Cash Reserve Fund to the State Visitors Promotion Cash Fund for Special Olympics promotion. (Governor's Initiative) (Prog 618 Tourism Promotion) The Appropriations Committee approved the Governor's recommendation to transfer \$1,000,000 from the Cash Reserve Fund to the State Visitors Promotion Cash Fund to provide funding for the promotion and support of the hosting of a Special Olympics national event by a city of the primary class. The increased cash fund appropriation in FY09-10 allows for the	Gen Cash Fed Rev	0 1,000,000 0 0	0 0 0 0
	expenditure of this transfer.			

S	tate Aid		FY2009-10	FY2010-11
*	Transfer administration of the Building Entrepreneurial Communities (BECA) and Agricultural Opportunities state aid programs (Prog 134 Rural Development) The Appropriations Committee approved the agency request to move administration of the Building Entrepreneurial Communities and Agricultural Opportunities programs to the Rural Development Commission budget program. The programs are currently administered in other agency programs. There is no net fiscal impact to the agency as a result of the transfer of program administration.	Gen Cash Fed Rev	1,000,000 0 0	0
*	Adjustment due to a one-time transfer to the Microenterprise Cash Fund. (Prog 601 Community/Rural Develop) A one time transfer from Cash Reserve Fund to the Microenterprise Cash Fund was carried out in FY07-09 biennium. The one-time nature of the transfer requires a reduction of unneeded cash fund expenditure authority in the FY09-11 biennium.	Gen Cash Fed Rev	0 -1,000,000 0 0	-1,000,000 0
*	Transfer Agricultural Opportunities Program to Program 134, Rural Development Commission. (Prog 601 Community/Rural Develop) As previously noted, the administration of the Agricultural Opportunities Program will be moved to the Rural Development Commission budget program. There is no net fiscal impact.	Gen Cash Fed Rev	-850,000 0 0	0
*	Adjustment due to a one-time transfer BECA Cash Fund. (Prog 603 Industry Recruit) A one time transfer from the Cash Reserve Fund to the Building Entrepreneurial Communities Cash Fund was carried out in the FY07-09 biennium. The one-time nature of the transfer requires a reduction of unneeded cash fund expenditure authority in the FY09-11 biennium.	Gen Cash Fed Rev	0 -250,000 0 0	-250,000 0
*	Move funding for the Building Entrepreneurial Communities program to Program 134 (Prog 603 Industry Recruit) As previously noted, the administration of the Building Entrepreneurial Communities will be moved to the Rural Development Commission budget program. There is no net fiscal impact.	Gen Cash Fed Rev	-150,000 0 0	0

State Aid FY2009-10 FY2010-11

*	Reduce cash fund expenditure authority for Job Training Cash Fund. (Prog 603 Industry Recruit) The Job Training Cash Fund has received revenue from transfers from the Cash Reserve Fund in the last two biennial budgets. The agency did not propose additional transfers and requested a lower cash fund appropriation.	Gen Cash Fed Rev	-5,000,000 0 0	-5,000,000 0 0
*	Extend deadlines, Job Training Cash Fund transfer (LB124 into LB 316) (Prog 603 Industry Recruit) Provisions of LB 124 will be amended into LB 316 to extend the length of time that the uncommitted and unexpended balance of the Job Training Cash Fund may be used by the Department of Economic Development. Current law provides that uncommitted and unexpended balances would be transferred back to the Cash Reserve Fund beginning in 2010 and 2011. The Appropriations Committee approved amending the law to delay transfers until 2014 and 2015.	Gen Cash Fed Rev	0 0 0 0	0 0 0 0
*	Shift Tourism matching grant funds to operations and earmark a portion for event promotion (Prog 618 Tourism Promotion) Currently, \$500,000 General Funds are allocated to the Tourism division for a matching grant program. This program is not established in statute. The Appropriations Committee approved the agency request to reallocate the existing funding to operations for tourism marketing campaigns. In FY09-10, a total of \$250,000 of this funding would be earmarked for promotional contracts related to a US Senior Open event to be held in a city of the metropolitan	Gen Cash Fed Rev	0 0 0	0 0 0 0

class.

Agency 73 State Board of Landscape Architects

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
Operations					
General	0	0	0	0	0
Cash	22,050	22,050	22,050	22,861	22,865
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Subtotal-Oper	22,050	22,050	22,050	22,861	22,865
Agency Total					
General	0	0	0	0	0
Cash	22,050	22,050	22,050	22,861	22,865
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Agency Total	22,050	22,050	22,050	22,861	22,865

Operations		FY2009-10	FY2010-11
* Memorandum of Understanding adjustment (Prog 597 Landscape	Gen	0	0
Architects) The Board of Engineers and Architects is increasing	Cash	240	240
the fee they charge to the Landscape Architects for administrative	Fed	0	0
support, facilities, and equipment use to reflect actual cost. This is a 2% increase in the MOU between the two agencies.	Rev	0	0
* E-commerce operating expense (Prog 597 Landscape Architects)	Gen	0	0
The agency requested an increase in this expenditure in order to	Cash	675	675
further implement online license renewals paid by credit card and	Fed	0	0
cover an anticipated increase in such transactions. An increase in	Rev	0	0

usage results in increased fees paid to the vendor, Nebraska.gov.

Agency 74 Power Review Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	0 404,222 0 0 404,222	0 391,372 0 0 391,372	0 390,806 0 0 390,806		0 402,090 0 0 402,090	0 411,652 0 0 411,652
Agency Total General Cash Federal Revolving Agency Total	0 404,222 0 0 404,222	0 391,372 0 0 391,372	0 390,806 0 0 390,806		0 402,090 0 0 402,090	0 411,652 0 0 411,652
Operations					FY2009-10	FY2010-11
* Annualize FY09 S	Salary Increases (Prog 0 Agency-w	ride)	Gen Cash		0 0 1 1,031
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash	-5:	0 0 3 -53
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen Cash	4,91	0 0 8 9,953
* FY10 / FY11 Hea	Ith Insurance Incre	eases (Prog 0 Aç	gency-wide)	Gen Cash	4,76	0 0 9 9,862
* Operating Expenses (Prog 72 Enforce standards) The agency requested a reduction in operating expenses. This issue is comprised of small reductions in 10-15 spending categories. No single reduction is greater than \$500.					-1,31	0 0 0 -1,958 0 0
* Travel Expenses (Prog 72 Enforce standards) The agency requested a reduction in travel expenses to more accurately reflect anticipated costs. The current year is budgeted at \$33,047. This reduction will still provide \$29,870 per year for travel related expenses.				Gen Cash Fed Rev	-3,17	0 0 7 -3,177 0 0 0 0
* Per Diems (Prog 72 Enforce standards) The agency requested a reduction in Per Diems. The current year's budget is \$22,529. This reduction will maintain \$15,000 budgeted. Historically, they spend around \$5,000 per year.					-8,10	0 0 5 -8,105 0 0

Agency 75 Nebraska Investment Council

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Prop	mittee osed 10-11
Operations General	0	0	0		0		0
Cash	1,764,373	2,164,373	2,439,373	2,4	30,902	2,	629,099
Federal	0	0	0		0		0
Revolving Subtotal-Oper	0 1,764,373	0 2,164,373	0 2,439,373	2,4	0 30,902	2,	0 629,099
Agency Total							
General Cash	1 764 272	0	0 2,439,373	2.4	0 20 002	2	0
Federal	1,764,373 0	2,164,373 0	2,439,373	2,4	30,902 0	۷,	629,099 0
Revolving	0	0	0		0		0
Agency Total	1,764,373	2,164,373	2,439,373	2,4	30,902	2,	629,099
Operations				F`	Y2009-10	FY:	2010-11
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	agency-wide)	Gen	(0	0
	·	, ,	,	Cash	309	9	309
				Fed		0	0
				Rev	(0	0
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide	e)	Gen	(0	0
				Cash	16,11		32,607
				Fed Rev		0 0	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ad	gency-wide)	Gen	(0	0
		()	, ,	Cash	9,75		20,171
				Fed	(0	0
				Rev	(0	0
* Asset Liability S	Study (Prog 610 Inve	estment admin)	Funds are	Gen	(0	0
	asset liability study	for the defined b	enefit	Cash	(0	125,000
retirement plans	3.			Fed		0	0
				Rev		0	0
	wsuit Services (Pro			Gen		0	0
	to retain a commerc			Cash	30,00	_	30,000
class action suit	ts and file claims on	behalf of the NI	Ú.	Fed		0	0
				Rev	(0	0

Increase in Consulting Fees (Prog 610 Investment admin) The NIC Gen 0 0 has entered into multi-year contracts with Ennis Knupp (EK) to Cash 234,636 280,000 provide general consulting and to provide advice on private equity Fed 0 and private real estate investments. Rev 0 0 New Position for the OIP (Prog 610 Investment admin) Funds are Gen 0 0 provided for an additional investment staff position to support the 150,142 Cash 147,376 Operating Investment Pool (OIP). Fed 0 0 Rev 0 0 Salary Adjustments (Prog 610 Investment admin) Funds are Gen 0 0 162,517 provided for salary adjustments bringing staff salaries to the Cash 147,466 median of peers. Fed 0 0 0 0 Rev State Investment Officer's Salary (Prog 610 Investment admin) Gen 0 0 Increase the State Investment Officer's salary to \$228,000. 65,000 65,000 Cash Fed 0 0 0 Rev 0

Agency 76 Nebraska Commission on Indian Affairs

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
Operations General	198,763	198,763	198,763		195,000	195,000
Cash	0	0	0		0	0
Federal	0	0	0		0	0
Revolving Subtotal-Oper	0 198,763	0 198,763	0 198,763		0 195,000	0 195,000
Agency Total	,	,	,		,	,
General	198,763	198,763	198,763		195,000	195,000
Cash	0	0	0		0	0
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Agency Total	198,763	198,763	198,763		195,000	195,000
Operations					FY2009-10	FY2010-11
* Annualize FY09	9 Salary Increases (Prog 0 Agency-w	ride)	Gen	317	7 317
				Cash	(0 0
				Fed	(0 0
				Rev	(0 0
* DAS Workers 0	Compensation Asses	ssment (Prog 0 A	.gency-wide)	Gen	(0 0
				Cash	(0 0
				Fed	(0 0
				Rev	(0 0
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide)	Gen	3,556	7,196
				Cash	(0 0
				Fed	(0 0
				Rev	(0 0
* FY10 / FY11 H	ealth Insurance Incr	eases (Prog 0 Ac	gency-wide)	Gen	2,22	5 4,601
		` 5	, ,	Cash		0
				Fed	(0
				Rev	(0
* Reduce agency	operating (Prog 58	4 Indian Affairs)	These are	Gen	-9,86°	1 -15,877
	everal line items ide			Cash		0
modification bu		<u> </u>	-	Fed		0 0
	illication budget.					

Rev

Agency 77 Commission of Industrial Relations

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Prop	osed	Committe Proposed FY2010-1	t
Operations							
General	335,155	335,155	335,155		332,955	332,	_
Cash Federal	0	0	0		0		0
Revolving	0	0	0		0		0
Subtotal-Oper	335,155	335,155	335,155		332,955	332,	-
Agency Total							
General	335,155	335,155	335,155		332,955	332,	955
Cash	0	0	0		0		0
Federal	0	0	0		0		0
Revolving	0	0	0		0		0
Agency Total	335,155	335,155	335,155		332,955	332,	955
Operations 					FY2009-10	FY2010)-11
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	gency-wide)	Gen	-4	4	-44
	·	, -	,	Cash		0	0
				Fed		0	0
				Rev		0	0
* FY10 / FY11 Sa	alary Increases (Pro	g 0 Agency-wide)	Gen	3,55	5 7	7,195
				Cash		0	0
				Fed		0	0
				Rev		0	0
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Ag	gency-wide)	Gen	4,29	5 8	3,882
				Cash		0	0
				Fed		0	0
				Rev		0	0
* Commissioners	s' Expenses (Prog 4	90 Commissione	r Expenses) The	Gen	10,73	7 10),737
	hat when funds wer			Cash		0	0
for the creation	of program 490, no	ot enough funds v	vere	Fed		0	0
	e recommendation t			Rev		0	0
* Defer Commiss	ioner Conference T	ravel (Prog 490 0	Commissioner	Gen	-3,00	0 -3	3,000
Expenses)				Cash		0	0
				Fed		0	0

Rev

Operations FY2009-10 FY2010-11 Funding to FY08-09 level (Prog 490 Commissioner Expenses) Gen -10 -10 Cash 0 0 Fed 0 0 Rev 0 0 Reduce Office Supplies (Prog 531 Industrial Relations) Gen -183 -183 Cash 0 0 0 Fed 0 0 Rev 0 Commissioners' Expenses (Prog 531 Industrial Relations) Transfer Gen -10,737 -10,737 of funds from program 531 to program 490 - Commissioners' Cash 0 0 Fed Expenses. 0 0 Rev 0 0 Defer Staff Conference Travel (Prog 531 Industrial Relations) -2,200 -2,200 Gen Cash 0 0 Fed 0 0 Rev 0 0 * Funding to FY08-09 level (Prog 531 Industrial Relations) -12,780 Gen -4,397 Cash 0 0 Fed 0 0 Rev 0 0

Agency 78 Nebr Commission on Law Enforcement and Criminal Justice

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commit Propos FY2009	ed l	Committee Proposed Y2010-11
<u>Operations</u>						
General	8,980,494	9,172,629	9,127,310		0,557	9,236,393
Cash	1,230,283	914,242	960,751		0,171	1,314,298
Federal	2,191,556	861,605	861,605	2,21	2,347	2,231,671
Revolving	0	0	0		0	0
Subtotal-Oper	12,402,333	10,948,476	10,949,666	12,87	3,075	12,782,362
State Aid	0.400.000	0.404.44	0.400.074	0.40		0.400.000
General	2,166,328	2,164,147	2,162,071		6,328	2,166,328
Cash	65,000	65,000	65,000		5,000	65,000
Federal	6,845,137 0	6,845,137 0	6,845,137 0	6,84	5,137 0	6,845,137
Revolving	_	_		0.07	-	0
Subtotal-Aid	9,076,465	9,074,284	9,072,208	9,07	6,465	9,076,465
Agency Total	44 440 000	44.000.770	44 000 004	44.07		44 400 704
General	11,146,822	11,336,776	11,289,381		6,885	11,402,721
Cash	1,295,283	979,242	1,025,751		5,171	1,379,298
Federal	9,036,693	7,706,742	7,706,742	9,05	7,484	9,076,808
Revolving	0	0	0	04.04	0	0
Agency Total	21,478,798	20,022,760	20,021,874	21,94	9,540	21,858,827
Operations				FY	2009-10	FY2010-11
* EV10 / EV11 Sal	ary Increases (Pro	a O Agonov wido	١	Gen	82,319	166,612
FTIU/FTII Sai	ary increases (Fio	g o Agency-wide)			
				Cash	4,501	
				Fed Rev	11,442 0	
				Kev	U	0
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Ac	nencv-wide)	Gen	76,355	157,898
1 1 10 / 1 1 1 1 1 1 0 0		00000 (1.109 0 7.9	joney mae,	Cash	4,553	
				Fed	7,128	
				Rev	0	
*	.	D 0.4		0	44.00-	
Annualize FY09	Salary Increases (Prog U Agency-w	riae)	Gen	11,389	
				Cash	1,052	
				Fed	2,221	
				Rev	0	0

*	DAS Rent and Depreciation Increase, Law Enforcement Training Center (Prog 199 GI Training Center)	Gen Cash	0 245,342	0
	DAS Building Division is increasing the charges for rent and depreciation on the Training Center facility in Grand Island. The reason for the depreciation increase is that the Law Enforcement Training Center has been reclassified as an older type of building. In 1998, the Training Center received \$12,000,000 for renovations to accommodate the State Patrol and the expanded training needs of local law enforcement.	Fed Rev	0	0
	The Appropriations Committee recommendation funded the agency request with cash funds in FY09-10. For FY10-11, increasing the Law Enforcement Improvement Fund (LEIF) court fee from \$1 to \$2 is being explored.			
*	Baseline reduction (Prog 220 Community Corrections)	Gen Cash Fed Rev	-40,000 0 0 0	-80,000 0 0
*	Increase Cash Fund Appropriation (Prog 220 Community	Gen	0	0

Cash

Fed

Rev

0

0

64.440

0 0

64.440

An increase in the appropriation from the Community Corrections Uniform Data Analysis Cash Fund is being requested. The higher appropriation level more closely matches the amount of revenue received each year, and it will also allow the funding of necessary data projects.

Corrections)

Some recent projects that the Community Corrections Council has funded include the automation of pre-sentence investigation reports, development of an interface for problem-solving courts to integrate with the JUSTICE computer system, and a number of improvements to the Nebraska Probation Information Management System (NPMIS). They also plan to fund the development of an electronic case management system for parole.

Agency 81 Commission for the Blind and Visually Impaired

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	F	Committee Proposed Y2010-11
Operations						
General	779,684	779,684	779,684	864,5		897,202
Cash	65,173	65,173	65,173	65,3		65,454
Federal	2,850,956	2,807,895	2,807,895	2,918,1		3,020,136
Revolving	0	0	0		0	0
Subtotal-Oper	3,695,813	3,652,752	3,652,752	3,848,0	24	3,982,792
State Aid	400.000	400.000	400.000	400.0		100.000
General	190,000	190,000	190,000	190,0		190,000
Cash	400.670	400.670	400.670	25,1		25,163
Federal Revolving	499,670 0	499,670 0	499,670 0	499,6	0	499,670 0
Subtotal-Aid		_		7110	-	714,833
Subtotal-Alu	689,670	689,670	689,670	714,8	, 33	7 14,033
Agency Total	000 004	000 004	000.004	4.054.5		4 007 000
General	969,684	969,684	969,684	1,054,5		1,087,202
Cash	65,173	65,173	65,173	90,5		90,617
Federal Povolving	3,350,626	3,307,565	3,307,565 0	3,417,8	0	3,519,806
Revolving	0	0		4.500.0	-	0
Agency Total	4,385,483	4,342,422	4,342,422	4,562,8	157	4,697,625
Operations				FY200	09-10	FY2010-11
*	0-1	D 0 A	: -1 - 1	0	4.000	4.000
Annualize FY09	Salary Increases (Prog u Agency-w	ride)	Gen	4,928	•
				Cash	48	
				Fed	18,209	
				Rev	0	0
* DAS Workers C	ompensation Asses	ssment (Prog () A	gency-wide)	Gen	-1,064	-1,064
DAG WORKERS O	ompensation Asset	Someth (1 log o A	igericy wide)	Cash	0,004	
				Fed	-3,930	_
				Rev	-3,930	
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen	12,334	24,961
	•		:	Cash	116	
				Fed	45,441	91,971
				Rev	0	

Operations		FY2009-10	FY2010-11
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen	8,868	18,339
	Cash	0	0
	Fed	32,754	67,734
	Rev	0	0
* Decrease federal funds for one-time expense for client tracking system (Prog 357 Blind/Visually Impaired)	Gen	0	0
	Cash	0	0
	Fed	-43,061	-43,061
	Rev	0	0
* Rent increase for non-state owned buildings (Prog 357 Blind/Visually Impaired)	Gen	1,465	2,194
	Cash	0	0
	Fed	5,411	8,107
	Rev	0	0
* Senior Blind Program (Prog 357 Blind/Visually Impaired) The Legislature provided an increase in funding of \$75,000 general funds in the current biennium for the Commission to establish a program to serve the senior blind. The focus of the program is to provide training and assistance to seniors with vision loss to enable them to live independently and stay in their home rather than a nursing home. The additional funds were used to hire a position to work with the senior blind. The funding for this program is not matchable by federal vocational rehabilitation funds. The recommedation will expand the program by an additional FTE.	Gen Cash Fed Rev	55,000 0 0	60,000 0 0

State Aid		FY2009-10	FY2010-11
* Increase cash fund aid for grant from Enrichment Foundation per request (Prog 357 Blind/Visually Impaired)	Gen	0	0
	Cash	25,163	25,163
	Fed	0	0
	Rev	0	0

Agency 82 Commission for the Deaf and Hard of Hearing

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	874,210 874,210 874,210 875,312 9,430 9,430 9,430 11,630 0 0 0 0 0 0 0 0		11,630 0 0	898,083 13,430 0 0 911,513		
Agency Total General Cash Federal Revolving Agency Total	874,210 9,430 0 0 883,640	874,210 9,430 0 0 883,640	874,210 9,430 0 0 883,640		875,312 11,630 0 0 886,942	898,083 13,430 0 0 911,513
Operations					FY2009-10	FY2010-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen	5,900	5,900
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen	15,298	30,963
* FY10 / FY11 Hea	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen	7,529	15,570
(Prog 578 Hearing collected from the	* Adjust cash to revenue projection for licensing fees and testing (Prog 578 Hearing impaired) This reflects the fees anticipated to be collected from the biennial licensing of interpreters. The current base is \$3,750. The FY 10 projection is \$7,500 and the FY 11 projection is \$750.					0 0 -150 0 0
Hearing impaired	* Eliminate the part-time interpreter program coordinator (Prog 578 Hearing impaired) This position was indentified in the agency's modification budget.					3 -23,423 0 0 0 0
* Increase cash to	* Increase cash to offset general funds (Prog 578 Hearing impaired)				-4,150 4,150 (4,150 0 0

Agency 83 Community Colleges

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10	Committee Proposed FY2010-11
State Aid		-			
General	87,266,476	88,139,141	89,020,532	88,575,473	89,904,105
Cash	0	0	0	0	0
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Subtotal-Aid	87,266,476	88,139,141	89,020,532	88,575,473	89,904,105
Agency Total					
General	87,266,476	88,139,141	89,020,532	88,575,473	89,904,105
Cash	0	0	0	0	0
Federal	0	0	0	0	0
Revolving	0	0	0	0	0
Agency Total	87,266,476	88,139,141	89,020,532	88,575,473	89,904,105

State Aid FY2009-10 FY2010-11

Increase General Funds 1.5% for 2009-10 and 1.5% for 2010-11. 1,308,997 2,637,629 Gen (Prog 151 Comm College aid) The Appropriations Committee Cash 0 recommendation increases General Funds for state aid to 0 Fed 0 community college areas by 2.0% for 2009-10 and 1.5% for 2010-0 Rev 0 11 (3.5% increase over the biennium).

Agency 84 Dept of Environmental Quality

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10		Committee Proposed FY2010-11
Operations General	3,532,038	3,501,093	3,512,973	3,490,0	า63	3,506,790
Cash	16,345,409	16,108,954	16,078,108	16,354,		16,350,017
Federal	15,805,706	15,799,399	15,763,499	15,799,2		15,785,009
Revolving	0	0	0		0	0
Subtotal-Oper	35,683,153	35,409,446	35,354,580	35,643,8	367	35,641,816
State Aid						
General	4,660,972	4,458,711	4,477,151	4,458,7		4,477,311
Cash	17,550,000	17,700,000	17,700,000	17,700,0		17,700,000
Federal	13,905,000	13,905,000	13,905,000	13,905,0		13,905,000
Revolving	0	0	0	00 000	0	0
Subtotal-Aid	36,115,972	36,063,711	36,082,151	36,063,7	/11	36,082,311
Agency Total						
General	8,193,010	7,959,804	7,990,124	7,948,		7,984,101
Cash	33,895,409	33,808,954	33,778,108	34,054,		34,050,017
Federal	29,710,706	29,704,399	29,668,499	29,704,2	_	29,690,009
Revolving	0	0	0		0	0
Agency Total	71,799,125	71,473,157	71,436,731	71,707,	578	71,724,127
Operations				FY20	09-10	FY2010-11
* Appubliza EV00	Salary Increases (Prog 0 Agoney w	vido)	Con	11,85	8 11,858
Allilualize F 109	Salary Increases (Prog o Agency-w	nue)	Gen	35,94	
				Cash Fed	34,62	,
				Rev		0 0
* 540.44		. (D			- 4	
DAS Workers C	ompensation Asses	ssment (Prog 0 A	(gency-wide)	Gen	-54	_
				Cash		0 0
				Fed	-3,97	
				Rev		0 0
* DAS Vehicle Lia	ability Assessment (Proa 0 Aaencv-v	vide)	Gen	3	4 34
	.,		- /	Cash		0 0
				Fed	25	
				Rev		0 0
* Net change, life	insurance and DA	S purchasing cha	arges (Prog 0	Gen	-2	1 -21
Agency-wide)		,	5 (-9 -	Cash	- 56	

Rev

0

0

is in accordance with the new facility rental rates agreed upon by

DAS and the property owner.

Operations FY2009-10 FY2010-11

Reallocation of program costs from General Funds to Federal Gen -145.491 -145.491 Funds (Prog 513 Administration) The Department has determined Cash 0 that some administrative expenses may be reallocated from Fed 145,491 145,491 General Funds to Federal Funds, resulting in the ability to reduce Rev 0 0 General Funds. Increase personal services limit. (Prog 513 Administration) The 0 0 Gen agency requested that the personal services limit be increased by Cash 0 0 \$122,000 in FY09-10 and \$135,000 in FY10-11. This increase is Fed 0 0 due to the fact that there are 109.75 FTE in the Engineering 0 Rev 0 bargaining unit. The Appropriations Committee approved this request. **State Aid** FY2009-10 FY2010-11 Reduction in required funding for the Superfund program. (Prog 513 -211,600 -193.000 Gen Administration) The state is required to provide a 20% match to Cash 0 0 federal EPA funds allocated to Superfund sites. The amount of the Fed 0 0 required state match depends upon the amount of funding that EPA 0 0 Rev allocates to Superfund sites in Nebraska. Currently, \$4,660,972 General Funds are allocated to the program. The decrease shown at the right reflects the match that will be required, based upon projected EPA allocations. Reallocate General Funds from operations to aid for Stormwater Gen 9,339 9.339 Grants. (Prog 513 Administration) A lower General Fund operating Cash 0 0 request for the administration of the Stormwater Grant program 0 0 Fed allows the agency to reallocate the General Funds to state aid. 0 0 Rev This reflects the reallocation of the General Funds from operations to aid, and has no net impact on the budget. Increase cash fund appropriation for loan forgiveness (Prog 528 0 0 Gen Safe Drinking Water/LUST) This program provides loans for public 150,000 150,000 Cash drinking water facility infrastructure improvements. An Fed 0 0 administrative fee is charged on each loan, and the fee is placed Rev 0 0 into the Drinking Water State Revolving Fund Administrative Cash Fund. The Department is requesting an additional \$150,000 in cash

fund expenditure authority so an increased amount of funding is available for loan forgiveness for small community loans.

Agency 85 Public Employees Retirement Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Comm Propo FY200	sed	Commit Propos FY2010	ed
<u>Operations</u>							
General	19,468,215	20,009,872	20,489,664	20,3	70,490	47,57	9,490
Cash	8,965,310	6,734,775	5,317,973	6,7	94,100	5,36	5,702
Federal	0	0	0		0		0
Revolving	0	0	0		0		0
Subtotal-Oper	28,433,525	26,744,647	25,807,637	27,1	64,590	52,94	5,192
Agency Total							
General	19,468,215	20,009,872	20,489,664	20,3	370,490	47,57	9,490
Cash	8,965,310	6,734,775	5,317,973		94,100		5,702
Federal	0	0	0		0		0
Revolving	0	0	0		0		0
Agency Total	28,433,525	26,744,647	25,807,637	27,1	64,590	52,94	5,192
Operations				F	Y2009-10	FY20	10-11
* Annualize FY09	Salary Increases (Prog 0 Agency-w	ride)	Gen Cash	17,54	0 5	0 17,545
* DAS Workers C	Compensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash	-4,44	0 1	0 -4,441
* 5\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	alary Increases (Pro	0 1	`	0		0	0
FY10/FY11 Sa	alary increases (Pro	g o Agency-wide)	Gen Cash	50,39	0 3 1	0 01,994
* FY10 / FY11 He	ealth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash	33,56	0	0 69,417
Master Lease p	* PIONEER Master Lease. (Prog 41 Admin of retirement) The State's Master Lease program was utilized to finance the PIONEER system. The last payment will be made in January 2011.					0 6 -1,9 0 0	0 28,749 0 0
* Rent Increase. for an increase	(Prog 41 Admin of r in rental costs.	etirement) Fund	s are provided	Gen Cash	91	0 5	0 10,980

Operations FY2009-10 FY2010-11

NPRIS Maintenance and Support (Prog 41 Admin of retirement) Gen 0 0 Funds are provided for the maintenance and support of the new Cash 558.500 205.125 web-based system - the Nebraska Public Retirement Information Fed 0 0 System (NPRIS). The estimate includes a joint effort between staff Rev 0 0 from the Office of the Chief Information Officer (OCIO) and staff from the software vender to provide maintenance and support. The estimate as developed by the OCIO reflects the goal of having the software vendor phased out of the maintenance and support process by the 4th quarter of FY2010-11. Java Computer Project Completion (Prog 41 Admin of retirement) 0 Gen 0 The decrease in expenses is a result of the completion of a 2-year Cash -2,036,295 -2,036,295 project to convert the PIONEER system to a web-based Java Fed 0 0 application. With the conversion project complete, NPERS will be 0 0 Rev going into a maintenance and support mode for the new system -Nebraska Public Retirement Information System (NPRIS). Disaster Recovery Backup Site (Prog 41 Admin of retirement) Gen 0 0 Funds are provided for a disaster recovery backup site. 16,733 Cash 16,733 Fed 0 0 0 0 Rev Actuarial Contract Addendum (Prog 41 Admin of retirement) Funds 0 Gen 0 are provided for the actuary to conduct 2-year projections of the Cash 0 8,500 funding needs for the defined benefit retirement plans for the 2001-Fed 0 0 13 biennium as requested by DAS Budget Division and the Rev 0 0 Legislative Fiscal Office. Technology Software/Hardware Agreements (Prog 41 Admin of Gen 0 0 retirement) The decrease reflects the maintenance and support of Cash -90,000 -62,200 peripheral software needed for the NPRIS system as compared to Fed 0 0 the POINEER system. 0 0 Rev Defined Benefits Retirement Plans (Prog 515 Retirement 902,275 902,275 Gen contributions) Each year an actuary, under contract with the Cash 0 0 Retirement Board, completes a valuation of plan assets and Fed 0 0 liabilities for the School, Judges, State Patrol, and Cash Balance Rev 0 0 Plans. The results of the actuarial valuations indicate additional funds are required for the School Plan (\$445,208) and the State Patrol Plan (\$447,067)

Projected Shortfall in Defined Benefit and Cash Balance Plans. 27.209.000 Gen 0 (Prog 515 Retirement contributions) In February Buck Consultants Cash 0 0 provided analysis of funding necessary for the defined bendfit and 0 Fed 0 cash balance retirement plans based on a slow, moderate and 0 Rev 0 strong market recovery scenarios in order to maintain actuarially

sound plans. Base on the modest market recovery scenario the project shortfall for FY2010-11 for the School and State Patrol Retirement Plans is estimated at \$33,913,000. This was offset by the Committee incorporating changes to employee/employer contributions per the Retirement Committee proposal.

Agency 86 Dry Bean Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Pro	posed	Committee Proposed FY2010-11
<u>Operations</u>						
General	0	0	0		0	0
Cash	402,282	400,000	400,000		400,000	400,000
Federal	0	0	0		0	0
Revolving	0	0	0		0	0
Subtotal-Oper	402,282	400,000	400,000		400,000	400,000
Agency Total	•				•	•
General	400.000	100.000	100.000		0	400,000
Cash Federal	402,282	400,000	400,000		400,000	400,000
Revolving	0	0	0		0	0
Agency Total	402,282	400,000	400,000		400,000	400,000
Operations					FY2009-10	FY2010-11
* DAS Workers Co	ompensation Asses	esmont (Prog 0 A	gonev-wido)	Gen) 0
DAG WORKERS GO	imperisation Asset	sament (i rog o A	igency wide)	Cash	264	_
* DAS Purchasing	assessment (Prog	ı () Agency-wide)		Gen	() 0
Drie Faronaoing	accomoni (i rog	o rigorioy wido,		Cash	-84	_
* FY10 / FY11 Sal	ary Increases (Pro	a 0 Agency-wide)	Gen	() 0
11107111110	ary moreages (rive	g o rigorio, mao	,	Cash	918	
* FY10 / FY11 Hea	alth Insurance Incre	eases (Prog 0 Ac	nency-wide)	Gen	() 0
	ann modranes men	ouces (1.10g c.7.g	joiley mae,	Cash	381	, 788
* Increase funding	devoted to staffing	g and decrease fu	unding for	Gen	C	0
_	137 Dry Bean Con		-	Cash	-3,175	-4,541
	e staff position fund			Fed	. (
to allow the staff result in a persor offset this increas \$400,000 level, t to contracts by \$	t includes reallocat position to become nal services limit in se and to maintain he agency propose 14,346 in FY09-16 committee provided	e full-time. This varies of \$8,482 the appropriation to decrease full and \$16,142 in	would also In order to I level at the Inding allocated FY10-11. The	Rev	(0

Agency 87 Nebr Accountability and Disclosure Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committe Proposed FY2009-1	d F	Committee Proposed Y2010-11
Operations						
General Cash	430,726 139,565	357,246 214,565	433,805 139,565	426, 163,		441,387 168,465
Federal	139,303	214,505	139,303	103,	0	100,405
Revolving	0	0	0		0	0
Subtotal-Oper	570,291	571,811	573,370	590,	228	609,852
State Aid						
General	0	0	0	000	0	0
Cash Federal	891,786 0	863,502 0	969,902 0	863,	502 0	969,902 0
Revolving	0	0	0		0	0
Subtotal-Aid	891,786	863,502	969,902	863,	502	969,902
Agency Total						
General	430,726	357,246	433,805	426,		441,387
Cash	1,031,351	1,078,067	1,109,467	1,027,	_	1,138,367
Federal Revolving	0	0	0 0		0 0	0
Agency Total	1,462,077	1,435,313	1,543,272	1,453,	•	1,579,754
Operations				FY20	009-10	FY2010-11
* Appualiza EV00	Salary Increases (Prog 0 Agoney-w	ido)	Gen	2,292	2,292
Allidalize i 103	dalary increases (i log o Agelloy-w	ide)	Cash	2,292	
				Fed	0	
				Rev	0	0
* DAS Workers C	compensation Asses	semont (Prog.0 A	aonov-wido)	Gen	-161	-161
DAG Workers C	ompensation Asset	sament (i log o A	gency-wide)	Cash	0	
				Fed	0	
				Rev	0	
* EV10 / EV11 Sa	alary Increases (Pro	a O Agonov wido	١	Gon	7,851	15,888
F110/F111 3 8	nary increases (PIO	g o Agency-wide)	Gen Cash	2,436	
				Fed	2,430	
				Rev	0	

Operations		FY2009-10	FY2010-11
* FY10 / FY11 Health Insurance Increases (Prog 0 Agency-wide)	Gen Cash	6,407 2,019	
	Fed	2,019	
	Rev	0	· ·
* Shift to Cash Funds (Prog 94 Account/disclosure) In order to	Gen	-20,000	-20,000
reduce General Fund reliance, the Appropriations Committee is	Cash	20,000	20,000
reducing General Funds and increasing Cash Funds.	Fed	0	0
	Rev	0	0
State Aid		FY2009-10	FY2010-11
* Adjust Aid Funding to Requested Level (Prog 95 Campaign finance)	Gen	0	0
This increase represents the entirety of the Campaign Finance	Cash	-28,284	78,116
Limitation Cash Fund. Although the agency does not anticipate	Fed	0	0
distributing aid at this level, it is possible that this level of aid distribution will be needed. In order to address potential wide-scale need, the agency has requested maximization of spending authority.	Rev	0	0

Agency 88 Nebraska Corn Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Commi Propos FY2009	sed	Committee Proposed FY2010-11
Operations General Cash	0 5,211,611	0 5,211,611	0 5,211,611	5,2	0 11,611	0 5,211,611
Federal	399,018	399,018	399,018	39	99,018	399,018
Revolving Subtotal-Oper	0 5,610,629	0 5,610,629	0 5,610,629	5,6	0 10,629	0 5,610,629
Agency Total General Cash Federal Revolving Agency Total	0 5,211,611 399,018 0 5,610,629	0 5,211,611 399,018 0 5,610,629	0 5,211,611 399,018 0 5,610,629	3	0 11,611 99,018 0 10,629	0 5,211,611 399,018 0 5,610,629
Operations				F	Y2009-10	FY2010-11
* DAS Workers C	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash	-6	0 0 6 -66
* Other base adju	stments (Prog 0 Aç	gency-wide)		Gen Cash	-28	0 0 2 -282
* FY10 / FY11 Sa	lary Increases (Pro	g 0 Agency-wide)	Gen Cash	10,28	0 0 5 20,817
* FY10 / FY11 He	alth Insurance Incr	eases (Prog 0 Aç	gency-wide)	Gen Cash	4,86	0 0 2 10,054
Corn Board struinsurance increasequested for boaquivalent to the this, the agency research and pro-	cenditure authority. ctured its request s ases and DAS rate oth years of the FY(e current year appro- decreased the amo omotional contracts mmended funding a	o that with salary adjustments, the 09-11 biennium wopriation. In orde ount allocated in the Appropria	and health amount rould be or to accomplish its budget for ations	Gen Cash Fed Rev	-12,37	0 0 8 -28,231 0 0 0 0

Agency 92 Nebraska Grain Sorghum Board

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Proj	posed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	0 304,694 0 0 304,694	0 304,000 0 0 304,000	0 304,000 0 0 304,000		0 304,000 0 0 304,000	0 304,000 0 0 304,000
Agency Total General Cash Federal Revolving Agency Total	0 304,694 0 0 304,694	0 304,000 0 0 304,000	0 304,000 0 0 304,000		0 304,000 0 0 304,000	0 304,000 0 0 304,000
Operations					FY2009-10	FY2010-11
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash	(-27	0 7 -27
* Base adjustment	(Prog 0 Agency-w	ride)		Gen Cash	(0 0 3
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen Cash	(1,200	0 0 2,429
* FY10 / FY11 Hea	Ith Insurance Incre	eases (Prog 0 Aç	gency-wide)	Gen Cash	(1,226	0 6 2,535
allow director pos The Grain Sorgh at .75 FTE. The a \$21,002 of existin funding in FY10-1 This would also re \$15,167 in FY09- increase and to m level, the agency contracts by \$23,	n fund expenditure sition to be full-time num Board current agency FY09-11 ring funding in FY09 to allow the statesult in a personal 10 and \$15,546 in paintain the approproposes to decrease approve	e. (Prog 406 Graitly has one staff pequest includes roll-10 and \$21,792 ff position to become services limit incompriation level at the ease funding allowed \$26,640 in FY	on Sorghum Brd) cosition funded reallocating of existing ome full-time. crease of er to offset this ne \$304,000 cated to 10-11. The	Gen Cash Fed Rev	-2,169 (-4,724 0 0

Agency 93 Tax Equalization and Review Commission

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committee Proposed FY2009-10		Committee Proposed Y2010-11
Operations General Cash Federal Revolving Subtotal-Oper	875,451 110,000 0 0 985,451	858,913 75,000 0 0 933,913	881,371 75,000 0 0 956,371		875,451 100,000 0 0 975,451	875,451 100,000 0 0 975,451
General Cash Federal Revolving Agency Total	875,451 110,000 0 0 985,451	858,913 75,000 0 0 933,913	881,371 75,000 0 0 956,371		875,451 100,000 0 0 975,451	875,451 100,000 0 0 975,451
Operations				 	FY2009-10	FY2010-11
* DAS Workers Co	mpensation Asses	ssment (Prog 0 A	gency-wide)	Gen	123	123
* FY10 / FY11 Sala	ary Increases (Pro	g 0 Agency-wide)	Gen	16,893	34,190
* FY10 / FY11 Hea	Ith Insurance Incre	eases (Prog 0 Ag	gency-wide)	Gen	6,695	13,845
agency was charged to the CIO. The age the State's vendo software license in	Fee Decrease (Pr ged a one time lice use the State's em ency had been usi or, Nebraska.gov. n one payment. T quest since it was	ense fee for emainall system through the email syst The agency paid the charge is not	il when they gh the office of em provided by the required added to the	Gen Cash Fed Rev	-2,475 () ()	0 0
operations) The athe number of application help manage their for mediation has chosen to participathe agency as a run budget modification.	for Mediation Con agency has experi peals filed and ins r caseload. Howev been utilized beca bate in the process reduction in their of on. The committe e amounts shown	ienced a substan tituted a mediation wer, not all of the ause not all coun to all coun werall budget reque combined the t	tial increase in on process to appropriation ties have ally offered by uest and as a	Gen Cash Fed Rev	-22,736 -10,000 0	-10,000 0

Agency 94 Commission on Public Advocacy

	Current Year FY2008-09	Governor FY2009-10	Governor FY2010-11	Committ Propose FY2009-	ed	Committee Proposed FY2010-11
Operations General Cash Federal Revolving Subtotal-Oper	0 1,112,261 0 0 1,112,261	0 1,113,366 0 0 1,113,366	0 1,113,266 0 0 1,113,266		0 4,954 0 0 4,954	0 1,164,934 0 0 1,164,934
State Aid General Cash Federal Revolving Subtotal-Aid	0 2,547,000 0 0 2,547,000	0 2,547,000 0 0 2,547,000	0 2,547,000 0 0 2,547,000	2,547 2,547	0 0	0 2,547,000 0 0 2,547,000
Agency Total General Cash Federal Revolving Agency Total	0 3,659,261 0 0 3,659,261	0 3,660,366 0 0 3,660,366	0 3,660,266 0 0 3,660,266		0 1,954 0 0 1,954	0 3,711,934 0 0 3,711,934
Operations				FY2	2009-10	FY2010-11
* FY10 / FY11 Sal	ary Increases (Pro	g 0 Agency-wide)	Gen Cash	18,65	0 0 3 37,753
* FY10 / FY11 He	alth Insurance Incre	eases (Prog 0 Aç	gency-wide)	Gen Cash	10,09	0 0 4 20,874
* Life Insurance (F	Prog 0 Agency-wide	e)		Gen Cash	5	0 0 1 51
* DAS Workers Co	ompensation Asses	ssment (Prog 0 A	gency-wide)	Gen Cash	-15	0 0 8 -158
* Annualize A Bills	s (LB1014A) (Prog	425 Public Advo	cacy)	Gen Cash	-5,00	0 0 0 -5,000