

STATE OF NEBRASKA

FY1999-00 / FY2000-01

BIENNIAL BUDGET

**As Enacted in the 1999 Legislative Session
96th Legislature-First Session**

Fall 1999

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Introduction

This report contains a summary of the initial appropriations and budget actions for the FY1999-00 and FY2000-01 biennium as enacted during the 1999 Legislative Session. These are not the final appropriations as both fiscal years numbers can be changed during the 2000 Legislative Session, and FY2000-01 can further be changed during the 2001 Legislative Session. The following is a brief description of what can be found in the various sections of this report.

General Fund Financial Status The state's General Fund financial status is displayed here along with a narrative description of the various components. Of particular interest is the outlook for the following biennium.

General Fund Revenues This section details General Fund revenue projections, an overview of the growth in revenue both projected and historical, and lists legislation enacted during the 1999 Legislative Session that impact revenues.

General Fund Appropriations This section provides detailed information on General Fund appropriations as enacted during the 1999 Legislative Session including state totals, agency totals, historical appropriations, various breakdowns by operations and state aid, and state aid listed by individual aid programs. This section also includes an extensive listing of the major changes in the budget as well as narrative descriptions of some of the major spending areas, both agency operations and state aid programs. A listing of General Fund "A" bills and vetoes and overrides is also included.

Appropriations-All Fund Sources While previous sections relate to the General Fund, this section provides a summary of appropriations from all fund sources (General, Cash, Federal, and Revolving) including state totals, by agency, and by bill enacted.

Capital Construction A complete listing of all new and reaffirmed construction projects, from all fund sources, is included in this section.

FY1998-99 Deficit Appropriations This section provides a detailed listing of all FY1998-99 deficiency appropriations. Also included is a chronology of FY1998-99 appropriations from when first enacted in the 1997 Session to the final appropriations after the 1999 Session.

Definition of Terms The last section of the report provides descriptions of the various terms used in this report as well as a complete chronology and description of the states' budget process.

1999 Session Highlights

This report contains a summary of the FY1999-00 and FY2000-01 biennial budget as enacted during the 1999 Legislative Session. 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.

- ❑ A balanced General Fund budget is achieved, \$23.7 million above the minimum reserve for the FY00/FY01 biennial budget. The projected status in the following biennium also indicates a balanced budget using the "historical average" revenue estimate methodology.
- ❑ Revenue growth is modest, virtually equal to the historical average in three of the five years. One year, FY2000-01, is below average at 4.5% which leads to an above average growth of 6.5% in FY2002-03 to achieve the 5 year average of 5.7% using the historical average methodology for arriving at the "out year" revenue estimates.
- ❑ Spending growth is relatively low, 4.3% in FY1999-00 and 2.8% in FY2000-01 yielding a two-year average budget growth of 3.6%. This 3.6% average growth for the biennium would be the lowest of the past five biennial budgets. The lower growth was largely the result of lower capital construction appropriations, and flat appropriation amounts for school aid due to the new calculation methodology with a fixed local effort rate in the formula.
- ❑ Projected spending growth in the following biennium is significantly higher, averaging 5.7% over the two years, reflecting the increased state aid to schools when the statutory levy limit declines to \$1.00, and opening of the new 960 bed prison in Tecumseh.
- ❑ The Cash Reserve Fund balance is projected at an unobligated balance of \$64 million (in FY2001-02), approximately 2.5% of projected revenues. This projected balance occurs after \$100 million is utilized for property tax relief over the next three years: \$30 million in FY1999-00 to be used for additional state aid to Community Colleges, \$35 million in FY2000-01 to be allocated to counties to apply as a credit against taxpayers property tax bills, and the remaining \$35 million is a transfer to the General Fund in FY2001-02 to assist in covering the costs of additional state aid when the K-12 school levy limit declines from \$1.10 to \$1.00.

GENERAL FUND FINANCIAL STATUS

General Fund Financial Status

Current Status With FY1998-99 Actual Receipts/Expenditures

GENERAL FUND	Actual FY1998-99	Biennial Budget FY1999-00	Biennial Budget FY2000-01	Est Following FY2001-02	Biennium FY2002-03
1 BEGINNING BALANCE					
2 Beginning Cash Balance	431,188,056	292,993,012	119,789,914	169,922,473	171,950,448
3 Cash Reserve Fund transfers-automatic	(111,616,422)	(20,959,305)	0	0	0
4 Lapse FY99 carryover obligations	na	Na	0	0	0
5 Carryover obligations from FY99	na	(126,523,185)	0	0	0
6 Allocation for potential deficits	na	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	<u>319,571,634</u>	<u>140,510,522</u>	<u>114,789,914</u>	<u>164,922,473</u>	<u>166,950,448</u>
8 REVENUES					
9 Net Receipts	2,123,869,305	2,326,347,327	2,434,658,639	2,544,565,037	2,708,190,037
10 General Fund transfers-out	(14,373,587)	(11,123,988)	(5,350,000)	(350,000)	(350,000)
11 General Fund transfers-in	In net receipts	In net receipts	In net receipts	0	0
12 Cash Reserve Fund transfers-legislative	96,500,000	(12,000,000)	16,000,000	35,000,000	0
13 Accounting adjustment	11,315	0	0	0	0
14 General Fund Net Revenues	<u>2,206,007,033</u>	<u>2,303,223,339</u>	<u>2,445,308,639</u>	<u>2,579,215,037</u>	<u>2,707,840,037</u>
15 APPROPRIATIONS					
16 Total Appropriations-1999 Session	2,232,585,655	2,323,943,947	2,390,176,080	2,390,176,080	2,390,176,080
17 Mid-biennium budget adjustments-2000 Session	0	0	?	?	?
18 "A" Bills-2000 Session	0	0	?	?	?
19 Projected budget actions-following biennium	na	Na	na	96,074,758	192,112,810
20 Projected budget actions-school levy to \$1.00	na	Na	na	85,936,224	89,373,673
21 General Fund Appropriations	<u>2,232,585,655</u>	<u>2,323,943,947</u>	<u>2,390,176,080</u>	<u>2,572,187,062</u>	<u>2,671,662,563</u>
22 ENDING BALANCE					
23 Dollar ending cash balance	292,993,012	119,789,914	169,922,473	171,950,448	203,127,922
24 Biennial Reserve (%)	7.04%	--	3.50%	--	3.87%
25 Variance from Statutory 3% Minimum Reserve	--	--	23,692,405	--	44,186,829
General Fund Appropriations					
Annual % Change	12.6%	4.3%	2.8%	7.6%	3.9%
Two Year Average % Change	8.7%		3.6%		5.7%
General Fund Revenues:					
Adjusted Growth	6.7%	5.6%	4.5%	5.3%	6.5%
Five Year Average	8.4%	--	6.7%	--	5.7%

CASH RESERVE FUND	Actual FY1998-99	Estimated FY1999-00	Estimated FY2000-01	Estimated FY2001-02	Estimated FY2002-03
Beginning Balance	132,583,702	145,700,124	150,659,429	99,659,429	64,659,429
Excess of certified forecasts (see line 3)	111,616,422	20,959,305	0	0	0
To/from Gen Fund per 1998 law (line 12 above)	(96,500,000)	0	(28,000,000)	0	0
To/from K-12 school reorg incentive fund (LB1134-1998)	(2,000,000)	2,000,000	0	0	0
To/from Gen Fund per LB880-1999 (line 12 above)	0	12,000,000	12,000,000	0	0
To Relief to Property Taxpayers Fund (LB881-1999)	0	(30,000,000)	(35,000,000)	0	0
To Gen Fund (LB881-1999)	0	0	0	(35,000,000)	0
Ending Balance	<u>145,700,124</u>	<u>150,659,429</u>	<u>99,659,429</u>	<u>64,659,429</u>	<u>64,659,429</u>
Ending Balance as % of Revenues	6.9%	6.5%	4.1%	2.5%	2.4%

Components of the General Fund Financial Status

Beginning Balance

For FY1999-00, the beginning balance is the actual cash balance on July 1, 1999, \$292.9 million. However, from this is subtracted \$20.9 million which is the amount by which actual FY98-99 revenues exceeded the certified forecast and the amount by law to be transferred to the Cash Reserve Fund. Also subtracted from the cash balance are \$126.5 million of reappropriations and encumbrances (i.e. spending obligations carried forward from FY98-99) and a \$5 million allocation for potential deficits. The net result of these adjustments is an unobligated beginning balance for the FY00/FY01 biennium of \$140.5 million.

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

Estimated Receipts

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

Net Receipts This line includes actual receipts for FY1998-99 and the April 1999 General Fund revenue forecasts made by the Nebraska Economic Forecast Advisory Board (NEFAB) for FY1999-00, and FY2000-01 adjusted for legislation enacted during the 1999 Legislative Session. Figures for FY2001-02 and FY2002-03 are preliminary estimates calculated by the Legislative Fiscal Office to yield a five year average growth roughly equal to the historical average revenue growth.

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

General Fund Transfers-In There are only a few instances in statute where monies in a cash fund can be transferred to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as "Transfers in" and are included as revenues. Such transfers not already included in the revenue forecasts are separately here. For example, in FY98-99 a \$9 million lapse from the Securities Act Cash Fund is already included in the actual receipt line. The enacted budget includes a \$12 million transfer from the Securities Act Cash Fund to the General Fund for each year of the FY00/FY01 biennium. These amounts are then subsequently transferred to the Cash Reserve Fund.

Cash Reserve Fund Transfers-Legislative In addition to those Cash Reserve Fund transfers that occur automatically as noted earlier, the Legislature can transfer monies to and from the Cash Reserve Fund by enacting

legislation. The amounts shown in the Financial Status reflect current law as enacted in the 1998 Session plus the \$12 million per year transfer to the Cash Reserve Fund of the "lapsed" Securities Act Cash Fund monies as noted above.

General Fund Appropriations

For FY1999-00 and FY2000-01, this section shows General Fund appropriations as enacted by the 1999 Legislature. This includes mainline budget bills (which includes \$19 million increase resulting from the enactment of LB149 early in the session) and other "A" bills enacted during the 1999 legislative session. Calculation of the estimates for the following biennium, FY2001-02 and FY2002-03, are described below.

Ending Balance or "Reserve"

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

Based on the budget as enacted, current revenue forecasts, and allocations for deficits, the projected ending balance for FY2000-01 would be \$169.9 million. This reflects a 3.50% biennial reserve, or \$23.7 million in excess of the *minimum* 3% reserve (\$146 million). A reserve at the statutory *maximum* of 7% would amount to \$328 million.

Estimated Financial Status for the Following Biennium

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

Revenues

Preliminary estimates for FY2001-02 and FY2002-03 were prepared by the Legislative Fiscal Office. These preliminary estimates are arrived at by calculating the level of revenues that would yield a five year average growth (FY99 to FY03) roughly equal to the historical average revenue growth. If revenue growth in the first three years is below average, then the estimates for the last two years would show above average growth in order to bring the five year average in line with the historical average. This in fact is what occurs in the financial status.

Because revenue growth in FY99 to FY01 averages about 5.0%, the LFO preliminary estimated revenues for FY01-02 and FY02-03 average a 5.9% per year growth to bring the five-year average to roughly 5.7%

Note that these "out year" numbers are higher than the preliminary estimates made by the Dept of Revenue and Legislative Fiscal Office in April utilizing their models and the data from Wharton Econometrics (WEFA) and Data Resources Inc (DRI). Table 1 compares the results using the historical average and the average, high, and low forecasts run in April.

Table 1 Comparison of Potential "Out Year" Revenue Projections

Thousands of \$	At Hist Avg 5.7%	Average LFO/DOR	High Est LFO-WEFA	Low Est LFO-DRI
Dollar Forecast				
FY2001-02	2,548,000	2,525,000	2,543,000	2,505,000
FY2002-03	2,714,000	2,632,000	2,655,000	2,597,000
Adjusted Growth				
FY2001-02	5.3%	4.4%	5.2%	3.3%
FY2002-03	6.5%	4.5%	4.7%	4.1%
Five Year Average	5.7%	5.2%	5.4%	4.9%
Difference from Status				
FY2001-02	0	(23,000)	(5,000)	(43,000)
FY2002-03	0	(82,000)	(59,000)	(117,000)
Cumulative Total	0	(105,000)	(64,000)	(160,000)

Appropriations

For the "following biennium" (FY01-02 and FY02-03), the mainline budget numbers reflect the annualized impact of the current budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional.

Obviously the actual funding needs in these areas will not be known until the biennial budget process starts again in two years. However for planning purposes, some level of funding for these items must be acknowledged and shown as likely funding commitments.

Spending growth is significantly higher than the just enacted FY00/FY01 biennial budget, an average growth of 5.7%. This higher growth is largely caused by an increase in state aid to schools when the K-12 levy limit declines from \$1.10 to \$1.00 (\$86 million). Excluding this \$86 million, the average growth over the two years would be 4.0%. Table 2 shows those items included in the projected budget followed by a narrative description of each of these items.

It's also important to note items not included in the projected budget. Major items that will likely be considered in addition to the amounts shown are: funds to implement the wireless communications act (roughly \$50 million), replacement of the states' computer accounting and personnel systems (NEIS/NAS) (\$30 million), University salary increases at the 4.6% per year level rather than the 3% per year assumed (\$5.8 million FY02, \$12.2 million FY03, two year total of \$18 million).

The projected status also includes no additional funds for the Relief to Property Taxpayers Cash Fund for property tax credits beyond that provided in LB881.

Special Education: Increases for the following biennium reflect a 3% per year capped increase as provided for in current law (LB742-1995). Note that under current law, if reimbursement claims total more than the appropriation arrived at under the 3% growth limit, the 90% reimbursement rate shall be proportionately reduced.

State Aid to Schools (TEEOSA) Funding for TEEOSA school aid (also includes incentive payments) is based on the methodology previously utilized which was to estimate an amount of funding so that the average statewide levy was less than the statutory maximum. Although there is a "new" methodology to arrive at the level of appropriations under LB149, it appears the previous methodology yielded similar results. An overview of the calculations can be found in the Aid to Local Government section of this report.

Table 2 Projected Budget Increases-Following Biennium

All numbers annual dollar change	Annual Increase	Following Biennium	
		FY2001-02	FY2002-03
Special Education	3.0%	4,096,592	4,219,490
Aid to K-12 Schools (TEEOSA)	Est Amount	119,342,396	32,110,225
Developmental Disability aid-rate equity	Intent language	2,007,867	2,068,103
Mental Health/Substance Abuse aid	Na	0	0
Public Assistance	6.0%	7,332,090	7,772,016
Medicaid-base increase	6.5%	21,569,052	22,971,041
Inmate per diem costs	6.0%	1,679,847	1,780,637
New prisons/population costs	Est Amount	15,000,000	0
Community Colleges	Per LB269	1,871,614	1,927,763
Salaries (net)	3.0%	22,323,945	22,993,663
Health Insurance	5.0%	2,976,433	3,125,255
Operations increase	2.0%	2,819,966	2,876,365
Depreciation surcharge (LB530/LB1100)	Est Amount	5,095,707	1,647,305
Operations/Aid		206,498,760	103,886,611
Construction (to reaffirmation level only)	Reaff only	(24,487,778)	(4,411,110)
Total		182,010,982	99,475,501

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

Developmental Disability-Rate Equity The mainline budget bills passed in the 1995 and 1997 Sessions contained intent language that methodology rates for developmental disability services should be increased to 75% in FY95-96, 80% in FY96-97, 85%

in FY97-98, 90% in FY98-99, 95% in FY99-00, and 100% in FY00-01. Currently in FY98-99 the 90% level is achieved. The current biennial budget does not achieve the 100% level in FY00-01 but does include funds to achieve 92.5% level in FY99-00 and 95% in FY00-01. The intent is to fund 97.5% in FY2001-02 and then achieve the 100% level in FY2002-03. The projected budget for the following biennium includes estimated funding amounts to achieve those percentages.

Public Assistance A growth rate of 6.0% per year is utilized for the various Public Assistance programs. This is consistent with the FY99/FY00 budget increase excluding the one-time impact of annualizing the deficit related to the Boystown lawsuit in wards educational assistance.

Medicaid A growth rate of 6.5% per year is utilized for Medicaid. This projected growth is virtually equal to the increases included in the FY99/FY00 budget excluding the impact of the declining federal match rate. While this is lower growth than the historical average over the past 10 years, much of the large percentage increases in the past were related to phased-in expanded coverages required by federal law and payment rate lawsuits. It appears that in the last several years the Medicaid growth has somewhat stabilized.

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

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

Aid to Community Colleges LB269 passed in the 1997 Session, created a "40-40-20" partnership in terms of funding of community colleges. The projected increase in the following biennium reflects the General Fund amounts to meet this "partnership" based on a 3% annual increase in community college costs.

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

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

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

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

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

GENERAL FUND REVENUES

GENERAL FUND REVENUES

General Fund Revenue Forecasts

Table 3 below shows actual General Fund receipts for the past 10 years, the April 1999 projections made by the Nebraska Economic Forecast Advisory Board (NEFAB) for FY1999-00 and FY2000-01 (including 1999 bills passed), and Legislative Fiscal Office (LFO) preliminary estimates for FY2001-02 and FY2002-03. Like previous years, the preliminary estimates for FY2001-02 and FY2002-03 are prepared by the Legislative Fiscal Office (LFO), arrived at by calculating the level of revenues that would yield a five year average growth (FY98 to FY03) roughly equal to the historical average revenue growth since 1981 (5.7%). Because revenue growth in FY99 to FY01 averages about 5.4%, the LFO preliminary estimated revenues for FY01-02 and FY02-03 average a 6.0% per year growth to bring the five-year average to roughly 5.7%

Table 3 General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Taxes and Fees	Total Net Receipts	\$ Change
FY 1988-89	430,078,299	479,731,816	80,624,142	143,012,760	1,133,447,017	117,348,475
FY 1989-90	444,231,183	501,134,237	71,948,124	135,396,459	1,152,710,003	19,262,986
FY 1990-91	547,372,735	609,430,580	81,947,961	128,325,622	1,367,076,898	214,366,895
FY 1991-92	592,441,836	658,634,300	103,617,106	135,716,137	1,490,409,379	123,332,481
FY 1992-93	586,355,271	690,350,753	102,754,927	145,200,908	1,524,661,859	34,252,480
FY 1993-94	648,846,708	722,360,866	113,142,771	169,401,912	1,653,752,257	129,090,398
FY 1994-95	683,852,397	746,717,579	123,923,674	150,995,891	1,705,489,541	51,737,284
FY 1995-96	711,008,684	846,550,249	126,801,468	152,380,385	1,836,740,786	131,251,245
FY 1996-97	755,907,807	944,117,130	137,337,967	172,241,113	2,009,604,017	172,863,231
FY 1997-98	803,805,374	981,643,795	142,150,133	177,852,119	2,105,451,422	95,847,405
FY 1998-99	744,650,752	1,078,522,994	135,033,658	165,661,901	2,123,869,305	18,417,883
FY 1999-00 NEFAB *	887,758,813	1,130,000,000	143,000,000	165,588,514	2,326,347,327	202,478,022
FY 2000-01 NEFAB	937,628,381	1,185,000,000	142,000,000	170,030,258	2,434,658,639	108,311,312
FY 2001-02 LFA	977,628,381	1,255,675,000	149,000,000	162,261,656	2,544,565,037	109,906,398
FY 2002-03 LFA	1,035,628,381	1,343,300,000	160,000,000	169,261,656	2,708,190,037	163,625,000

Revenue Growth

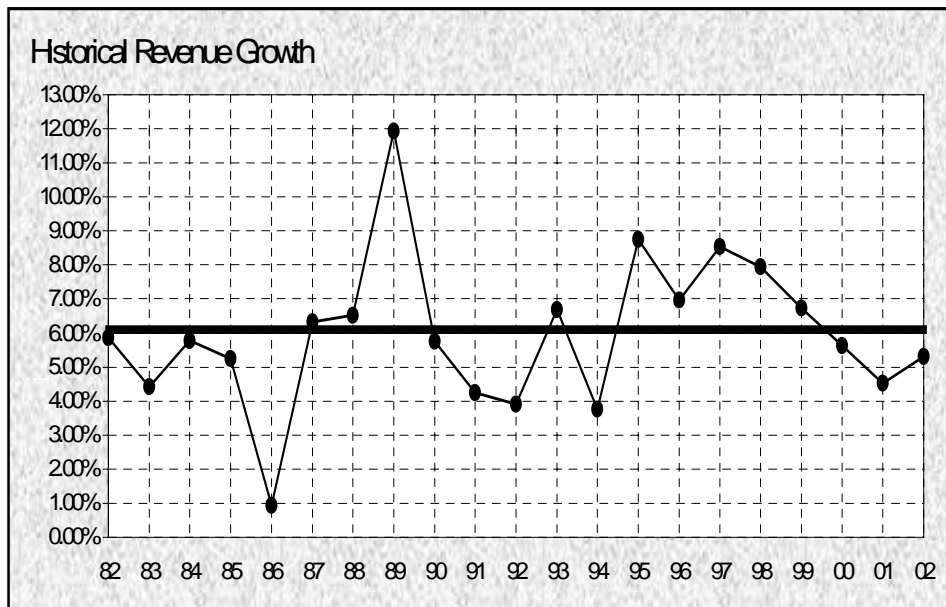
From the numbers shown above, a simple percent change over the prior year can be calculated. While these simple percent changes are appropriate when looking at the actual changes over time, they do not represent what is commonly referred to as revenue growth. *For purposes here, revenue growth means 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.

The underlying revenue growth as calculated for the past 10 years and the existing forecasts are shown in Table 4. The average growth for the past five years of actual receipts (FY1994-95 to FY1998-99) reflects a revenue growth averaging 8.2% per year, well above the 18-year historical average of 5.8%. In the upcoming biennium (FY99/FY00), the NEFAB forecasts yield a revenue growth averaging 5.4% per year somewhat below average.

However, for the following biennium (FY02/FY03) the preliminary LFO estimates reflect a revenue growth slightly above average, about 6.0% per year. As noted previously, these preliminary estimates are prepared by the Legislative Fiscal Office (LFO), using a revenue growth for those two years which, averaged with the three prior years, yields a five year average growth (FY98 to FY03) roughly equal to the historical average revenue growth since 1981 (5.8%).

Table 4 General Fund Revenue Growth

	Sales	Individual	Corporate	Misc	Total
FY1988-89 Actual	10.3%	14.6%	15.8%	5.3%	11.9%
FY1989-90 Actual	6.2%	9.4%	-4.7%	-3.1%	5.8%
FY1990-91 Actual	1.6%	7.2%	5.3%	1.6%	4.3%
FY1991-92 Actual	3.8%	1.7%	12.9%	8.8%	3.9%
FY1992-93 Actual	7.5%	6.9%	9.1%	-0.3%	6.7%
FY1993-94 Actual *	5.2%	2.4%	0.3%	7.3%	3.8%
FY1994-95 Actual *	9.7%	7.4%	19.2%	2.0%	8.7%
FY1995-96 Actual	5.6%	8.4%	8.9%	4.8%	7.0%
FY1996-97 Actual	4.9%	13.4%	7.0%	2.1%	8.5%
FY1997-98 Actual	7.3%	10.3%	3.9%	0.2%	7.9%
FY1998-99 Actual	4.5%	10.3%	-3.0%	6.0%	6.7%
FY1999-00 NEFAB	6.0%	5.2%	6.2%	6.3%	5.6%
FY2000-01 NEFAB	4.8%	5.3%	-0.6%	2.1%	4.5%
FY2001-02 LFO Prelim	4.6%	6.2%	4.3%	3.7%	5.3%
FY2002-03 LFO Prelim	6.2%	7.1%	6.4%	3.0%	6.5%
AVERAGE GROWTH:					
Five Yr Status (FY99 to FY03)	5.2%	6.8%	2.6%	4.3%	5.7%
FY83-84 to FY88-89 (Five Yr)	4.8%	8.4%	8.1%	0.1%	5.9%
FY88-89 to FY93-94 (Five Yr)	4.8%	5.6%	2.3%	2.9%	4.8%
FY93-94 to FY98-99 (Five Yr)	8.3%	9.8%	6.2%	1.8%	8.4%
FY88-89 to FY98-99 (10 Yrs)	6.5%	7.7%	4.2%	2.3%	6.6%
Historical Average (18 Yrs)	5.6%	7.9%	4.0%	2.0%	6.1%
*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 approxi. 6.5% over the two years.					



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 10 on the Financial Status).

In terms of previously enacted legislation, the major dollar amount is attributed to the passage of LB 377 (1995). This bill provided a combination of grain checkoff funds and General Funds to cover the outstanding cost of

Table 5 General Fund Transfers-Out

EXCLUDES CASH RESERVE FUND (CRF) TRANSFERS	Biennial Budget			Est for Following Biennium	
	FY1998-99	FY1999-00	FY2000-01	FY2001-02	FY2002-03
Ethanol Credits (EPIC Fund)	(7,000,000)	(6,000,000)	(5,000,000)	0	0
Child Abuse Prevention Fund	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Trail Development Assistance Fund	(50,000)	(100,000)	(100,000)	(100,000)	(100,000)
School Reorganization Incentives Fund	0	(2,000,000)	0	0	0
Law Enforcement Training Center Fund	(360,000)	0	0	0	0
Cultural Preservation Endowment Fund	(5,000,000)	0	0	0	0
LB 873 - DAS Building Division cash flow	(1,713,587)	0	0	0	0
LB 314 Create hardship fund for K-12 schools	0	(2,773,988)	0	0	0
<i>Total-General Fund Transfers-Out</i>	<i>(14,373,587)</i>	<i>(11,123,988)</i>	<i>(5,350,000)</i>	<i>(350,000)</i>	<i>(350,000)</i>

ethanol production incentive credits. The checkoff would be in effect from July 1, 1995 through January 1, 2001 and would be paid by the seller to the first purchaser in Nebraska. General Fund transfers established in LB 377 were \$8,000,000 for both FY 95-96 and FY 96-97, \$7 million in both FY97-98 and FY98-99, and \$6 million in both FY99-00 and FY2000-01. **LB 605** passed this session allowed for the reduction of the FY2000-01 transfer from the original \$6 million figure to \$5 million.

Two other bills enacted in the 1999 Session affected General Fund transfers-out. **LB 873** transferred \$1.7 million to DAS-State Building Division to help offset a cash flow problem with their Revolving Fund. These amounts are subsequently transferred back to the General Fund in FY2000-01 (see General Fund Transfers-In) **LB 314** transfers \$2.8 million to a newly created Hardship Fund for K-12 schools in financial difficulty.

General Fund Transfers-In

There are only a few instances in statute where monies in a cash fund can be transferred to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as transfers-in and are included as revenues. For FY1998-99, a transfer of \$9 million from the Securities Act Cash Fund to the General Fund is already included in the revenue forecast. The budget as enacted includes a \$12 million transfer from the Securities Act Cash Fund to the General Fund for each year of the biennium. These amounts are then subsequently transferred to the Cash Reserve Fund.

Table 6 General Fund Transfers-In

	Biennial Budget			Est for Following Biennium	
	FY1998-99	FY1999-00	FY2000-01	FY2001-02	FY2002-03
Securities Act Cash Fund	In Forecast	12,000,000	12,000,000	0	0
LB 873 - DAS Blding Division cash flow	0	0	1,713,587	0	0
LB 835 Competitive Livestock Markets Act	0	0	55,015	0	0
<i>Total-General Fund Transfers-In</i>	<i>0</i>	<i>12,000,000</i>	<i>13,768,602</i>	<i>0</i>	<i>0</i>

Two other transfers-in were also enacted. First is the repayment of the borrowed funds in LB 873 as previously noted under the "Transfers-Out" section. The second transfer-in occurs in **LB 835**, the Competitive Livestock Markets Act. A General Fund appropriation of \$55,015 was included in FY99-00 to provide initial funding for the program until fees are assessed and collected. The General Fund is then subsequently "reimbursed" in FY2000-01.

Revenue Legislation 1999 Session

Compared to previous sessions, the impact of revenue legislation enacted during the 1999 Session was relatively modest. Table 7 provides a listing of bills affecting General Fund revenues followed by a narrative description of the provisions of the major bills.

Table 7 Revenue Bills Enacted 1999 Session

	FY1999-00	FY2000-01	FY2001-02	FY2002-03
LB 92 Reallocate fees, GF to Water Well Decomm	(178,840)	(178,840)	(178,840)	(178,840)
LB 232 Sales tax exempt-certain NRD purchases	(176,483)	(272,119)	(272,119)	(272,119)
LB 280 Sales tax exempt-MV purchases disabled persons	(64,704)	(99,500)	(99,500)	(99,500)
LB 382 Convention Center Facility Financing Assist.	0	Unknown	Unknown	Unknown
LB 630 Beginning Farmer Tax Credit Act	0	0	(2,325,000)	(4,700,000)
LB 683 Cigarette tax distribution, "hold harmless"	(232,646)	(559,504)	(559,504)	(559,504)
<i>Total-Revenue Legislation by Bill</i>	<i>(652,673)</i>	<i>(1,109,963)</i>	<i>(3,434,963)</i>	<i>(5,809,963)</i>
Sales/Use Tax	(241,187)	(371,619)	(371,619)	(371,619)
Individual Income Tax	0	0	(2,325,000)	(4,700,000)
Corporate Income Tax	0	0	0	0
Miscellaneous receipts	(411,486)	(738,344)	(738,344)	(738,344)
<i>Total-Revenue Legislation by Category</i>	<i>(652,673)</i>	<i>(1,109,963)</i>	<i>(3,434,963)</i>	<i>(5,809,963)</i>

LB232 adds Natural Resources Districts to the list of government entities (schools, cities, counties, etc...) that may make purchases free of sales taxes. The bill would be operative October 1, 1999.

LB280 exempts from sales tax the

portion of the purchase price of a vehicle, purchased for a disabled person, which is attributable to the special design or adaptation of a motor vehicle for medical purposes. Prior to LB280, tax exemptions were only available when the vehicle or vehicle modifications for a disabled individual were paid for with funds from the U.S. Dept of Veterans Affairs or state Dept of Health and Human Services.

LB 630 provides a credit against state income tax liability for an owner of agricultural land, livestock, buildings or machinery who rents those assets to a qualified beginning farmer or rancher. The rental agreement must be for at least three years to qualify. The credit, which begins January 1, 2001, will be equal to 5 percent of the gross rental income on the rental agreement. The credit will be refundable, which means that if the credit were larger than the taxpayer's total tax liability, the taxpayer would receive the difference. A seven-member board will oversee the program including approving qualifying applicants.

LB 382, provides a financing mechanism for the construction and operation of convention and civic event facilities. The funding will come from a "turnback" of state taxes resulting from **construction** of the convention center, employment at the center, and spending by non-resident participants in conventions new to Nebraska (not having been in the state in the past three years), taking into consideration investment multipliers. Up to 70 percent of the new tax revenues, capped at \$75 million, can be used for an eligible facility, presumably to be in Omaha. The remaining 30 percent will be available as grants to cities and counties to develop convention and meeting facilities.

Grants can range from \$20,000 up to \$250,000 but can't exceed more than 50% of the construction cost. A board consisting of the Governor, State Treasurer, chairpersons of the Investment Council and the State Board of Public Accountancy, and an economics professor appointed by the Coordinating Commission for Postsecondary Education are to determine the eligibility of all applications.

LB 142, although no state General Fund impact, provides that vehicle tax proceeds will be allocated only to the county, school district, and city or village where the vehicle is kept. Other local subdivisions will no longer receive vehicle tax proceeds. The bill implements a constitutional amendment adopted by voters in November 1998. For motor vehicles sited within a municipality, the distribution will be 60% to the school district, 22% to the county, and 18% to the city or village. However, in Douglas County, the mix between the cities and counties is reversed with 18% to the county and 22% to the city or village. For motor vehicles located outside of municipalities, the tax is distributed 40% to the county and 60% to schools.

Cash Reserve Fund Transfers and Status

The Cash Reserve Fund (CRF), created in 1983, is not included as part of the "General Fund Reserve" (which is the unobligated ending General Fund balance for a biennium) as the Cash Reserve Fund 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 to the Cash Reserve fund at year's end.

Automatic Transfers 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. In FY98-99, \$111.6 million is transferred reflecting the excess of FY97-98 actual receipts above the certified forecast. Another \$20.9 million transfer is shown in FY99-00 reflecting the difference between the actual receipts for FY1998-99 (\$2,123,869,305) and the July 1998 "certified" forecast (\$2,102,910,000).

Legislative Transfers-To / From General Fund Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature. Previously enacted transfers which impact on the General Fund include: \$80 million to the General Fund related to the one year sales tax reduction (LB1104-1998), \$4.5 million to the General Fund for one-time mitigation funds to schools with a resource loss of greater than 10% under the levy limits and state aid changes (LB1219-1998), and \$12 million to the General Fund to help finance the co-location of the law enforcement training facilities (LB63-1998). LB63 also provided that in FY00-01 \$28 million is to be transferred to the General Fund. This is basically the remainder of a \$40 million transfer originally planned for FY98-99 (LB401-1997) less the \$12 million transfer in FY1998-99 for the law enforcement training facilities as noted.

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

LB 881 In addition to the transfers noted above, LB 881 enacted in the 1999 Session transfers a total of \$100 from the Cash Reserve Fund for purposes of property tax relief. A total of \$65 million is transferred to the Relief to Property Taxpayers Cash Fund; \$30 million in FY99-00 to be used for additional state aid to Community Colleges and \$35 million in FY2000-01 to be allocated to counties to apply as a credit against taxpayers property tax bills. The remaining \$35 million is a transfer to the General Fund in FY2001-02 to assist in covering the costs of additional state aid when the K-12 school levy limit declines from \$1.10 to \$1.00

Table 8 Cash Reserve Fund Status

	Est. FY1998-99	Est. FY1999-00	Est. FY2000-01	Est. FY2001-02	Est. FY2002-03
Beginning Balance	132,583,702	145,700,124	150,789,124	99,658,429	64,658,429
Cash Reserve Fund Transfers-automatic	111,616,422	20,958,305	0	0	0
To/From GF (LB63-1998)	(12,000,000)	0	(28,000,000)	0	0
To GF (LB1104-1998)	(80,000,000)	0	0	0	0
To GF for K-12 mitigation funds (LB1219-1998)	(4,500,000)	0	0	0	0
From GF (LB880-1999)	0	12,000,000	12,000,000		
To GF (LB881-1999)	0	0	0	(35,000,000)	0
Transfers to/from General Fund	<u>(96,500,000)</u>	<u>12,000,000</u>	<u>(16,000,000)</u>	<u>(35,000,000)</u>	<u>0</u>
To/from School Reorg. Incentives (LB1134-1998)	(2,000,000)	2,000,000	0	0	0
To Relief to Property Taxpayers Fund (LB881-1999)	0	(30,000,000)	(35,000,000)	0	0
Transfers to/from Other Funds	<u>(2,000,000)</u>	<u>(28,000,000)</u>	<u>(35,000,000)</u>	<u>0</u>	<u>0</u>
Ending Balance	145,700,124	150,658,429	99,658,429	64,658,429	64,658,429

* The transfer to the school reorganization fund bypasses the General Fund and is not reflected in the General Fund Status

GENERAL FUND APPROPRIATIONS

General Fund Appropriations

General Fund Overview

Table 9 contains a summary of the FY1999-00 and FY2000-01 General Fund appropriations as enacted in the 1999 Legislative Session. The mainline budget bills reflect the funding provided for agencies and programs based on statutes and laws as they existed prior to the 1999 Session with the inclusion of additional state aid to schools pursuant to LB149 enacted earlier this session. 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 budget reflects an increase in General Fund appropriations amounting to \$95.3 million (4.3%) in FY1999-00 and another \$66.2 million (2.8%) in FY2000-01 (\$161.6 million when compared to the FY98-99 base referred to as the biennial basis). This amounts to an average growth over the two years of 3.6%; substantially less than the 8.7% average growth in the FY98/FY99 biennial budget and the lowest average growth in the past five biennial budgets.

Table 9 General Fund Appropriations per 1999 Legislative Session

<i>FY1999-00</i>	Operations	State Aid	Construction	Total
Appropriations Committee Budget	873,759,212	1,395,187,311	53,525,608	2,322,472,131
Floor Amendments	(2,238,894)	0	2,500,000	261,106
Governor Vetoes	(1,616,156)	(4,655,452)	(1,349,445)	(7,621,053)
Veto Overrides	0	0	0	0
Subtotal-Mainline Budget Bills	869,904,162	1,390,531,859	54,676,163	2,315,112,184
"A" Bills	4,678,245	4,153,518	0	8,831,763
<i>Total Per 1999 Session</i>	874,582,407	1,394,685,377	54,676,163	2,323,943,947
Change over prior year (excluding deficits)*				
Dollar	58,867,937	42,814,792	(6,317,903)	95,364,826
Percent	7.2%	3.2%	-10.4%	4.3%
<i>FY2000-01</i>	Operations	State Aid	Construction	Total
Appropriations Committee Budget	907,585,041	1,431,650,394	43,911,388	2,383,146,823
Floor Amendments	606	0	1,250,000	1,250,606
Governor Vetoes	(3,401,677)	(5,241,826)	0	(8,643,503)
Veto Overrides	0	0	0	0
Subtotal-Mainline Budget Bills	904,183,970	1,426,408,568	45,161,388	2,375,753,926
"A" Bills	4,667,542	9,754,612	0	14,422,154
<i>Total Per 1999 Session</i>	908,851,512	1,436,163,180	45,161,388	2,390,175,080
Change over prior year				
Dollar	34,269,105	41,477,803	(9,514,775)	66,232,133
Percent	3.9%	3.0%	-17.4%	2.8%
Two Year Average Growth	5.6%	3.1%	-14.0%	3.6%

Breakdown By Operations and Aid

While Table 9 provides a general breakdown of operations, state aid and construction; Table 10 provides a more detailed breakdown of these general categories.

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 FY99-00 proposed budget, 38% of all General Fund appropriations are for agency operations. Although there are 53 state agencies that receive General Fund appropriations, higher education (University of Nebraska and State Colleges) and the five largest agencies (Health and Human Services, Corrections, Courts, and State Patrol) account for over 82% of state operations.

Aid to Individuals/Other About 23% of all General Fund appropriations are classified as state aid to individuals. Aid to individuals includes programs such as Medicaid, Aid to Families with Dependent Children (ADC), 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.

Aid to Local Governments This area accounts for aid payments to local governments and accounts for 37.5% 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 teachers 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.

Capital Construction, which accounts for about 2% 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. Note that road construction and maintenance is not included in this category. This is included under cash fund agency operations.

FY1999-00 General Fund Budget

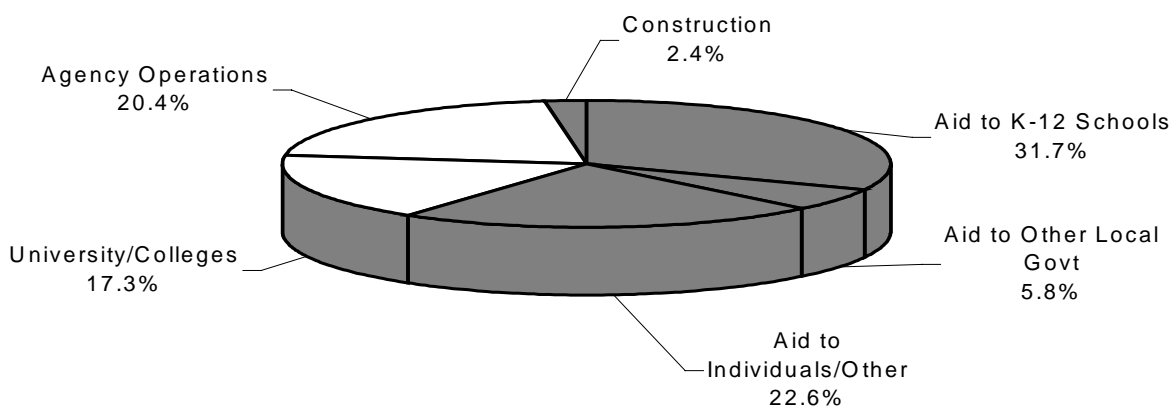


Table 10 General Fund Appropriations by Major Area

	GF Budget Per 1999 Session		FY1999-00		FY2000-01		Avg % Change
	FY1999-00	FY2000-01	\$ Chnge	% Chnge	\$ Chnge	% Chnge	
<u>AGENCY OPERATIONS</u>							
University/Colleges (excludes aid)	401,444,695	418,038,831	17,944,405	4.7%	16,594,136	4.1%	4.4%
Health/Human Services System	160,522,096	166,648,236	16,099,127	11.1%	6,126,140	3.8%	7.4%
Correctional Services	83,069,910	90,426,301	4,920,520	6.3%	7,356,391	8.9%	7.6%
Courts	46,503,496	49,746,972	2,880,687	6.6%	3,243,476	7.0%	6.8%
State Patrol	32,191,462	33,868,493	2,239,912	7.5%	1,677,031	5.2%	6.3%
Other 48 Agencies	150,850,613	150,122,544	14,783,151	10.9%	-728,069	-0.5%	5.0%
Total-GF Operations	874,582,407	908,851,512	58,867,937	7.2%	34,269,105	3.9%	5.6%
<u>STATE AID TO INDIVIDUALS</u>							
Medicaid	312,725,108	331,831,575	21,746,315	7.5%	19,106,467	6.1%	6.8%
Public Assistance	117,478,093	122,201,504	9,806,000	9.1%	4,723,411	4.0%	6.5%
Developmental disabilities	44,491,708	46,574,186	2,938,398	7.1%	2,082,478	4.7%	5.9%
Community based mental health	16,686,083	18,052,611	(3,514,068)	-17.4%	1,366,528	8.2%	-5.5%
NU/College remissions/contracts	2,390,072	2,390,072	0	0.0%	0	0.0%	0.0%
Other Aid to Individuals	19,351,094	19,653,596	1,531,179	8.6%	302,502	1.6%	5.0%
Other Aid to Other Entities	10,840,408	10,840,408	(177,186)	-1.6%	0	0.0%	-0.8%
Total-GF Aid to Individuals/Other	523,962,566	551,543,952	32,330,638	6.6%	27,581,386	5.3%	5.9%
<u>STATE AID TO LOCAL GOVT</u>							
State Aid to Education	583,552,195	581,480,048	3,261,959	0.6%	-2,072,147	-0.4%	0.1%
Special Education	132,575,807	136,553,081	3,861,431	3.0%	3,977,274	3.0%	3.0%
Aid to Community Colleges	57,171,868	62,387,138	6,512,546	12.9%	5,215,270	9.1%	11.0%
Homestead Exemption	34,867,284	41,113,302	(1,984,448)	-5.4%	6,246,018	17.9%	5.6%
Aid to Cities	17,531,500	17,531,500	(100,000)	-0.6%	0	0.0%	-0.3%
Aid to Counties	7,393,808	7,393,808	(5,903,692)	-44.4%	0	0.0%	-25.4%
Aid to ESU's	12,700,000	12,775,000	2,800,000	28.3%	75,000	0.6%	13.6%
County jail cost reimbursement	6,800,000	6,800,000	6,800,000	100.0%	0	0.0%	NA
County Property Tax Relief	5,600,479	6,007,165	100,479	1.8%	406,686	7.3%	4.5%
Other Aid to Local Govt	12,529,870	12,578,186	(4,864,121)	-28.0%	48,316	0.4%	-15.0%
Total-GF Aid to Local Govt	870,722,811	884,619,228	10,484,154	1.2%	13,896,417	1.6%	1.4%
<u>CAPITAL CONSTRUCTION</u>	54,676,163	45,161,388	(6,317,903)	-10.4%	-9,514,775	-17.4%	-14.0%
<u>GENERAL FUND TOTAL</u>	2,323,943,947	2,390,176,080	95,364,826	4.3%	66,232,133	2.8%	3.6%

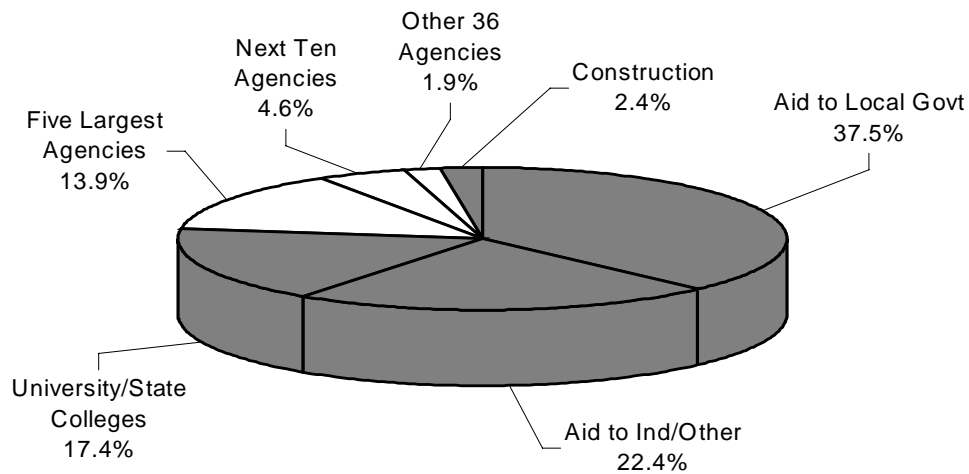
Breakdown by Relative Size

Although there are 51 agencies receiving General Funds (HHS System treated as one agency) and numerous aid programs, a significant portion of the budget is actually contained in just a few areas. About 91% of all General Fund appropriations are accounted for by state aid, higher education, and the five largest state agencies: Health and Human Services System (includes Regulation, Services and Finance and Support), Dept of Corrections, Supreme Court (also includes County and District Court judges), State Patrol, and Dept of Revenue.

The next ten largest agencies are, Retirement, Legislative Council, Dept of Education, Game and Parks Commission, Dept of Administrative Services (DAS), Nebraska Educational Telecommunications Commission (NETC), Dept of Water Resources, Dept of Agriculture, Dept of Property Assessment and Taxation, and Dept of Economic Development (DED).

Table 11 General Fund Appropriations by Relative Size

	FY1999-00 GF Budget	
	Dollars	% of Total
Aid to Local Govt	870,572,811	37.5%
Aid to Individuals/Other	521,722,494	22.4%
University/Colleges	403,834,767	17.4%
Five Largest Agencies	322,286,964	13.9%
Next Ten Agencies	107,059,847	4.6%
Other 36 Agencies	43,790,901	1.9%
Total GF Operations/Aid	2,269,267,784	97.6%
Capital Construction	54,676,163	2.4%
Total General Funds	2,323,943,947	100.0%



Historical General Fund Appropriations

While the previous sections provide an overview of the FY1999-00 and FY2000-01 General Fund biennial budget, Table 12 provides an historical perspective showing appropriations for the ten year period FY1990-91 through the proposed budget for FY2000-01.

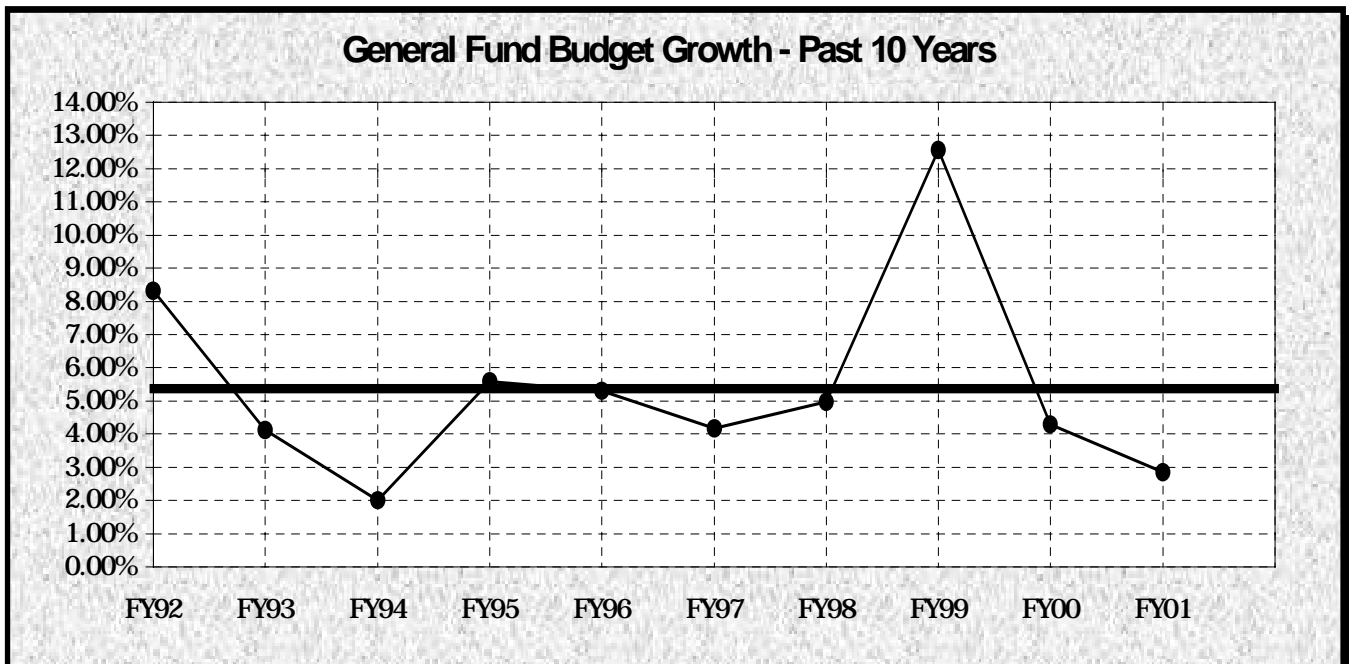
Over the entire 10-year period, the average annual increase in General Fund appropriations is 5.4%. Aid to local government accounts for the largest dollar increase in this 10 year period reflecting large increases in aid to schools (LB1059-1990 and LB806-1998). Aid to individuals has the highest average increase, almost 9% per year largely driven by Medicaid. Medicaid grew dramatically due to client growth, medical costs, and impacts of federal law changes. The 3.7% average growth in agency operations is slightly higher than inflation and reflects significant

increases in corrections cost. With respect to employee salaries, the average annual pay increase during this 10 year period was very close to the rate of inflation;

Table 12 also includes the average annual budget growth for each of the five biennial budgets contained in this 10-year period. The 3.6% average growth in the enacted biennial budget is the lowest average growth of any of the five biennial budgets.

Table 12 Historical General Fund Appropriations

	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total	% Change
FY1989-90 Approp	541,775,457	223,963,497	422,499,446	25,001,066	1,213,239,466	24.4%
FY1990-91 Approp	626,517,692	242,553,393	520,534,433	25,493,478	1,415,098,996	16.6%
FY1991-92 Approp	634,439,677	252,332,179	628,832,134	17,318,861	1,532,922,851	8.3%
FY1992-93 Approp	660,298,572	322,407,844	608,476,914	4,976,777	1,596,160,107	4.1%
FY1993-94 Approp	674,301,241	348,937,150	597,470,895	7,264,678	1,627,973,964	2.0%
FY1994-95 Approp	692,909,807	387,291,974	632,800,849	5,954,449	1,718,957,079	5.6%
FY1995-96 Approp	723,504,856	412,969,639	652,872,658	20,831,107	1,810,178,260	5.3%
FY1996-97 Approp	748,398,912	442,941,891	674,626,255	19,843,088	1,885,810,146	4.2%
FY1997-98 Approp	778,765,482	463,942,181	695,809,228	41,250,742	1,979,767,633	5.0%
FY1998-99 Approp	815,714,470	491,631,928	860,238,657	60,994,066	2,228,579,121	12.6%
FY1999-00 Biennial Budget	874,582,407	524,112,566	870,572,811	54,676,163	2,323,943,947	4.3%
FY2000-01 Biennial Budget	908,851,512	551,693,952	884,469,228	45,161,388	2,390,176,080	2.8%
Average Annual Growth						
FY91-92/FY92-93 Biennium	2.7%	15.3%	8.1%	-55.8%	6.2%	
FY93-94/FY94-95 Biennium	2.4%	9.6%	2.0%	9.4%	3.8%	
FY95-96/FY96-97 Biennium	3.9%	6.9%	3.3%	82.6%	4.7%	
FY97-98/FY98-99 Biennium	4.4%	5.4%	12.9%	75.3%	8.7%	
FY99-00/FY00-01 Biennium	5.6%	5.9%	1.4%	-14.0%	3.6%	
FY91 to FY01 (10 yr)	3.8%	8.6%	5.4%	5.9%	5.4%	



Significant General Fund Increases and Reductions

The FY99-00/FY00-01 budget represents the result of numerous areas where the budget was increased, offset to some extent by areas that were reduced. About 97% of the total change in General fund appropriations can be accounted for in the items listed in Table 13.

Table 13 Significant General Fund Increases/Reductions In Rank Order

	Change over Prior Year		Biennial Basis
	FY1999-00	FY2000-01	FY2000-01
<u>SIGNIFICANT INCREASES:</u>			
Salaries (State Agencies+Colleges+NU)	29,523,276	31,340,890	60,864,166
Medicaid	21,746,315	19,106,467	40,852,782
Public Assistance	9,806,000	4,723,411	14,529,411
Health Insurance (State Agencies+Colleges+NU)	8,208,515	6,701,608	14,910,123
Community Colleges	6,512,546	5,215,270	11,727,816
County jail cost reimbursement	6,800,000	0	6,800,000
Special Education	3,861,431	3,977,274	7,838,705
Regional Centers/MH, replace fed/cash	5,220,051	0	5,220,051
DAS rent/depreciation surcharge	2,846,068	1,771,179	4,617,247
HHS data processing, MMIS upgrade	2,778,662	160,892	2,939,554
Aid to ESU's	2,800,000	75,000	2,875,000
Homestead Exemption (LB179-1999)	0	5,200,000	5,200,000
Developmental Disability aid-rate equity	1,618,727	1,949,385	3,568,112
Water litigation, Wyoming/Kansas	2,912,191	(950,000)	1,962,191
Other items (University)	2,053,147	591,153	2,644,300
State Disbursement Unit, child support (LB637-1999)	2,643,270	(608,928)	2,034,342
Aid to K-12 Schools (TEEOSA)	3,261,959	(2,072,147)	1,189,812
McCook Work Camp, operations and staffing	500,184	3,358,568	3,858,752
Low-Level Radioactive Waste licensing, GF support	3,472,000	(3,472,000)	0
Mental Health/Substance Abuse aid increases	985,932	1,366,528	2,352,460
Aid to NRD's	1,611,638	0	1,611,638
Developmental Disability aid-transition	1,319,671	133,093	1,452,764
Tecumseh Prison, initial staffing	781,800	1,080,749	1,862,549
Aid to Aging/Care Management	1,180,214	0	1,180,214
Coord Commission-Student aid programs	750,000	0	750,000
Student testing/assessment	220,000	80,000	300,000
Subtotal-Increases Listed	123,413,597	79,728,392	203,141,989
<u>SIGNIFICANT REDUCTIONS:</u>			
Construction	(6,317,903)	(9,514,775)	(15,832,678)
Aid to Counties	(5,903,692)	0	(5,903,692)
Tuition in lieu of General Funds (University)	(3,688,000)	(3,835,520)	(7,523,520)
Mental Health/Substance Abuse aid (one-time)	(5,500,000)	0	(5,500,000)
Aid to K-12 Schools (mitigation)	(4,500,000)	0	(4,500,000)
Homestead Exemption (previous law)	(1,984,448)	1,046,018	(938,430)
Safe Drinking Water matching funds	(1,166,518)	0	(1,166,518)
Base reduction, Regional Centers	0	(1,875,761)	(1,875,761)
Tuition in lieu of General Funds (State Colleges)	(500,000)	(520,000)	(1,020,000)
Governors Emergency Fund	(500,000)	0	(500,000)
Partnership for Economic Development	(500,000)	0	(500,000)
Technology Retraining study financing	(450,000)	0	(450,000)
Subtotal-Reductions Listed	(31,010,561)	(14,700,038)	(45,710,599)
<u>OTHER NOT LISTED (NET)</u>	2,961,790	1,203,779	4,165,569
<u>TOTAL GENERAL FUND CHANGE</u>	95,364,826	66,232,133	161,596,959

Over the two-year period of the FY1999-00 / FY2000-01 biennial budget, the largest single increase is the cost of negotiated salary increases and health insurance accounting for 44% of the overall increase in spending. Another 38% relates to entitlement programs such as Medicaid, Public Assistance, and Special Education. And other items

totaling 12% of the budget increases relate to funding commitments made in previous sessions. This includes initial operating costs for the new prison and McCook work camp, reimbursement of counties for certain jail costs, and increased aid to community colleges due to a lowering of their levy limit

Table 14 Significant General Fund Increases/Reductions by Major Area

	Change over Prior Year		Biennial Basis
	FY1999-00	FY2000-01	FY2000-01
Community Colleges	6,512,546	5,215,270	11,727,816
County jail cost reimbursement	6,800,000	0	6,800,000
Special Education	3,861,431	3,977,274	7,838,705
Aid to ESU's	2,800,000	75,000	2,875,000
Aid to K-12 Schools (TEEOSA)	3,261,959	(2,072,147)	1,189,812
Aid to NRD's	1,611,638	0	1,611,638
Homestead Exemption	(1,984,448)	6,246,018	4,261,570
County Property Tax Relief	100,479	406,686	507,165
High ability learners	75,000	76,875	151,875
Safe Drinking Water matching funds	(1,166,518)	0	(1,166,518)
Aid to K-12 Schools (mitigation)	(4,500,000)	0	(4,500,000)
Aid to Counties	(5,903,692)	0	(5,903,692)
Other Not Listed (net)	(1,134,241)	(28,559)	(1,162,800)
AID TO LOCAL GOVERNMENTS	10,334,154	13,896,417	24,230,571
Medicaid	21,746,315	19,106,467	40,852,782
Public Assistance	9,806,000	4,723,411	14,529,411
Developmental Disability aid-rate equity	1,618,727	1,949,385	3,568,112
Mental Health/Substance Abuse aid increases	985,932	1,366,528	2,352,460
Aid to Aging/Care Management	1,180,214	0	1,180,214
Developmental Disability aid-transition	1,319,671	133,093	1,452,764
Coord Commission-Student aid programs	750,000	0	750,000
Aid to local libraries	150,000	0	150,000
Governors Emergency Fund	(500,000)	0	(500,000)
Partnership for Economic Development	(500,000)	0	(500,000)
Mental Health/Substance Abuse aid (one-time)	(5,500,000)	0	(5,500,000)
Other Not Listed (net)	1,423,779	302,502	1,726,281
AID TO INDIVIDUALS / OTHER	32,480,638	27,581,386	60,062,024
Salaries (State Agencies+Colleges+NU)	29,523,276	31,340,890	60,864,166
Health Insurance (State Agencies+Colleges+NU)	8,208,515	6,701,608	14,910,123
Regional Centers/MH, replace fed/cash	5,220,051	0	5,220,051
HHS data processing, MMIS upgrade	2,778,662	160,892	2,939,554
State Disbursement Unit, child support (LB637-1999)	2,643,270	(608,928)	2,034,342
McCook Work Camp, operations and staffing	500,184	3,358,568	3,858,752
Water litigation, Wyoming/Kansas	2,912,191	(950,000)	1,962,191
Other items (University)	2,053,147	591,153	2,644,300
Low-Level Radioactive Waste licensing, GF support	3,472,000	(3,472,000)	0
DAS rent/depreciation surcharge	2,846,068	1,771,179	4,617,247
Tecumseh Prison, initial staffing	781,800	1,080,749	1,862,549
Judges salary increase (LB350/LB839-1999)	422,882	913,218	1,336,100
Other items (State Colleges)	436,603	153,314	589,917
Teacher retirement contribution	495,053	0	495,053
Takeover county assessors (Keith, Saunders)	430,684	(40,000)	390,684
Student testing/assessment	220,000	80,000	300,000
Financial Management System	345,000	(345,000)	0
Technology Retraining study financing	(450,000)	0	(450,000)
Tuition in lieu of GF (State Colleges)	(500,000)	(520,000)	(1,020,000)
Base reduction in Regional Centers	0	(1,875,761)	(1,875,761)
Tuition in lieu of GF (University)	(3,688,000)	(3,835,520)	(7,523,520)
Other Not Listed (net)	216,551	(235,257)	(18,706)
AGENCY OPERATIONS	58,867,937	34,269,105	93,137,042
CAPITAL CONSTRUCTION	(6,317,903)	(9,514,775)	(15,832,678)
TOTAL GENERAL FUND CHANGE	95,364,826	66,232,133	161,596,959

Highlights - General Fund Agency Operations

Court System

Additional Judges LB 404 passed in the 1998 Session, added one District Judge in the 4th District (Douglas County); one County Judge in the 4th District (Douglas County); and one County Judge in the 2nd District (Sarpy, Cass & Otoe counties), effective July 1, 1998. The appropriation necessary to fund these new judges was included in the budget for FY98-99. The bill also added one Juvenile Judge in Lancaster County effective July 1, 1999, and an additional District Judge in Douglas County on July 1, 2000. Each District and Juvenile judge would also have a court reporter provided (as per 24-1003). The budget includes \$105,617 in FY99-00 and \$211,234 in FY00-01 for the two additional judges called for in LB404.

Court Operations The budget includes \$203,530 in FY99-00 and \$407,059 in FY00-01 for salary reclassifications/equalizations for court staff. This includes reclassification of county court employees to salaries comparable to positions in the executive branch, equalizing salaries of clerk magistrates comparable to Clerks of the District Court, and equalizing salaries of court records clerks comparable to probation clerks adjusting for more complex duties. The comparisons were done through a contracted study with the National Center for State Courts.

Probation The budget includes an additional \$167,000 in both FY99-00 and FY00-01 for six additional probation staff. This includes three probation officers, 2 case managers, and one juvenile intake officer. Also included is \$416,045 General Funds in FY00-01 for 13.0 FTE additional probation staff to be affiliated with the new McCook work camp.

Increase in Judges Salaries Two bills passed in the 1999 Session increased judges salaries. **LB 350** increases the salaries of the judges of the Supreme Court from the current level of \$101,649 to \$106,223 on July 1, 1999 (+4.5%) and to \$111,003 on July 1, 2000 (+4.5%). As the salaries of the other courts judges are set as a percent of the Supreme Court salaries, other judges would also get a similar increase. The cost for these salary increases is estimated at \$326,036 General Funds in FY99-00 and \$1,077,358 General Funds FY00-01. Also **LB 839** increases County Court judges' salaries which are set as a percent of Supreme Court Judges salaries. The current 85% level is increased to 88% (January 1, 2000), 89% (January 1, 2001) and then 90% (January 1, 2002). Additional funding to cover these costs amounts to \$96,846 in FY99-00 and \$225,973 in FY00-01.

Dept of Health and Human Services

Regional Centers Fund Mix In the FY98/FY99 biennium, HHS had been utilizing available federal funds to subsidize General Funds and maintain operations at the three regional centers. An analysis of the availability of federal funds for the current biennial budget revealed there no longer was sufficient cash flow to sustain that level of federal fund spending and increased General Funds were needed to maintain the current level of services. The budget includes an increase in General Funds totaling \$5,220,051 in each year for this purpose.

Data Processing Costs HHS is faced with two areas of increased data processing costs. First is an increase associated with higher DAS-IMS rates and volume of usage and amounts to \$2,013,380 in FY99-00 and \$2,292,836 in FY00-01. The other relates to changes in the MMIS (Medicaid) system to comply with federal requirements. Cost of these changes totals \$765,282 in FY99-01 and \$646,718 in FY00-01.

LB 637-State Disbursement Unit The 1996 Federal Welfare Reform Law (Personal Responsibility and Work Opportunity Reconciliation act of 1996) required states to establish and operate a single statewide unit for collection and disbursement of child support payments. LB637, enacted in the 1999 Session, creates a State Disbursement Unit, however the entity responsible for administering the SDU will subsequently be designated by the Legislature. Also, the Legislature is to conduct a study to determine the method by which the state can comply with federal child support requirements on the collection and disbursement of support order payments. General Funds totaling \$2,385,870 in FY99-00 and \$2,034,342 in FY00-01 are provided basically for upgrading the computer system.

Dept of Correctional Services

In addition to salary and health insurance increases (including a large increase in hiring rates for correctional officers as noted in the Employee Salary section), the budget includes three large increases for the Dept of Correctional Services.

New 960 Bed Prison (Tecumseh) The first is the initial staffing levels (17.0 FTE in FY99-00 and 29.0 FTE in FY00-01) and operating costs for the new Tecumseh prison totaling \$781,800 in FY99-00 and \$1,862,549 in FY00-01. While the new prison is not expected to be operational until FY2001-02, the new staffing would be phased in starting this biennium and receive training and experience in existing facilities prior to the opening. This also allows for additional security in the existing over-crowded facilities until the new facility is open.

McCook Work Camp The budget also includes funding for the operation of the new McCook work camp totaling \$500,184 in FY99-00 and \$3,442,707 in FY00-01 (82 FTE employees). The facility is expected to open in the fall of 2000. In addition, \$416,045 General Funds is also included in FY00-01 in the Supreme Court budget for 13.0 FTE probation officers affiliated with the work camp.

County Jail Reimbursement The third item is a \$6.8 million increase for county jail reimbursements under the provisions of LB695 passed in the 1998 session.

University of Nebraska

In addition to salary and health insurance costs, the other items in the budget includes funding for the 2% depreciation surcharge under LB1100-1998 (\$441,000 in FY99-00 and \$473,318 in FY00-01) and operations and maintenance costs for new and/or renovated facilities (\$1,513,380 in FY99-00 and \$2,072,215 in FY00-01). However, to assist in paying the costs of these items, including salary and health insurance, the budget assumes a 4% per year increase in tuition offsetting the increased costs by \$3.7 million in FY99-00 and \$7.5 million in FY00-01.

State Colleges

Similar to the University, the budget includes funding of salary and health insurance increased costs partially offset by an assumed 4% per year tuition increase. Other items included are the 2% depreciation surcharge per LB1100 (\$167,514 in FY99-00 and \$196,139 in FY00-01), replacement of instructional technology equipment (\$109,500 in FY99-00 and \$127,000 in FY00-01), increases in general operating expenses (\$102,831 in FY99-00 and \$208,709 in FY00-01), and a facilities director in the central office (\$33,863 in each year).

Dept of Environmental Quality (DEQ)

Besides salary and health insurance increases, one of the single largest operations increase is the \$3,472,000 General Funds included in FY99-00 for the low-level radioactive waste licensing process. This reflects a continuation of the licensing process but utilizing state General Fund dollars rather than cash funds obtained from charges to the Central Interstate Low-Level Radioactive Waste Commission and affected utilities. On March 8, U.S. District Court Judge Richard Kopf issued a temporary restraining order prohibiting the state from "collecting or attempting to collect any funds from the plaintiffs, the Commission, or US Ecology".

State Employee Salary Increases

Collective bargaining agreements have been negotiated with the various bargaining units. Salary increases vary substantially within these agreements as noted below. All percent increases shown are to be implemented July 1. Table 15 shows the General Fund cost of full funding the salary contracts.

Table 15 Salary Increase Costs
(General Fund Only)

	FY99-00	FY00-01
Non-classified employees	2,421,348	6,049,068
NAPE Master Contract	5,445,909	13,604,995
SLEBEC (Law Enforcement)	2,221,079	3,063,306
Correctional Officers	1,550,318	1,550,318
State Colleges	1,070,666	2,187,891
University of Nebraska	16,839,181	34,464,116
Total General Fund costs	29,523,276	60,864,166

Non-Classified 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 budget includes funding for salary increases for these employees at the same rate as the NAPE/AFSCME Master Contract as noted below.

NAPE/AFSCME Collective bargaining agreements have been reached with the Nebraska Association of Public Employees on a labor contract for FY1999-00 and

FY2000-01. The contract calls for a July 1 increase of 2% in both years and a step plan effective January 1, 2000. The step plan has 16 steps 2.5% apart. The employees will initially be placed on the next higher step above their current salary estimated at a 1.5% increase on January 1, 2000. On January 1, 2001, each employee will be advanced one step, a 2.5% increase.

Correctional Officers In addition to the NAPE master contract, new hiring rates were established for correctional officers to solve recruitment and retention problems. Starting January 1, 1999, the new hiring rates will increase by 7.5% for correctional officers and corporals and by 12.5% for sergeants. Pay increases will also be given to current employees during the next biennium to alleviate pay compression caused by the increased hiring rates.

Table 16 Historical Salary Increase-NAPE Master Contract

Fiscal Year	General Salary Policy	% Change
FY1990-91	4% on July 1, 1.5% to 2.5% on anniversary	5.56%
FY1991-92	3% on July 1, 1.5% to 2.5% on anniversary	4.55%
FY1992-93	3% on July 1, 1.5% to 2.5% on anniversary	4.55%
FY1993-94	\$300 on Jan 1 (< \$45,000 salary) and \$100 on anniversary	1.53%
FY1994-95	\$500 on July 1 (< \$45,000 salary) and \$100 on anniversary	2.90%
FY1995-96	4% on July 1	4.20%
FY1996-97	3.5% on July 1	3.50%
FY1997-98	2.75% on July 1	2.75%
FY1998-99	2.75% on July 1	2.75%
FY1999-00	2% on July 1, up to 2.5% to original step on Jan 1	2.77%
FY2000-01	2% on July 1, 2.5% step on Jan 1	4.04%

SLEBEC (Law Enforcement)

An agreement has also been reached with the State Law Enforcement Bargaining Council (SLEBEC) covering both the upcoming biennium and settles the impasse for the FY97-98/FY98-99 biennium. This contract covers approximately 500 employees in the State Patrol, Fire Marshal, and Game and Parks Commission. The settlement agreement for FY97-98/FY98-99 implements a 13-step pay plan with pay rates established based on comparability. The salary increases, which will vary based on years of services and placement on the new pay lines, will range from 4% to 16% over the two year period. On July 1 of 1999 and 2000, the pay-lines will be adjusted to the new market rate and employees will advance one step on their designated pay-lines. Again, the pay increases will vary but overall the costs would approximate a 5% increase each year.

State Colleges Agreements with the state college faculty call for a 3.5% increase on July 1 of each year of the biennium. Annual pay increases for non-faculty range from 3% to 3.5%.

University of Nebraska Annual increases of 4.625% have been budgeted for each year of the biennium based on a request of the Board of Regents to reach the midpoint salary of the various employee comparison groups over a four year period. The funding recommended represents the first two years of a 4-year request.

State Employee Health Insurance

For the FY00/FY01 biennium, health insurance costs have increased significantly and account for one of the largest single increases in the biennial budget. General Fund increased costs including the University and State Colleges amount to \$8,208,515 in FY99-00 and \$14,910,123 in FY00-01.

State Employee Rates Estimates for the upcoming FY99-00/FY00-01 biennium show a substantial increase over the current contract which runs to January 1, 1999. For the calendar year 2000 contract, costs for Blue Cross/Blue Shield coverage are expected to increase by 37%, with an 11% increase projected for calendar year 2001. Cost increases for the Omaha and Lincoln HMO, which enroll about 30% of state employees, are substantially lower, ranging from a slight decrease to a 4.3% increase in calendar year 2000. The share of the cost remains at the current level 79% employer 21% employee contribution ratio. Total General Fund cost increases, on a fiscal year basis, are budgeted at \$6,495,351 in FY99-00 and \$11,763,304 in FY00-01.

Table 17 Historical Health Insurance Rates

BC/BS High Option (Family)	Dollar Cost Per Employee - FY Basis				Percent of Total		
	Employee	Employer	Trust	Total	Employee	Employer	Trust
FY1990-91	962.00	3,620.00	In agency	4,582.00	21.0%	79.0%	In agency
FY1991-92	1,138.00	4,283.00	In agency	5,421.00	21.0%	79.0%	In agency
FY1992-93	1,305.00	4,911.00	In agency	6,216.00	21.0%	79.0%	In agency
FY1993-94	1,305.00	4,911.00	In agency	6,216.00	21.0%	79.0%	In agency
FY1994-95	579.00	4,911.00	946.00	6,436.00	9.0%	76.3%	14.7%
FY1995-96	579.00	4,911.00	648.00	6,138.00	9.4%	80.0%	10.6%
FY1996-97	579.00	4,911.00	1,286.00	6,776.00	8.5%	72.5%	19.0%
FY1997-98	1,075.20	4,944.00	407.00	6,426.20	16.7%	76.9%	6.3%
FY1998-99	1,128.90	4,979.22	355.44	6,463.56	21.0%	79.0%	0.0%
FY1999-00 Current Est	1,678.92	6,315.72	0.00	7,994.64	21.0%	79.0%	0.0%
FY2000-01 Current Est	2,047.62	7,702.74	0.00	9,750.36	21.0%	79.0%	0.0%
<u>Average Annual Change</u>							
FY91 to FY01 (10 Yr)	7.8%	7.8%	Na	7.8%			

University of Nebraska Health insurance costs are expected to increase by 5% per year. Additional funding provided totals \$1,068,000 in FY99-00 and \$2,189,000 in FY00-01.

State Colleges The state colleges are covered under the NSEA health insurance plan with costs expected to increase by 26% in FY99-00. Estimated increases of 10% in FY00-01 are also assumed. Additional funding provided totals \$645,164 in FY99-00 and \$957,819 in FY00-01.

DAS Rent and Depreciation Surcharge

Increased General Funds of \$2,846,068 in FY99-00 and \$4,617,247 are included in agency operations attributed to increased DAS charges for office rent and contract operations of facilities. There are two factors that contribute to these increases; (1) replenishment of a depleted fund balance and (2) implementation of a depreciation surcharge.

The first issue relates to the draw-down and depletion of the DAS Building Division revolving fund. Over the past several years, the balance has been reduced due to low rent charges and various projects funded. Increases in rents ranging from 10% to over 20% are anticipated to not only generate revenues that match expenditures but also replenish the fund's balance. General Fund increases total \$779,347 in FY99-00 and \$1,160,128 in FY00-01. Note that LB873 passed this session, transfers funds from the General Fund to this fund in FY98-99 in order to provide cash flow until the higher rates become operative. These funds are to subsequently be "repaid" in FY00-01. A depreciation surcharge is a portion of a building rent cost which is set aside for future repairs, renovations, and/or replacement. The total amount of the surcharge to collect is based on a percent of a building's replacement cost. Although the assessment of a depreciation surcharge was initially authorized by LB530 passed in the 1995 Session, FY99-00 will be the first year where the surcharge is included in building rent/contracts. Although the surcharge was initially set at 2% in the budget request guidelines, the funding provided agencies is based on a surcharge of 1/2% in FY99-00 and 1% in FY00-01. In addition to this "LB530 surcharge", LB1100 passed in 1998 requires the equivalent of a 2% surcharge be assessed on new buildings and major renovations after passage of the bill. Increased General Fund costs for these surcharges total \$ 2,066,721 in FY99-00 and \$ 3,457,119 in FY00-01.

Highlights - General Fund Aid to Individuals

Medicaid

For the FY99-00/FY00-01 biennium the enacted budget reflects an average growth in General Fund appropriations for Medicaid of about 7% per year. There are two major components to this change: an increase attributed to a reduction in the federal match rate and overall cost/client increases. Increases relating to eligibilities, utilization, or provider rates amount to approximately 6% per year. The reduction in the federal match rate requires a General Fund increase amounting to \$3.7 million in FY99-00 and \$5.0 million in FY00-01. Several bills passed in the 1999 Session that had a relatively minor impact on Medicaid costs.

LB 119 increases the minimum personal needs allowance from \$40 to \$50 per month for aged and disabled individuals residing in alternate living arrangements who qualify for the state supplement to the federal program Supplemental Security Income (“SSI”) or whose costs are paid by Medicaid. An alternative living arrangement is defined in statute as board and room of a licensed boarding home, a certified adult family home, a licensed assisted living facility, a licensed group home for children or child-caring agency, a licensed center for the developmentally disabled and a long-term facility.

Table 18 Medicaid

	FY1999-00	FY2000-01
FY98-99 Base Year appropriation	290,978,793	290,978,793
Decline in federal match rate	3,704,249	5,035,268
Eligibility/utilization/cost increases	18,144,354	35,476,635
Shift funds to match Ryan White HIV/AIDS	(150,000)	(150,000)
Shift from aid to oper	116,719	298,698
LB 119 Increase personal needs allowance	225,471	271,571
LB 333 Allow return of drugs/devices, nursing homes	(206,987)	(207,757)
LB 594 Medicaid-disabled adults, income 250% of poverty	(87,491)	128,367
Total	312,725,108	331,831,575
Annual \$ Change	21,746,315	19,106,467
Annual % Change	7.5%	6.1%

LB 333 allows the safe return to pharmacists of medications or medical devices held by individuals or long term care

facilities for clients who no longer need the products. Not all medicines could be returned and would have to be in containers that ensure safe dispensation. It does not require any patient or long term care facility (LTCF) to return the medication, rather it gives the option. The following conditions apply to the return of dispensed drugs or devices for credit: (a) No controlled substances may be returned, (b) the pharmacist can decide not to accept the returned drug or device, (c) the drug or device must have been in the control of the LTCF at all times, (d) the drug or device must be in its original unopened labeled container, with the tamper-evident seal intact, and must have an expiration date or calculated expiration date and lot number, and (e) tablets or capsules must have been dispensed in a unit dose with a tamper-evident container impermeable to moisture and approved by the Board of Examiners in Pharmacy.

Public Assistance

This budget area includes many different social service programs such as ADC, educational assistance for state wards, child welfare services, foster care, subsidized childcare, and adoption assistance. Overall the budget reflects an increase of \$9.8 million (9.1%) in FY99-00 and an additional \$4.7 million (4.0%) in FY00-01. The larger increase in FY99-00 is partially due to a \$2.5 million increase for wards of the court payments related to the

Boystown lawsuit and \$1.6 million utilization of balances carried forward from FY98 to supplement the FY99 new appropriation amount.

Table 19 Public Assistance by Program
(General Funds Only)

(General Funds only)	Biennial Budget			\$ Change vs FY98-99	
	FY1998-99	FY1999-00	FY2000-01	FY99-00	FY00-01
Food Stamps	715,826	715,826	715,826	0	0
Food stamp employment	416,119	354,354	373,266	(61,765)	(42,853)
Medically handicapped children	1,378,848	1,228,848	1,228,848	(150,000)	(150,000)
Title IV-E Foster Care	6,542,415	6,976,595	7,661,490	434,180	1,119,075
Title IV-E Adoption	1,899,036	2,191,807	2,558,722	292,771	659,686
State subsidized adoption	1,845,418	1,949,741	2,182,348	104,323	336,930
Domestic Violence	1,197,300	1,197,300	1,197,300	0	0
State Wards reimbursement	6,166,453	8,579,092	8,678,581	2,412,639	2,512,128
Disabled persons/family support	910,000	910,000	910,000	0	0
State Disability-Medical	5,998,111	6,600,321	7,262,994	602,210	1,264,883
State Disability-Maintenance	560,975	606,694	656,140	45,719	95,165
Title XX Social Services	4,629,921	4,629,921	4,629,921	0	0
State supplement-SSI	6,250,073	6,437,575	6,630,702	187,502	380,629
AFDC	16,079,502	14,406,757	14,183,422	(1,672,745)	(1,896,080)
Title IV-D Child Care	17,546,746	18,338,736	18,724,762	791,990	1,178,016
Emergency Assistance	670,703	690,824	711,549	20,121	40,846
Job Support Program	938,580	0	0	(938,580)	(938,580)
Child Welfare Services	35,271,885	40,886,039	43,059,750	5,614,154	7,787,865
Family Support Program	326,563	326,563	326,563	0	0
Children/Family Incentive grants	in 25-033	160,000	160,000	160,000	160,000
Amount above funded with carryover funds	(1,672,381)	0	0	1,672,381	1,672,381
LB 119-Increase personal needs allowance	0	291,100	349,320	291,100	349,320
Total	107,672,093	117,478,093	122,201,504	9,806,000	14,529,411

Food Stamp Training and Employment 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.

Medically Handicapped Children program provides case management and medical diagnostic and referral services to eligible children. Covered medical conditions include orthopedic, cerebral palsy, heart disease, mid-line neurological defects, oral plastic handicaps, neoplasm and many other chronic or congenital conditions. Special services are offered to adults who are genetically handicapped, children with disabilities receiving SSI, and to school-age children with disabilities. The budget reflects a decline in the utilization of these funds.

Title IV-E Foster Care covers maintenance payments for children in foster care who would otherwise be SSI/ADC eligible if they remained in their parent's household. Average monthly wards were 1,386 in FY99. Overall, this area includes a 9.2% increase in FY95-96 and 7.2% increase in FY96-97. This increase consists of a 3% per year increase in rates, a 5% increase in the number of wards, and additional increases for high need children

Title IV-E Adoption Assistance and State Subsidized Adoption The Title IV-E program provides payments to adoptive families and for needed services after the adoption of a state ward is final. Subsidies are available for IV-E eligible children (ADC or SSI eligible at the time adoption proceedings are initiated) with special circumstances for whom adoption would not be possible without financial aid. The subsidies to adoptive families cover maintenance payments and non-recurring expenses while Medicaid covers medical needs. IV-E eligible qualify for federal match at the Medicaid match rate. The State Subsidized Adoption program is similar to the IV-E

program but provides subsidies for children who are not ADC or SSI eligible. The budget assumes a 13% increase in children in the IV-E adoption assistance program and a 9% increase in the state subsidized adoption program. A 3% increase in costs is also assumed.

Domestic Violence Program provides funding to 24 community based organizations which provide emergency assistance to victims of domestic violence and their families including 24 hr access, emergency shelter/safe housing, transportation, medical advocacy and referrals, legal referrals and assistance with protection orders, crisis support, and education/prevention programs. An estimated 14,000 victims receive direct services. Local programs utilize roughly 200,000 hrs of volunteer time. There is no change in state funding for these programs in FY00/FY01.

Educational Assistance for State Wards. Public schools and ESU's are reimbursed at Dept of Education approved rates for regular and special education when the ward is in out-of-home care and not in his/her resident school district, and is not living in foster family care. The budget includes an estimated 4.6% per year increase in rates and a 5% per year increase in the number of wards. Previously, residential treatment programs with a school were reimbursed at approved rates for special education when the ward was verified for special education and placed by HHS in an eligible facility. However in a lawsuit filed by Boystown, the Supreme Court stated that the current statute requires the state to make payments for all state wards, not just those verified for special education, if the institution operates an approved special education program. The budget includes \$2.5 million in FY99-00 and \$2 million in FY00-01 to comply with this lawsuit in addition to a \$10 million deficit for FY98-99.

Disabled Persons and Family Support coordinates and purchases services to assist employed disabled adults or to help families keep a family member with disabilities in their home. 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 for these programs in FY00/FY01.

State Disability Medical provides medical services for persons with a physical or mental disability expected to last 6 to 12 months (Medicaid covers those whose disability is expected to last at least 12 months). Payment policies for this program are consistent with Medicaid regulations. The budget includes an estimated 4.8% per year increase in rates and a 5% per year increase in the number of clients and utilization.

State Disability Maintenance is similar to State Disability Medical but provides cash assistance. Although no federal funds are spent here, this program uses the same payment standards as the Nebraska SSI program. The budget includes a 5% per year increase in caseloads and 3% increase in maintenance payments.

State Supplement-SSI. The purpose of this program is to supplement the federal benefits of SSI to bring the income of aged, blind and individuals with disabilities up to the need standard of Nebraska. Persons who are not eligible for federal SSI payments may also qualify for a state supplement payment under certain circumstances. In 1998, the program served 38,027 individuals with an average monthly payment ranging from \$64 to \$97. The budget includes a 3% per year increase in the population served.

Aid to Families with Dependant Children (ADC) 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. Current estimate for FY99 is an average grant of \$342/month and 11,768 families served.

Child Care services are provided to low-income families participating in education, training and employment, and families receiving child protective services. For families on or transitioning off ADC and families in the child welfare system, the program provides full payment of child care costs. For low-income families above the ADC level (up to 185% of federal poverty guidelines) the program covers child care costs on a sliding fee scale. In FY98, actual average monthly caseload was 10,321. The budget assumes a stable population, 3% per year increase in rates, and a fee schedule adjustment of rates of 1%.

Emergency Assistance provides assistance to needy families with minor children. Assistance is provided for only one crisis in a 12-month period. Payments are based on need and may be made for emergency food, medical care, shelter and utilities. An emergency assistance payment must not exceed the ADC payment standard for the family size. This program, funded with 50% Federal/50% state funds, is intended to be utilized when no other resources are available. The budget provides for a 3% per year increase in costs.

Job Support Program. As a condition of receiving assistance, non-exempt ADC adults are required to participate in at least one defined job support component. Examples of exempt ADC adults would be single parents with children under 12 weeks of age and parents with disabilities. There are a variety of components, designed to assist individuals find employment, including education activities, job skills training, and work experience. Persons may also receive selected supportive services such as transportation, work expenses and childcare (funded under separate program). State General Funds for this program decline from \$938,580 in FY99 to zero in both FY00 and FY01. This is not a decline in the overall program (in fact there is a substantial increase) but simply a shift to funding all job support activities with allocated federal funds.

Child Welfare Services are provided to families of children who are wards of the state through court actions, and also families receiving child protective services. These services include family therapy, case management, supervision and supportive services for children in placement, maintenance payments, and initiation of action to terminate parental rights if in the best interest of the child. In FY98, 4,773 children were served. The budget includes a 3% per year increase in the cost of services, a 5% per year increase in clients, and additional increases for high need children.

Family Support and Preservation funds are used to prevent out-of-home placement of children and assist in returning youth home from out-of-home placements. Districts authorize these funds for family related expenses, only after other resources have been explored. Examples of uses of these funds include transportation for work or medical care, housing (rent or deposit), utilities, food, counseling, medical care and respite care. Families served are those receiving child protective services. There is no change in state funding for these programs in FY00/FY01.

Community Based Mental Health Aid

In FY1998-99, an additional \$4.5 million General Funds was added to mental health aid and \$1 million to substance abuse aid as a one-time increase to establish expanded community based programs. On-going funding beyond FY98-99 was intended to come from a reorganization and reallocation of regional center operations. The budget includes a reallocation of General Funds from the Regional Centers to community based mental health programs totaling \$535,932 in FY99-00 and \$1,875,760 in FY00-01. Also additional funding to maintain the level of services established in FY98-99 will be obtained from federal Medicaid Rehabilitation Option and block grant funds in FY99-00 and FY00-01. HHS intends to review behavioral health redesign strategies during the biennium and propose a new direction and permanent solution to on-going mental health funding.

Table 20 Community Based Mental Health Aid

	General	Federal	Total
<u>FY1999-00</u>			
FY99 Base Year appropriation	20,200,151	4,960,690	25,160,841
Less: One time use of funds for system redesign	(4,500,000)	0	(4,500,000)
Plus: Transfer LB95 drug funds from reg centers (#25-365)	450,000	0	450,000
Plus: Reallocate funds from regional centers	535,932	535,932	1,071,864
Plus: Utilize fed reimbursement funds	0	3,428,136	3,428,136
Total	16,686,083	8,924,758	25,610,841
Annual \$ Change	(3,514,068)	3,964,068	450,000
Annual % Change	-17.4%	79.9%	1.8%
<u>FY2000-01</u>			
FY99 Base Year appropriation	20,200,151	4,960,690	25,160,841
Less: One time use of funds for system redesign	(4,500,000)	0	(4,500,000)
Plus: Transfer LB95 drug funds from reg centers (#25-365)	476,700	0	476,700
Plus: Reallocate funds from regional centers	1,875,760	1,875,760	3,751,520
Plus: Utilize fed reimbursement funds	0	748,480	748,480
Total	18,052,611	7,584,930	25,637,541
Annual \$ Change	1,366,528	(1,339,828)	26,700
Annual % Change	8.2%	-15.0%	0.1%

Community Based Developmental Disabilities Aid

The mainline budget bill passed in the 1995 and 1997 Sessions contained intent language that methodology rates for developmental disability services should be increased to 75% in FY95-96, 80% in FY96-97, 85% in FY97-98, 90% in FY98-99, 95% in FY99-00, and 100% in FY00-01. Currently in FY98-99 the 90% level is achieved. The enacted budget does not achieve the 100% level in FY00-01 but does include \$1,618,727 to achieve 92.5% level in FY99-00 and an additional \$1,949,385 (\$3,568,112 total) to achieve 95% in FY00-01. Furthermore, intent language is included to achieve a level of 97.5% in FY2001-02 and then the 100% level in FY2002-03.

In addition to the rate equity funding, the budget includes funding for services for children transitioning from high school in the amount of \$1,319,671 in FY99-00 and \$1,452,764 in FY00-01

Aid to Aging Services

The budget includes a 35% (\$830,214) increase in aid to area agencies on aging when compared to the current year appropriations of \$2.4 million. The budget also includes a \$350,000 (29%) increase in FY99-00 funding for care management services.

Higher Education Student Aid

The Coordinating Commission for Postsecondary Education budget includes four student aid programs: State Student Incentive Grants (SSIG) State Scholarship Award Program (SSAP), Scholarship Assistance Program (SAP), and Postsecondary Ed Award Program (PEAP). Overall the budget provides a 21% increase in funding in FY99-00 with an additional 4% increase in FY00-01.

The SSIG and SSAP programs provide assistance to students who (1) are a national of the United States, (2) attend an eligible public or private institution, (3) enroll as full or part-time undergraduate students, and (4) demonstrate substantial financial need. The SSIG program provides state funds to match federal funds while the SSAP program is state funded only. Funds are distributed to participating institutions based upon a formula that takes into consideration cost of attendance. The budget includes a 4.5% annual increase for the SSIG program. The SSAP program was increased by a total of \$181,824 in FY99-00 and \$206,199 in FY00-01. The FY99-00 funding level for the SSAP program would be a 30% increase over the FY99 funding level. As directed by existing statute, the budget returns the combined General Fund appropriations for the SSIG and SSAP programs to levels "substantially equal" to appropriations for the SAP program.

The SAP program provides assistance to students who (1) are residents of the State of Nebraska, (2) attend an eligible public or private institution, (3) enroll as full or part-time undergraduate student, and (4) demonstrate substantial financial need. Funds are distributed to participating institutions based on prior year Pell Grant activity. The budget includes an increase of \$397,955 in FY99-00 and \$456,950 in FY00-01. The FY99-00 funding level for the SAP program would be a 34% increase over the FY98-99 funding level.

The PEAP program provides assistance to students who (1) are residents of the State of Nebraska, (2) attend an eligible private, non-profit institution, (3) enroll as an undergraduate student, and (4) demonstrate substantial financial need. Funds are distributed to participating institutions based on their proportion of eligible students. The budget for this program includes an increase of \$340,000 in FY99-00 and \$434,050 in FY00-01. The FY99-00 funding level for the PEAP program would be a 17% increase over the FY98-99 funding level.

Table 21 Coordinating Commission Student Aid Programs

	Biennial Budget			Change vs FY98-99	
	FY1998-99	FY1999-00	FY2000-01	FY99-00	FY00-01
SSIG grants	736,215	769,345	803,965	33,130	67,750
Scholarship Award Program (SSAP)	609,824	791,648	816,023	181,824	206,199
Scholarship Assistance Program (SAP)	1,163,038	1,560,993	1,619,988	397,955	456,950
Postsecondary Ed Award Prog (PEAP)	2,000,000	2,340,000	2,434,050	340,000	434,050
Total General Fund Student Aid	4,509,077	5,461,986	5,674,026	952,909	1,164,949
Annual \$ Change		952,909	212,040		
Annual % Change		21.1%	3.9%		

Highlights - General Fund Aid to Local Governments

State Aid to Schools (TEEOSA)

Total TEEOSA aid certified for FY1999-00 amounts to \$594 million consisting of \$581.5 million General Funds and \$12.5 million Insurance Premium Tax. When including \$2 million for incentive payments, General Funds for FY99-00 total \$583.5 million, an increase of only \$3.6 million compared to FY98-99. Note that the \$3.6 million increase is the net result after including the \$19 million attributed to passage of LB149 early in the session. In the absence of LB149, TEEOSA aid would have declined by approximately \$16 million. The following table illustrates the calculations as well as the main assumptions used which are growth in spending (school disbursements) and growth in property valuations.

Table 22 Calculation of TEEOSA School Aid

	Calculated FY1999-00	Calculated FY2000-01	Calculated FY2001-02	Calculated FY2002-03
Growth in Disbursements	4.00%	4.00%	4.00%	4.00%
Growth in Property Valuations	5.50%	4.00%	4.00%	4.00%
SCHOOL GENERAL FUND DISBURSEMENTS	1,792,480,272	1,864,179,483	1,938,746,662	2,016,296,528
LESS: PROPERTY TAXES (\$.10 less than maximum)	785,996,495	819,225,886	766,163,799	796,810,351
LESS: OTHER LOCAL SOURCES	69,128,586	70,968,008	72,886,425	74,887,308
LESS: MOTOR VEHICLE TAXES	48,098,668	77,008,240	79,318,487	81,698,042
LESS: OTHER STATE SOURCES	203,840,023	209,745,773	209,765,953	215,983,858
LESS: FEDERAL SOURCES	89,374,250	92,949,220	96,667,189	100,533,876
CALCULATED STATE AID	596,042,250	594,282,355	713,944,809	746,383,094
Calculated School Aid (State General Fund)	583,552,195	581,480,048	700,822,444	732,932,670
Calculated School Aid (Insurance Premium Tax)	12,490,055	12,802,307	13,122,365	13,450,424
Total Calculated State Aid	596,042,250	594,282,355	713,944,809	746,383,094
Less: Incentive payments	(2,000,000)	(2,000,000)	(2,000,000)	0
Total TEEOSA Aid	594,042,250	592,282,355	711,944,809	746,383,094
<u>General Fund Aid</u>				
TEEOSA (General Funds)	581,552,195	579,480,048	698,822,444	732,932,670
Incentive Payments (General Funds)	2,000,000	2,000,000	2,000,000	0
Total General Funds	583,552,195	581,480,048	700,822,444	732,932,670
<u>Annual Dollar Change (General Funds)</u>				
At \$1.00 LER	3,573,442	(2,072,147)	33,406,172	32,110,226
Statutory drop in LER to \$.90	0	0	85,936,224	0
Total Dollar Change	3,573,442	(2,072,147)	119,342,396	32,110,226

For FY2000-01 and the estimates for the "following biennium", funding for TEEOSA school aid (also includes incentive payments) is based on the methodology previously utilized, which was to estimate an amount of funding so that the average statewide levy was less than the statutory maximum. Although there is a "new" methodology to arrive at the level of appropriations under LB149 by fixing the local effort rate (LER) at ten cents less than the statutory maximum, it appears the previous methodology yielded similar results.

For FY2000-01, state General Fund appropriations decline by \$2 million. This reduction is largely the result of a large increase in the "other receipts" portion of the aid formula attributed to annualizing motor vehicle revenues. In calculating the FY99-00 state aid, the 1997-98 Annual Financial Report (AFR) data sources were used which only included eight months of the new motor vehicle tax revenues. The other four months were reported as property taxes under the old system. In FY2000-01, the 1998-99 AFR will reflect a full twelve months of motor vehicle taxes. The annualized impact of the motor vehicle taxes (projected at roughly \$25 million) and the growth in property valuations (which increases the amount of property taxes that could be generated at the local effort rate of \$1.00), more than offsets the projected increase in "NEED" in the formula.

Special Education

Compared to the current year funding, the budget includes additional funds in FY99-00 (\$3,861,431) and FY00-01 (\$7,838,705) reflecting a 3% per year increase as provided for in current law (LB742-1995). Note that under current law, if reimbursement claims total more than the appropriation arrived at under the 3% growth limit, the 90% reimbursement rate shall be proportionately reduced.

Homestead Exemption Reimbursement

This program reimburses local government for lost property tax revenues due to statutory homestead exemptions. In FY98-99, the original appropriation of \$36,851,732 was approximately \$3 million higher than reimbursement claims filed. For FY1999-00 and FY2000-01 the FY99 base was reduced by this \$3 million, and then a 3% per year inflation allowance was added. The passage of LB179 added \$5.2 million starting in FY2000-01.

LB 179 provides increases in Homestead Exemption income eligibility ranging from: \$2,200 to \$2,900 for married elderly applicants; \$1,700 to \$2,500 for single elderly applicants; \$2,400 to \$3,100 for married handicapped or veteran applicants; \$2,000 to \$2,800 for single handicapped or

Table 23 Homestead Exemption

	New Approp FY1998-99	New Approp FY1999-00	New Approp FY2000-01
FY98-99 Base Year appropriation	36,851,732	36,851,732	36,851,732
Base reduction per 1999 actual data	na	(3,000,000)	(3,000,000)
Cost/Client increases (3% per year)	na	1,015,552	2,061,570
LB 179-increase income levels, max. value	na	0	5,200,000
Total General Funds (without deficits)	36,851,732	34,867,284	41,113,302
Deficit	(3,000,000)	?	?
Total General Funds (with deficits)	33,851,732	34,867,284	41,113,302

veteran applicants. The bill also expands the definition of disabled to include any permanent disability that precludes locomotion without the use of mechanical aid or prostheses or a 75 percent disability of both arms. Previously, the definition included only paralysis of both legs that prevents locomotion without assistance due to injury or progressive neuromuscular disorder, or the permanent loss of use of both hands or arms.

Aid to ESU's

Aid to Educational Service Units (ESU's) increased by \$2.8 million or 28% in FY99-00. A \$200,000 reduction due to a one-time FY99 funding item (school nurses) was offset by **LB 386A** which provided \$3 million for technology infrastructure. This additional state aid offsets the elimination of a .5 cent levy authority for technology infrastructure as contained in LB386.

Aid to Counties

The budget reduces the current \$13.3 million state aid to counties amount by \$5.9 million leaving a total aid amount of \$7.4 million. A reduction of \$100,000 was contained in LB446-Public Safety Wireless Communication System Act to help offset the cost of the study required by the bill. The remaining \$5.8 million reduction results from the redistribution of motor vehicle tax revenues under the constitutional amendment adopted last fall and subsequent implementation in LB142 passed this session.

Amendment 2, approved by the voters last November, limited the distribution of motor vehicle taxes to only cities, counties, and schools. All other types of subdivisions would lose the revenues they had previously been collecting. LB142, enacted in the 1999 Session, provides a distribution formula between cities, counties, and schools. The fixed proportions currently in the bill are 60% schools, 18% cities, and 22% counties for vehicles located inside cities, and 60% schools and 40% counties for vehicles located outside cities. For Douglas County the city and county ratios are reversed. Not only does this formula redistribute motor vehicle taxes that had been received by the other subdivisions such as community colleges, NRD's, ESU's, and fire districts, it also changes how much each city, county or school receives due to the fixed ratio versus the existing distribution which is based on a subdivisions' percent of total tax levy. Under the new distribution in LB142, an analysis reveals that in total, cities and schools would basically receive the same overall amount of motor vehicle revenues while counties would collectively receive a \$14.3 million increase.

With this \$14 million gain in motor vehicle revenues, aid to counties was reduced to offset a \$4.2 million required increase in aid to community colleges. Under the "40-40-20" funding mix enacted in LB269 (1997), state aid to community colleges would increase to offset the loss of motor vehicle tax revenues. Also, because the county gain is so large, aid to NRD's was also increased by \$1.6 million to offset their motor vehicle tax loss, and reduce the aid to counties by an offsetting amount.

Collectively, the \$5.8 million aid loss is more than offset by the \$14 million gain in motor vehicle receipts. On an individual county basis, 83 counties would appear to gain substantially more than they lose. However, there are 10 counties that could lose more state aid than they will gain from the motor vehicle taxes but these amounts are small and amount to less than 1/2% of their current property taxes.

Aid to NRD's

As noted above, the budget includes a \$1.6 million increase in aid to NRD's to offset the motor vehicle tax loss as a result of the passage of Amendment 2 last November.

County Jail Reimbursement

New in FY99-00, the budget includes \$6.8 million in the Dept of Correctional Services budget to reimburse counties for costs associated with the holding of certain prisoners. This new aid program was enacted in LB695 during the 1998 Session. The bill specifies that the county is reimbursed \$35 per day for keeping "state prisoners". State prisoners are defined as a person who has been convicted and sentenced as an adult to the Dept of Correctional Services facility or placed upon probation for such an offense. The number of reimbursable days is based on the date the prisoner is first incarcerated by the county until released to the Dept of Correctional Services.

Aid to Community Colleges

The budget includes increased state aid to support operations budget increases and achieve the "40-40-20" funding mix per LB269. This increase amounts to \$1,166,406 in FY99-00 and \$2,320,804 in FY00-01. The budget also includes an increase of \$6,766,812 in FY00-01 as intended by LB269 and relates to the 1-cent decline in the colleges' levy authority in FY2000-01. This large increase in FY2000-01 is partially offset by a \$2.5 million reduction related to the expiration of the one-time, two-year appropriation for the Excellence in Electronics Center authorized in LB1173-1998. Finally, the budget also includes an increase of \$4,192,054 in FY99-00 (and continued into FY00-01) to replace lost motor vehicle tax revenues as previously discussed in the Aid to Counties area of this section.

General Fund Appropriations By Agency

FY00/FY01 Biennial Budget as Enacted in the 1999 Legislative Session

Agency	Type	w/o Deficits FY1998-99	Per 99 Session FY1999-00	Per 1999 Session FY2000-01	FY00 vs Prior Year \$ Change % Change	FY01 vs Prior Year \$ Change % Change
#03 Legislative Council	Oper	13,257,771	13,851,166	14,458,532	593,395 4.5%	607,366 4.4%
#03 Legislative Council	Total	13,257,771	13,851,166	14,458,532	593,395 4.5%	607,366 4.4%
#05 Supreme Court	Aid	270,000	270,000	270,000	0 0.0%	0 0.0%
#05 Supreme Court	Oper	43,622,809	46,503,496	49,746,972	2,880,687 6.6%	3,243,476 7.0%
#05 Supreme Court	Total	43,892,809	46,773,496	50,016,972	2,880,687 6.6%	3,243,476 6.9%
#07 Governor	Oper	1,597,376	1,373,929	1,437,673	(223,447) -14.0%	63,744 4.6%
#07 Governor	Total	1,597,376	1,373,929	1,437,673	(223,447) -14.0%	63,744 4.6%
#08 Lt. Governor	Oper	96,604	99,522	101,865	2,918 3.0%	2,343 2.4%
#08 Lt. Governor	Total	96,604	99,522	101,865	2,918 3.0%	2,343 2.4%
#09 Secretary of State	Oper	633,134	698,786	725,132	65,652 10.4%	26,346 3.8%
#09 Secretary of State	Total	633,134	698,786	725,132	65,652 10.4%	26,346 3.8%
#10 State Auditor	Oper	1,594,585	1,940,219	2,004,990	345,634 21.7%	64,771 3.3%
#10 State Auditor	Total	1,594,585	1,940,219	2,004,990	345,634 21.7%	64,771 3.3%
#11 Attorney General	Oper	3,249,752	3,448,388	3,588,227	198,636 6.1%	139,839 4.1%
#11 Attorney General	Total	3,249,752	3,448,388	3,588,227	198,636 6.1%	139,839 4.1%
#12 State Treasurer	Aid	31,618,500	27,226,446	27,226,446	(4,392,054) -13.9%	0 0.0%
#12 State Treasurer	Oper	390,084	416,082	429,991	25,998 6.7%	13,909 3.3%
#12 State Treasurer	Total	32,008,584	27,642,528	27,656,437	(4,366,056) -13.6%	13,909 0.1%
#13 Education	Aid	729,939,622	735,597,460	737,594,924	5,657,838 0.8%	1,997,464 0.3%
#13 Education	Oper	12,944,732	13,499,875	13,756,998	555,143 4.3%	257,123 1.9%
#13 Education	Total	742,884,354	749,097,335	751,351,922	6,212,981 0.8%	2,254,587 0.3%
14 Public Service Comm	Oper	2,153,405	2,262,605	2,366,137	109,200 5.1%	103,532 4.6%
14 Public Service Comm	Total	2,153,405	2,262,605	2,366,137	109,200 5.1%	103,532 4.6%
#15 Parole Board	Oper	578,622	602,687	629,387	24,065 4.2%	26,700 4.4%
#15 Parole Board	Total	578,622	602,687	629,387	24,065 4.2%	26,700 4.4%
#16 Revenue	Aid	42,351,732	40,467,763	47,120,467	(1,883,969) -4.4%	6,652,704 16.4%
#16 Revenue	Oper	21,023,836	18,646,049	19,552,365	(2,377,787) -11.3%	906,316 4.9%
#16 Revenue	Total	63,375,568	59,113,812	66,672,832	(4,261,756) -6.7%	7,559,020 12.8%
#17 Aeronautics	Aid	32,400	35,000	35,000	2,600 8.0%	0 0.0%
#17 Aeronautics	Oper	0	0	0	0 0.0%	0 0.0%
#17 Aeronautics	Total	32,400	35,000	35,000	2,600 8.0%	0 0.0%
#18 Agriculture	Oper	5,541,927	5,894,121	6,058,263	352,194 6.4%	164,142 2.8%
#18 Agriculture	Total	5,541,927	5,894,121	6,058,263	352,194 6.4%	164,142 2.8%
#20 HHS-Regulation	Oper	6,049,358	6,409,596	6,650,535	360,238 6.0%	240,939 3.8%
#20 HHS-Regulation	Total	6,049,358	6,409,596	6,650,535	360,238 6.0%	240,939 3.8%
#21 Fire Marshal	Oper	1,059,020	1,182,806	1,199,520	123,786 11.7%	16,714 1.4%
#21 Fire Marshal	Total	1,059,020	1,182,806	1,199,520	123,786 11.7%	16,714 1.4%
#23 Labor	Oper	509,077	530,384	549,258	21,307 4.2%	18,874 3.6%
#23 Labor	Total	509,077	530,384	549,258	21,307 4.2%	18,874 3.6%
#25 HHS-Services	Aid	1,357,300	185,000	185,000	(1,172,300) -86.4%	0 0.0%
#25 HHS-Services	Oper	116,586,173	126,443,848	131,976,869	9,857,675 8.5%	5,533,021 4.4%
#25 HHS-Services	Total	117,943,473	126,628,848	132,161,869	8,685,375 7.4%	5,533,021 4.4%
#26 HHS-Finance	Aid	472,726,759	505,150,918	532,429,802	32,424,159 6.9%	27,278,884 5.4%
#26 HHS-Finance	Oper	21,787,438	27,668,652	28,020,832	5,881,214 27.0%	352,180 1.3%
#26 HHS-Finance	Total	494,514,197	532,819,570	560,450,634	38,305,373 7.7%	27,631,064 5.2%

Agency	Type	w/o Deficits FY1998-99	Per 99 Session FY1999-00	Per 1999 Session FY2000-01	FY00 vs Prior Year		FY01 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
#27 Roads	Aid	596,000	596,000	596,000	0	0.0%	0	0.0%
#27 Roads	Total	596,000	596,000	596,000	0	0.0%	0	0.0%
#28 Veterans Affairs	Oper	578,394	617,152	639,553	38,758	6.7%	22,401	3.6%
#28 Veterans Affairs	Total	578,394	617,152	639,553	38,758	6.7%	22,401	3.6%
#29 Water Resources	Oper	4,374,689	7,711,047	6,721,910	3,336,358	76.3%	(989,137)	-12.8%
#29 Water Resources	Total	4,374,689	7,711,047	6,721,910	3,336,358	76.3%	(989,137)	-12.8%
#31 Military Dept	Aid	1,600,000	1,400,000	1,400,000	(200,000)	-12.5%	0	0.0%
#31 Military Dept	Oper	2,763,144	2,927,637	3,027,882	164,493	6.0%	100,245	3.4%
#31 Military Dept	Total	4,363,144	4,327,637	4,427,882	(35,507)	-0.8%	100,245	2.3%
#32 Ed Lands & Funds	Oper	380,097	380,322	396,455	225	0.1%	16,133	4.2%
#32 Ed Lands & Funds	Total	380,097	380,322	396,455	225	0.1%	16,133	4.2%
#33 Game & Parks	Oper	9,113,376	9,486,229	9,878,307	372,853	4.1%	392,078	4.1%
#33 Game & Parks	Total	9,113,376	9,486,229	9,878,307	372,853	4.1%	392,078	4.1%
#34 Library Commission	Aid	1,262,254	1,412,254	1,412,254	150,000	11.9%	0	0.0%
#34 Library Commission	Oper	2,026,901	2,120,579	2,209,512	93,678	4.6%	88,933	4.2%
#34 Library Commission	Total	3,289,155	3,532,833	3,621,766	243,678	7.4%	88,933	2.5%
#35 Liquor Control	Oper	683,300	717,756	747,026	34,456	5.0%	29,270	4.1%
#35 Liquor Control	Total	683,300	717,756	747,026	34,456	5.0%	29,270	4.1%
#38 Status of Women	Oper	180,916	188,250	195,518	7,334	4.1%	7,268	3.9%
#38 Status of Women	Total	180,916	188,250	195,518	7,334	4.1%	7,268	3.9%
#46 Correctional Services	Aid	0	6,800,000	6,800,000	6,800,000	100.0%	0	0.0%
#46 Correctional Services	Oper	78,149,390	83,069,910	90,426,301	4,920,520	6.3%	7,356,391	8.9%
#46 Correctional Services	Total	78,149,390	89,869,910	97,226,301	11,720,520	15.0%	7,356,391	8.2%
#47 NETC	Oper	7,238,172	7,649,184	7,837,294	411,012	5.7%	188,110	2.5%
#47 NETC	Total	7,238,172	7,649,184	7,837,294	411,012	5.7%	188,110	2.5%
#48 Postsecond Coord	Aid	4,509,077	5,461,986	5,674,026	952,909	21.1%	212,040	3.9%
#48 Postsecond Coord	Oper	960,823	1,029,737	1,041,554	68,914	7.2%	11,817	1.1%
#48 Postsecond Coord	Total	5,469,900	6,491,723	6,715,580	1,021,823	18.7%	223,857	3.4%
#50 State Colleges	Aid	0	0	0	0	0.0%	0	0.0%
#50 State Colleges	Oper	29,947,533	31,619,610	32,712,178	1,672,077	5.6%	1,092,568	3.5%
#50 State Colleges	Total	29,947,533	31,619,610	32,712,178	1,672,077	5.6%	1,092,568	3.5%
#51 University of Nebraska	Aid	2,390,072	2,390,072	2,390,072	0	0.0%	0	0.0%
#51 University of Nebraska	Oper	353,552,757	369,825,085	385,326,653	16,272,328	4.6%	15,501,568	4.2%
#51 University of Nebraska	Total	355,942,829	372,215,157	387,716,725	16,272,328	4.6%	15,501,568	4.2%
#52 State Fair Board	Oper	203,242	237,762	243,967	34,520	17.0%	6,205	2.6%
#52 State Fair Board	Total	203,242	237,762	243,967	34,520	17.0%	6,205	2.6%
#54 Historical Society	Oper	3,574,554	3,703,239	3,850,299	128,685	3.6%	147,060	4.0%
#54 Historical Society	Total	3,574,554	3,703,239	3,850,299	128,685	3.6%	147,060	4.0%
#55 Natural Resources	Aid	6,423,147	6,344,147	6,324,147	(79,000)	-1.2%	(20,000)	-0.3%
#55 Natural Resources	Oper	2,771,599	2,849,595	2,706,368	77,996	2.8%	(143,227)	-5.0%
#55 Natural Resources	Total	9,194,746	9,193,742	9,030,515	(1,004)	0.0%	(163,227)	-1.8%
#64 State Patrol	Oper	29,951,550	32,191,462	33,868,493	2,239,912	7.5%	1,677,031	5.2%
#64 State Patrol	Total	29,951,550	32,191,462	33,868,493	2,239,912	7.5%	1,677,031	5.2%
#65 Admin Services (DAS)	Aid	250,000	200,000	200,000	(50,000)	-20.0%	0	0.0%
#65 Admin Services (DAS)	Oper	8,244,716	9,239,214	9,391,784	994,498	12.1%	152,570	1.7%
#65 Admin Services (DAS)	Total	8,494,716	9,439,214	9,591,784	944,498	11.1%	152,570	1.6%
#67 Equal Opportunity	Oper	1,243,092	1,303,905	1,359,717	60,813	4.9%	55,812	4.3%
#67 Equal Opportunity	Total	1,243,092	1,303,905	1,359,717	60,813	4.9%	55,812	4.3%

Agency	Type	w/o Deficits FY1998-99	Per 99 Session FY1999-00	Per 1999 Session FY2000-01	FY00 vs Prior Year \$ Change	FY00 vs Prior Year % Change	FY01 vs Prior Year \$ Change	FY01 vs Prior Year % Change
#68 Mexican-American	Oper	155,913	165,007	172,236	9,094	5.8%	7,229	4.4%
#68 Mexican-American	Total	155,913	165,007	172,236	9,094	5.8%	7,229	4.4%
#69 Arts Council	Aid	927,013	927,013	927,013	0	0.0%	0	0.0%
#69 Arts Council	Oper	481,615	534,371	527,713	52,756	11.0%	(6,658)	-1.2%
#69 Arts Council	Total	1,408,628	1,461,384	1,454,726	52,756	3.7%	(6,658)	-0.5%
#70 Foster Care Review	Oper	1,025,665	1,063,335	1,109,265	37,670	3.7%	45,930	4.3%
#70 Foster Care Review	Total	1,025,665	1,063,335	1,109,265	37,670	3.7%	45,930	4.3%
#72 Economic Development	Aid	2,524,783	1,880,305	1,880,305	(644,478)	-25.5%	0	0.0%
#72 Economic Development	Oper	3,723,001	3,789,858	3,895,389	66,857	1.8%	105,531	2.8%
#72 Economic Development	Total	6,247,784	5,670,163	5,775,694	(577,621)	-9.2%	105,531	1.9%
#76 Indian Commission	Oper	156,656	164,337	169,972	7,681	4.9%	5,635	3.4%
#76 Indian Commission	Total	156,656	164,337	169,972	7,681	4.9%	5,635	3.4%
#77 Industrial Relations	Oper	216,723	224,215	231,938	7,492	3.5%	7,723	3.4%
#77 Industrial Relations	Total	216,723	224,215	231,938	7,492	3.5%	7,723	3.4%
#78 Crime Commission	Aid	1,164,586	1,134,586	1,164,586	(30,000)	-2.6%	30,000	2.6%
#78 Crime Commission	Oper	1,855,512	2,302,495	2,133,877	446,983	24.1%	(168,618)	-7.3%
#78 Crime Commission	Total	3,020,098	3,437,081	3,298,463	416,983	13.8%	(138,618)	-4.0%
#82 Deaf & Hard of Hearing	Oper	556,614	609,101	638,524	52,487	9.4%	29,423	4.8%
#82 Deaf & Hard of Hearing	Total	556,614	609,101	638,524	52,487	9.4%	29,423	4.8%
#83 Community Colleges	Aid	50,659,322	57,171,868	62,387,138	6,512,546	12.9%	5,215,270	9.1%
#83 Community Colleges	Total	50,659,322	57,171,868	62,387,138	6,512,546	12.9%	5,215,270	9.1%
#84 Environmental Quality	Aid	1,268,018	34,559	146,000	(1,233,459)	-97.3%	111,441	322.5%
#84 Environmental Quality	Oper	3,102,711	6,960,235	3,577,716	3,857,524	124.3%	(3,382,519)	-48.6%
#84 Environmental Quality	Total	4,370,729	6,994,794	3,723,716	2,624,065	60.0%	(3,271,078)	-46.8%
#85 Retirement Board	Oper	14,199,904	14,673,501	14,673,501	473,597	3.3%	0	0.0%
#85 Retirement Board	Total	14,199,904	14,673,501	14,673,501	473,597	3.3%	0	0.0%
#87 Account/Disclosure	Oper	363,223	404,127	421,875	40,904	11.3%	17,748	4.4%
#87 Account/Disclosure	Total	363,223	404,127	421,875	40,904	11.3%	17,748	4.4%
#90 Railway Council	Oper	7,390	6,651	6,651	(739)	-10.0%	0	0.0%
#90 Railway Council	Total	7,390	6,651	6,651	(739)	-10.0%	0	0.0%
#93 Tax Equal/Review	Oper	471,052	525,114	561,524	54,062	11.5%	36,410	6.9%
#93 Tax Equal/Review	Total	471,052	525,114	561,524	54,062	11.5%	36,410	6.9%
#94 Public Advocacy	Oper	451,217	466,689	485,978	15,472	3.4%	19,289	4.1%
#94 Public Advocacy	Total	451,217	466,689	485,978	15,472	3.4%	19,289	4.1%
#95 Rural Develop Comm	Oper	333,326	356,885	369,520	23,559	7.1%	12,635	3.5%
#95 Rural Develop Comm	Total	333,326	356,885	369,520	23,559	7.1%	12,635	3.5%
#96 Property Assess/Tax	Oper	In Dept of Rev	3,996,600	4,041,516	3,996,600	Na	44,916	1.1%
#96 Property Assess/Tax	Total	In Dept of Rev	3,996,600	4,041,516	3,996,600	Na	44,916	1.1%
Construction-Reaffirm	Const	1,921,841	40,663,279	31,635,595	38,741,438	2015.9%	(9,027,684)	-22.2%
Construction-New	Const	59,072,225	14,012,884	13,525,793	(45,059,341)	-76.3%	(487,091)	-3.5%
Construction-Total	Total	60,994,066	54,676,163	45,161,388	(6,317,903)	-10.4%	(9,514,775)	-17.4%
OPERATIONS		815,714,470	874,582,407	908,851,512	58,867,937	7.2%	34,269,105	3.9%
STATE AID		1,351,870,585	1,394,685,377	1,436,163,180	42,814,792	3.2%	41,477,803	3.0%
CONSTRUCTION		60,994,066	54,676,163	45,161,388	(6,317,903)	-10.4%	(9,514,775)	-17.4%
TOTAL GENERAL FUNDS		2,228,579,121	2,323,943,947	2,390,176,080	95,364,826	4.3%	66,232,133	2.8%

General Fund State Aid by Aid Program

FY00/FY01 Biennial Budget as Enacted in the 1999 Legislative Session

Aid Program		w/o Deficits	Appropriations 1999 Session		\$ Change over FY99 Base		
		FY1998-99	FY1999-00	FY2000-01	FY1999-00	FY2000-01	
#05	Courts	Dispute resolution	270,000	270,000	270,000	0	0
#12	Treasurer	Aid to NRD's	689,500	2,301,138	2,301,138	1,611,638	1,611,638
#12	Treasurer	Aid to Cities	17,631,500	17,531,500	17,531,500	(100,000)	(100,000)
#12	Treasurer	Aid to Counties	13,297,500	7,393,808	7,393,808	(5,903,692)	(5,903,692)
#13	Education	State Aid to Education (TEEOSA)	580,290,236	583,552,195	581,480,048	3,261,959	1,189,812
#13	Education	State Aid to K-12 Schools (Mitigation)	4,500,000	0	0	(4,500,000)	(4,500,000)
#13	Education	Option Enrollment	172,200	172,200	172,200	0	0
#13	Education	Vocational Rehabilitation	1,750,151	1,747,899	1,838,361	(2,252)	88,210
#13	Education	Special Education	128,714,376	132,575,807	136,553,081	3,861,431	7,838,705
#13	Education	School Lunch	492,500	492,500	492,500	0	0
#13	Education	Early Childhood program	560,000	560,000	560,000	0	0
#13	Education	Adult Education	201,884	201,884	201,884	0	0
#13	Education	Textbook loan program	312,525	349,225	349,225	36,700	36,700
#13	Education	Geography grant	25,000	150,000	0	125,000	(25,000)
#13	Education	Displaced Homemakers/Other	750	750	750	0	0
#13	Education	School reorganization (LB1050)	20,000	20,000	20,000	0	0
#13	Education	Aid to ESU's	9,900,000	12,700,000	12,775,000	2,800,000	2,875,000
#13	Education	High ability learner programs	3,000,000	3,075,000	3,151,875	75,000	151,875
#16	Revenue	Homestead Exemption	36,851,732	34,867,284	41,113,302	(1,984,448)	4,261,570
#16	Revenue	County Property Tax Relief	5,500,000	5,600,479	6,007,165	100,479	507,165
#17	Aeronautics	Civil Air Patrol	32,400	35,000	35,000	2,600	2,600
#25	HHS-Services	Children/family incentive grants	160,000	in Pub Asst	in Pub Asst	0	0
#25	HHS-Services	Domestic Violence	in Pub Asst	in Pub Asst	in Pub Asst	0	0
#25	HHS-Services	Nebr lifespan respite services	0	185,000	185,000	185,000	185,000
#26	HHS-Finance	Alcohol/Drug programs	6,069,939	5,069,939	5,069,939	(1,000,000)	(1,000,000)
#26	HHS-Finance	Family practice residency	517,500	517,500	517,500	0	0
#26	HHS-Finance	Medical student assistance	355,400	355,400	355,400	0	0
#26	HHS-Finance	Blind rehabilitation	104,147	104,147	104,147	0	0
#26	HHS-Finance	Community mental health	20,200,151	16,686,083	18,052,611	(3,514,068)	(2,147,540)
#26	HHS-Finance	Community developmental disabilities	41,553,310	44,491,708	46,574,186	2,938,398	5,020,876
#26	HHS-Finance	Needy client/ward travel	0	0	0	0	0
#26	HHS-Finance	Public Assistance	107,672,093	117,478,093	122,201,504	9,806,000	14,529,411
#26	HHS-Finance	Medicaid	290,978,793	312,725,108	331,831,575	21,746,315	40,852,782
#26	HHS-Finance	Renal disease/tuberculosis	854,653	854,653	854,653	0	0
#26	HHS-Finance	Immunization/vaccinations	400,000	320,000	320,000	(80,000)	(80,000)
#26	HHS-Finance	Pap/Chlamydia testing	550,000	550,000	550,000	0	0
#26	HHS-Finance	Mammography screening	125,000	125,000	125,000	0	0
#26	HHS-Finance	Nebr Advocacy Services	179,250	179,250	179,250	0	0
#26	HHS-Finance	Genetic testing	34,369	34,369	34,369	0	0
#26	HHS-Finance	Community health services	3,933	3,933	3,933	0	0
#26	HHS-Finance	Metabolic screening, food supplement	42,000	42,000	42,000	0	0
#26	HHS-Finance	Emergency Medical Services, training	200,000	200,000	200,000	0	0
#26	HHS-Finance	Native American health services	500,000	500,000	500,000	0	0
#26	HHS-Finance	Voter regist, WIC/MCH	16,760	16,760	16,760	0	0
#26	HHS-Finance	Ryan White HIV/AIDS treatment	0	150,000	150,000	150,000	150,000
#26	HHS-Finance	Care Management	1,211,558	1,561,558	1,561,558	350,000	350,000
#26	HHS-Finance	Area agencies on aging	2,355,203	3,185,417	3,185,417	830,214	830,214
#27	Roads	Local transit authorities	475,000	475,000	475,000	0	0
#27	Roads	Intercity bus subsidy	121,000	121,000	121,000	0	0
#31	Military Dept	Governors Emergency Fund	1,000,000	500,000	500,000	(500,000)	(500,000)
#31	Military Dept	Guard tuition assistance	600,000	900,000	900,000	300,000	300,000
#34	Library Comm	Local libraries	1,262,254	1,412,254	1,412,254	150,000	150,000
#46	Corrections	County jail cost reimbursement	0	6,800,000	6,800,000	6,800,000	6,800,000
#48	Coord. Comm	SSIG grants	736,215	769,345	803,965	33,130	67,750
#48	Coord. Comm	Scholarship Award Program (SSAP)	609,824	791,648	816,023	181,824	206,199

Aid Program			w/o Deficits	Appropriations 1999 Session		\$ Change over FY99 Base	
			FY1998-99	FY1999-00	FY2000-01	FY1999-00	FY2000-01
#48	Coord. Comm	Scholarship Assistance Program (SAP)	1,163,038	1,560,993	1,619,988	397,955	456,950
#48	Coord. Comm	Postsecondary Ed Award Prog (PEAP)	2,000,000	2,340,000	2,434,050	340,000	434,050
#51	University	Vet student contracts-UNL	1,716,864	1,716,864	1,716,864	0	0
#51	University	Optometry student contracts	607,476	607,476	607,476	0	0
#51	University	Other misc aid (NU)	65,732	65,732	65,732	0	0
#55	Nat Resources	Nebr Water Conservation Fund	3,954,147	3,954,147	3,954,147	0	0
#55	Nat Resources	Decommission water wells	99,000	20,000	0	(79,000)	(99,000)
#55	Nat Resources	Resources Development Fund	2,170,000	2,170,000	2,170,000	0	0
#55	Nat Resources	Small Watershed Fund	200,000	200,000	200,000	0	0
#65	DAS	Local govt technology grants	250,000	200,000	200,000	(50,000)	(50,000)
#69	Arts Council	Aid to arts programs	803,075	803,075	803,075	0	0
#69	Arts Council	Council on Humanities	123,938	123,938	123,938	0	0
#72	Econ Develop	Industrial training grants	1,774,783	1,600,305	1,600,305	(174,478)	(174,478)
#72	Econ Develop	Microenterprise Development Act	250,000	250,000	250,000	0	0
#72	Econ Develop	Partnership for Economic Development	500,000	0	0	(500,000)	(500,000)
#72	Econ Develop	Community redevelopment analysis fund	0	30,000	30,000	30,000	30,000
#78	Crime Comm	Juvenile services grants	625,000	625,000	625,000	0	0
#78	Crime Comm	Law Enforce-Indian affairs	97,681	97,681	97,681	0	0
#78	Crime Comm	Crimes Against Children Fund	60,000	30,000	60,000	(30,000)	0
#78	Crime Comm	Byrne Incentive Grant	100,000	100,000	100,000	0	0
#78	Crime Comm	Crimestoppers program	14,775	14,775	14,775	0	0
#78	Crime Comm	Victim Witness assistance	57,130	57,130	57,130	0	0
#78	Crime Comm	Crime Victims reparations	210,000	210,000	210,000	0	0
#83	Comm Colleges	Aid to Community Colleges	50,659,322	57,171,868	62,387,138	6,512,546	11,727,816
#84	Environ Cntrl	Superfund cleanup	101,500	34,559	146,000	(66,941)	44,500
#84	Environ Cntrl	Safe Drinking Water	1,166,518	0	0	(1,166,518)	(1,166,518)
Dollars:	Individuals		418,860,873	452,094,367	476,226,747	33,233,494	57,365,874
	Local Government		860,238,657	870,572,811	884,469,228	10,334,154	24,230,571
	Other entities		72,771,055	72,018,199	75,467,205	(752,856)	2,696,150
	Total State Aid		1,351,870,585	1,394,685,377	1,436,163,180	42,814,792	84,292,595

General Fund Appropriations by Bill

	FY1999-00	FY2000-01
LB 32 Expense reimbursement-TERC	7,478	7,478
* LB 54 Qualified interpreters, courts/probation	296,064	340,171
LB 67 Community College formula changes	865,946	865,946
LB 76 Death penalty study	160,000	0
LB 84 State Veterans Cemetary System	7,500	0
LB 86 Auditor review of local govt budgets	115,010	108,604
LB 90 Abandoned and unclaimed motor vehicles	30,750	30,750
LB 113 State purchasing card program	7,500	1,800
LB 119 Increase personal needs allowance	524,990	631,031
* LB 131 Restrictions on permits to store/use explosives	2,500	0
LB 140 Videoconference hearings-TERC	6,250	6,250
* LB 148 Nebr Lifespan Respite Services Program	228,700	226,500
LB 149 Change TEEOSA school aid formula/calculations	In LB 880	0
LB 179 Homestead Exempt-income levels	0	5,200,000
LB 202 Extend Partnerships for Econ Develop program	VETO	VETO
LB 243 Increase National Guard tuition assistance	350,000	350,000
LB 272 Reallocate county superintendant duties	24,600	26,800
LB 333 Allow return of drugs/devices, nursing homes	(183,128)	(188,257)
* LB 350 Increase judges salaries	326,036	1,077,528
LB 382 Convention Center Facility Financing Assistance	0	Unknown
LB 386 Replace ESU technology levy allowance	3,000,000	3,075,000
LB 407 Child support guidelines commission	11,630	4,420
LB 446 Public Safety Wireless Communication System Act	80,400	128,000
LB 519 Community-Based Neurobehavioral Action Plan	37,500	0
LB 594 Medicaid-disabled adults, income 250% of poverty	(67,375)	148,183
LB 630 Beginning Farmer Tax Credit Act	67,657	101,927
LB 637 State Disbursement Unit, child support	2,643,270	2,034,342
LB 669 County Prop Tax Relief Fund, change calculations	(299,521)	(292,835)
LB 730 Agricultural Structure Assessment Task Force	9,000	0
LB 774 Community Redevelopment Analysis Fund	30,000	30,000
LB 816 Review/revise comp. plan, postsecondary ed	28,500	0
LB 835 Competitive Livestock Markets Act	145,015	93,000
LB 839 County Court judges salary as % of Supreme Court	96,846	225,973
LB 865 Substance abuse task force, criminal justice system	60,000	0
LB 870 Livestock waste, water quality monitoring	155,175	155,175
LB 849 Volunteer Emerg Responder Recruitment/Retention	63,470	34,368
<i>Subtotal-"A" Bills (net of vetoes)</i>	8,831,763	14,422,154
LB 876 Legislator Salaries	632,982	632,982
LB 877 Constitutional Officers Salaries	14,791,549	15,080,102
LB 878 Capital Construction	54,026,163	45,161,388
LB 880 Mainline Budget Bill	2,244,958,990	2,314,829,454
LB 663 Cheyenne outbreak barracks (Ft Robinson)	152,500	0
LB 664 Buffalo Soldiers barracks (Ft Robinson)	500,000	0
LB 805 Study of natural gas utility systems	50,000	50,000
<i>Subtotal-Mainline Bills (after vetoes)</i>	2,315,112,184	2,375,753,926
Total-General Fund Appropriations	2,323,943,947	2,390,176,080

* bills with line item vetoes

General Fund Vetoes and Overrides

FY00/FY01 Biennial Budget as Enacted in the 1999 Legislative Session

	Vetoes		Overrides	
	FY1999-00	FY2000-01	FY1999-00	FY2000-01
LB 877* Revenue-Tax Commissioner salary/benefits	(10,070)	(5,454)	0	0
LB 878* Facility Renovations/improvements-Geneva YRTC	(1,349,445)	0	0	0
LB 880* Courts-Additional staff attorney (1.0 FTE)	(50,000)	(54,976)	0	0
LB 880* Education-State Aid to Schools-TEEOSA	(2,950,055)	(3,023,807)	0	0
LB 880* Education-Aid to ESU's	(242,500)	(491,062)	0	0
LB 880* Education-Student testing (LB1228-1998)	(1,508,000)	(1,428,000)	0	0
LB 880* HHS Services-Base reductions(Reg Cntrs)	0	(1,875,761)	0	0
LB 880* HHS Finance-Public Assistance	(913,897)	(1,157,957)	0	0
LB 880* HHS Finance-Area agencies on aging	(320,000)	(320,000)	0	0
LB 880* Library Comm-Increased aid to libraries	(150,000)	(150,000)	0	0
LB 880* Natural Resources-Decommission water wells	(79,000)	(99,000)	0	0
LB 880* DAS-Accountant position (309 Task Force)	(48,086)	(37,486)	0	0
Subtotal - Mainline Bills	(7,621,053)	(8,643,503)	0	0
LB 54A* Qualified interpreters, courts/probation	(141,793)	(67,241)	0	0
LB 76A# Death penalty moratorium / study	(160,000)	0	160,000	0
LB 131A* Restrictions on permits to store/use explosives	(7,500)	0	0	0
LB 148A* Nebr Lifespan Respite Services Program	(235,000)	(235,000)	0	0
LB 202A Extend Partnerships for Econ Develop program	(250,000)	(250,000)	0	0
LB 350A* Increase judges salaries	(60,000)	0	0	0
Subtotal - "A" bills	(854,293)	(552,241)	160,000	0
Total Vetoes	(8,475,346)	(9,195,744)	160,000	0

* Denotes line-item veto

Only the veto of the "A" bill was overridden, the substantive bill was not

APPROPRIATIONS ALL FUND SOURCES

Appropriations - All Fund Sources

This section of the report includes a summary of the budget including all funds sources, not just General Funds. Table 24 contains the overall total appropriations by fund source broken down by operations, state aid and capital construction followed by a description of each type of fund source and highlights of major increases inside of each fund category. Table 25 then provides a breakdown of appropriations by mainline budget bills versus "A" bills while Table 26 includes a complete listing of all "A" bills enacted during the 1999 Session.

Table 24 Total Appropriations by Operations/Aid (All Fund Sources)

	General	Cash	Federal	Revolving/Other	Total
<u>FY1998-99 (w/o deficits)</u>					
Agency Operations	815,714,470	804,026,201	306,680,405	428,282,954	2,354,704,030
State Aid	1,351,870,585	125,639,763	979,646,550	5,192,497	2,462,349,395
Capital Construction	60,994,066	7,635,450	2,533,900	11,882,110	83,045,526
Total	2,228,579,121	937,301,414	1,288,860,855	445,357,561	4,900,098,951
<u>FY1999-00</u>					
Agency Operations	874,582,407	877,373,230	329,495,114	449,970,591	2,531,421,342
State Aid	1,394,685,377	206,268,675	1,061,229,940	4,792,497	2,666,976,489
Capital Construction	54,676,163	17,084,172	0	15,397,696	87,158,031
Total	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
<u>Change over prior year</u>					
Dollar	95,364,826	163,424,663	101,864,199	24,803,223	385,456,911
Percent	4.3%	17.4%	7.9%	5.6%	7.9%
<u>FY2000-01</u>					
Agency Operations	908,851,512	875,643,963	333,852,631	449,215,769	2,567,563,875
State Aid	1,436,163,180	217,750,320	1,087,811,934	4,792,497	2,746,517,931
Capital Construction	45,161,388	17,039,816	275,000	7,837,813	70,314,017
FY2000-01 Total	2,390,176,080	1,110,434,099	1,421,939,565	461,846,079	5,384,395,823
<u>Change over prior year</u>					
Dollar	66,232,133	9,708,022	31,214,511	(8,314,705)	98,839,961
Percent	2.8%	0.9%	2.2%	-1.8%	1.9%

Cash Funds

These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there approximately 240 individual cash funds contained in 73 different agencies. Only 9 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 24 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.

The Dept of Roads alone accounts for 49% of all cash fund revenues and expenditures. The University of Nebraska accounts for 12% with no other agency accounting for more than 5% of the total. About 96% of the \$163 million net increase in FY1999-00 is accounted for in the following areas:

Dept of Roads The cash fund appropriation increases by \$67.2 million in FY99-00 and then a \$10 million reduction from that higher level in FY00-01. Note that this cash fund appropriation for the Dept of Roads reflects the cash flow of construction projects not necessarily the authorization to initiate new projects. In the budget bills, the level of gas tax and level of new construction projects that can be initiated is based on the allocation of funds from the Highway Cash Fund to the Roads Operations Cash Fund. The overall level of appropriations is based on an estimated average gas tax rate of 23.9 cents in both FY00 and FY01. This was the same rate initially estimated for FY99 however lower than expected fuel prices resulted in an average rate of 23.2 cents. In terms of the highway construction, the size of the construction program is estimated at \$280 million in FY00 and \$294 million in FY01 as compared to the FY98-99 program of \$295 million.

Universal Service Fund FY99-00 includes an increase of \$43 million reflecting the first year funding of the Universal Service Fund under the Public Service Commission. Pursuant to the federal Telecommunications Act of 1996, the 1997 Legislature initially authorized the creation of a state universal service fund to assist in providing affordable basic local service to low-income customers and customers in high-cost rural areas. The state fund, financed by a telephone surcharge will supplement the federal universal service fund. The Public Service Commission is responsible for calculating the level of the surcharge (initially set at 6.95%) and the distribution of revenues to eligible telecommunications service providers. Cash fund appropriations increase by another \$17 million to a total of \$60 million in FY2000-01.

LB 881-Relief to Property Taxpayers Act This bill utilizes \$100 million from the Cash Reserve Fund for several property tax relief efforts. A total of \$65 million is transferred to the Relief to Property Taxpayers Cash Fund; \$30 million in FY99-00 to be used for additional state aid to Community Colleges and \$35 million in FY2000-01 to be allocated to counties to apply as a credit against taxpayers property tax bills. The remaining \$35 million is a transfer to the General Fund in FY2001-02 to assist in covering the costs of additional state aid when the K-12 school levy limit declines from \$1.10 to \$1.00.

Capital Construction Cash funds used for capital construction increased by \$9.5 million in FY99-00 attributed largely to the University and Colleges matching funds for deferred maintenance and repair under LB1100 passed last year.

Game and Parks Commission programs show a \$6.3 million increase in cash fund appropriations in FY99-00 of which half is attributed to distribution of Environmental Trust Fund monies.

Nebraska Health Care Trust Fund. In the 1998 Session, the Legislature enacted LB1070 that authorized HHS to utilize disproportionate share pools for publicly owned nursing facilities to generate a substantial amount of federal funds. Under LB1070, participating governmental nursing facilities receive the disproportionate share payments and return the payments less a processing fee to the state to be deposited in the Nebraska Health Care Trust Fund. The first \$27.2 million, received in April 1998, reflected half a year receipts. In FY98-99 the disproportionate share pool generated about \$55 million. Thereafter, annual revenues are expected to decline about \$5 million a year, leveling off at about \$14.4 million in FY06-07. The decline in revenues is due to the decrease in

the number of nursing home beds and the increase in Medicaid payment rates that will reduce the size of the disproportionate share payments.

Of the Health Care Trust Fund monies generated, the first \$40 million was transferred to the *Nursing Facility Conversion Cash Fund* to be used for one-time grants to publicly and privately owned existing nursing home facilities to convert all or a portion of a facility to an assisted living facility. Appropriations from this cash fund amounted to \$25 million in FY98-99, and \$15 million in FY99-00. With respect to this biennial budget, these appropriation amounts reflect a \$10 million reduction in FY99-00 and another \$15 million reduction in FY00-01.

The next \$25 million of the Health Care Trust Fund monies are placed in the *Children's Health Insurance Cash Fund* to be used as the state match for the Children's Health Insurance Program. Cash fund appropriations increased from \$3.1 million in FY98-99 to \$4.8 million in FY99-00 and \$6 million in FY00-01.

After allocation of the first \$65 million, the remainder of the Health Care Trust Fund monies are deposited in the *Excellence in Health Care Fund*. The following activities are eligible for funding from the interest earnings on this fund, as well as the Tobacco Settlement Trust Fund; 1) grants to nursing homes to convert to assisted living facilities; 2) public health activities; 3) emergency medical services ; 4) conversion of rural hospitals to limited service hospitals; 5) education, recruitment and retention of health care professionals and 6) telemedicine infrastructure development. A seven member Excellence in Health Care Council is established for purposes of awarding grants for eligible activities however the amount for nursing home conversion is capped at one half of the interest earning after the initial \$40 million as noted above. Cash fund appropriations for this biennium amount to \$4.1 million in FY99-00 and \$7.6 million in FY00-01, a substantial increase from the initial \$961,135 appropriated in FY98-99.

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 81 state agencies, 31 receive some level of federal funds.

Almost 2/3 of the federal funds (approximately 66%) is expended in the Health and Human Services System, a large portion for programs such as Medicaid, AFDC, and other public assistance program. Federal funds in the Dept of Education account for 13% of the total. This is mostly flow through monies to local K-12 schools for programs such as Chapter 1, School Lunch, and Special Education.

Estimated federal funds increase at about 5% per year over the two years of the biennium. Although there are numerous increases and reductions in various agencies, virtually all of the net increase in federal funds can be attributed to programs within the HHS System.

Revolving 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-Information Management Services for use of the states' mainframe computer. The expenditure is charged against Education's 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, lease payments on computers, utilities, 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. About 64% 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. DAS accounts for 31% of all revolving funds, but 85% of revolving funds excluding the University and State Colleges. The Dept of Correctional Services (through Cornhusker State Industries) accounts for another 5%.

Most of the large percent increase in revolving funds in FY99-00 is in DAS and can be attributed to the on-going centralization of real property leases and operation and maintenance of various state facilities under DAS pursuant to LB1241 (1992) and LB530 (1995).

Table 25 Total Appropriations by Mainline/A Bills (All Funds)

	General	Cash	Federal	Revolving/Other	Total
<u>FY1999-00 All Funds by Bill</u>					
LB 876 Legislator Salaries	632,982	0	0	0	632,982
LB 877 Constitutional Officers Salaries	14,791,549	730,495	0	0	15,522,044
LB 878 Capital Construction	54,026,163	17,084,172	0	14,747,696	85,858,031
LB 880 Mainline Budget Bill	2,244,958,990	1,048,718,772	1,385,877,911	447,889,388	5,127,445,061
LB 663 Cheyenne outbreak barracks (Ft Rob)	152,500	0	0	150,000	302,500
LB 664 Buffalo Soldiers barracks (Ft. Rob)	500,000	0	0	500,000	1,000,000
LB 805 Study of natural gas utility systems	50,000	50,000	0	0	100,000
Mainline Bills	2,315,112,184	1,066,583,439	1,385,877,911	463,287,084	5,230,860,618
"A" Bills	8,831,763	34,142,638	4,847,143	6,873,700	54,695,244
Total	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
<u>FY2000-01 All Funds by Bill</u>					
LB 876 Legislator Salaries	632,982	0	0	0	632,982
LB 877 Constitutional Officers Salaries	15,080,102	735,790	0	0	15,815,892
LB 878 Capital Construction	45,161,388	17,039,816	275,000	7,837,813	70,314,017
LB 880 Mainline Budget Bill	2,314,829,454	1,053,194,229	1,416,719,120	448,171,966	5,232,914,769
LB 663 Cheyenne outbreak barracks (Ft Rob)	0	0	0	0	0
LB 664 Buffalo Soldiers barracks (Ft. Rob)	0	0	0	0	0
LB 805 Study of natural gas utility systems	50,000	50,000	0	0	100,000
Mainline Bills	2,375,753,926	1,071,019,835	1,416,994,120	456,009,779	5,319,777,660
"A" Bills	14,422,154	39,414,264	4,945,445	5,836,300	64,618,163
Total	2,390,176,080	1,110,434,099	1,421,939,565	461,846,079	5,384,395,823

Table 26 "A" Bills Enacted - 1999 Session

Bill	Description	Fund	FY1999-00	FY2000-01
LB 32A	Expense reimburse, Tax Equalization/Review (TERC)	General	7,478	7,478
LB 54A*	Qualified interpreters, courts/probation	General	296,064	340,171
LB 57A	Personalized Nebraska Cornhusker Spirit Plates	Cash	35,000	0
LB 66A	Increase boiler BTU's exempt from inspection	Cash	(8,143)	(8,143)
LB 67A	Community College formula changes	General	865,946	865,946
LB 68A*	Licensure of nail technicians	Cash	52,485	53,552
LB 76A **	Death penalty moratorium / study	General	160,000	0
LB 84A	State Veterans Cemetary System	General	7,500	0
LB 86A	Auditor review of local govt budgets	General	115,010	108,604
LB 90A	Abandoned and unclaimed motor vehicles	General	30,750	30,750
LB 92A	Reallocate fees, GF to Water Well Decomm. Fund	Cash	178,840	178,840
LB 113A	State purchasing card program State purchasing card program	General Revolving	7,500 100,000	1,800 0
LB 119A	Increase personal needs allowance Increase personal needs allowance	General Federal	524,990 366,210	631,031 438,409
LB 131A*	Restrictions on permits to store/use explosives	General	2,500	0
LB 140A	Videoconference hearings-TERC	General	6,250	6,250
LB 142A	Motor vehicle tax distribution	Cash	14,000	0
LB 147A	Organ and Tissue Donor Awareness/Education Fund	Cash	23,720	47,440
LB 148A*	Nebr Lifespan Respite Services Program Nebr Lifespan Respite Services Program	General Federal	228,700 50,000	226,500 50,000
LB 163A	Prohibit liquefied petroleum gas, mobile air conditioning	Cash	38,433	39,542
LB 176A	Restrictions on personal watercraft operators	Cash	298,836	130,794
LB 179A	Homestead Exempt-income levels, max house value	General	0	5,200,000
LB 202A	Extend Partnerships for Econ Develop program	General	VETO	VETO
LB 242A	Repeal/reallocate Rural Health Opportunities Loan Program	Cash	161,438	28,016
LB 243A	Increase National Guard tuition assistance	General	350,000	350,000
LB 272A	Reallocate county superintendant duties	General	24,600	26,800
LB 291A	Permanent license plates, trucks and truck-tractors.	Cash	74,313	21,263
LB 314A	Create hardship fund for K-12 schools	Cash	2,773,988	2,773,988
LB 333A	Allow return of drugs/devices, nursing homes Allow return of drugs/devices, nursing homes	General Federal	(183,128) (324,090)	(188,257) (323,320)
LB 350A*	Increase judges salaries Increase judges salaries	General Cash	326,036 0	1,077,528 32,599
LB 359A	Change eligibility, hearing impaired communication equip.	Cash	17,339	19,766
LB 386A	Replace ESU technology levy allowance	General	3,000,000	3,075,000
LB 404A	Domesticated Cervine Act	Cash	22,546	22,546

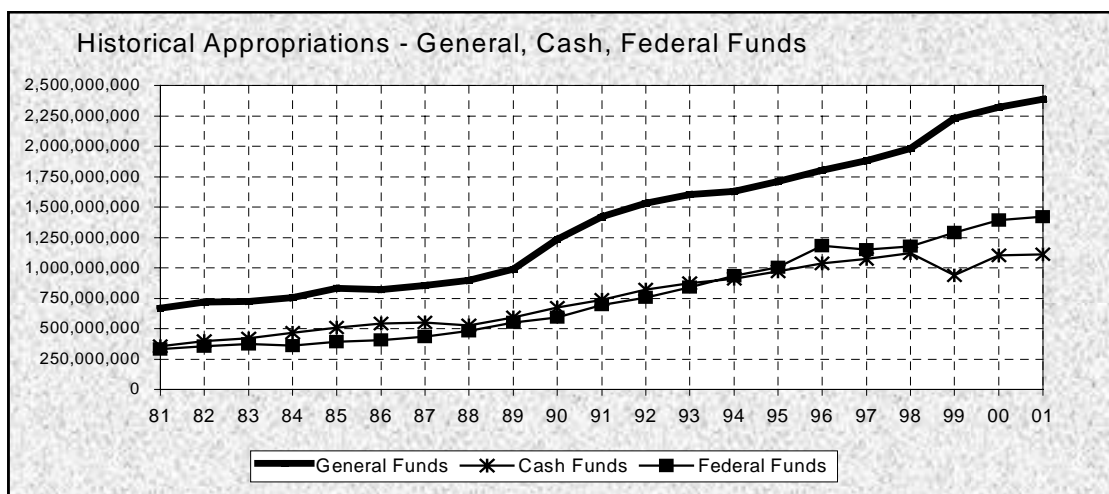
Bill	Description	Fund	FY1999-00	FY2000-01
LB 407A	Child support guidelines commission	General	11,630	4,420
	Child support guidelines commission	Federal	22,575	8,580
LB 440A	Building exemptions, Engineers/Architects Regulation Act	Cash	VETO A Bill	VETO A Bill
LB 446A	Public Safety Wireless Communication System Act	General	80,400	128,000
LB 514A	Universal Services Fund (USF) changes	Cash	166,923	164,387
LB 519A	Community-Based Neurobehavioral Action Plan	General	37,500	0
	Community-Based Neurobehavioral Action Plan	Federal	75,000	0
LB 548A	Medicaid outreach services, K-12 schools/ESU's	Cash	0	VETO A Bill
	Medicaid outreach services, K-12 schools/ESU's	Federal	0	VETO A Bill
LB 556A**	Alphanumeric license plates, DMV set fees	Cash	0	378,750
LB 594A	Medicaid-disabled adults, income 250% of poverty	General	(67,375)	148,183
	Medicaid-disabled adults, income 250% of poverty	Federal	50,513	387,616
LB 621A	Fireworks sales, Year 2000	Cash	1,000	0
LB 630A	Beginning Farmer Tax Credit Act	General	67,657	101,927
LB 637A	State Disbursement Unit, child support	General	2,643,270	2,034,342
	State Disbursement Unit, child support	Cash	0	0
	State Disbursement Unit, child support	Federal	4,606,935	4,384,160
	State Disbursement Unit, child support	Revolving	6,773,700	5,836,300
LB 669A	County Prop Tax Relief Fund, change calculations	General	(299,521)	(292,835)
LB 674A	Various changes, School/Judges/Patrol retirement	Cash	8,712	0
LB 687A	State/county retirement, investment direction employer fund	Cash	10,000	0
LB 703A	Misc changes, state-administered retirement systems	Cash	5,000	0
LB 704A	Interactive MV operators license application system	Cash	175,634	395,612
LB 730A	Agricultural Structure Assessment Task Force	General	9,000	0
LB 774A	Community Redevelopment Analysis Fund	General	30,000	30,000
LB 816A	Review/revise comp. plan, postsecondary ed	General	28,500	0
LB 835A	Competitive Livestock Markets Act	General	145,015	93,000
	Competitive Livestock Markets Act	Cash	85,574	135,312
LB 839A	County Court judges salary as % of Supreme Court	General	96,846	225,973
LB 849A	Volunteer Emerg Responders Recruitment/Retention	General	63,470	34,368
LB 865A	Substance abuse task force, criminal justice system	General	60,000	0
LB 870A	Livestock waste, water quality monitoring	General	155,175	155,175
LB 881A	Relief to Property Taxpayers Act	Cash	30,000,000	35,000,000
	General		8,831,763	14,422,154
	Cash		34,142,638	39,414,264
	Federal		4,847,143	4,945,445
	Revolving		6,873,700	5,836,300
	Total		54,695,244	64,618,163

Historical Appropriations - All Funds

Table 27 contains historical appropriations from all fund sources for the past 10 years. Also included 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
FY1980-81	667,622,625	357,085,460	331,455,969	143,864,055	1,500,028,109
FY1981-82	719,003,919	398,683,963	357,260,813	146,302,943	1,621,251,638
FY1982-83	724,830,266	420,898,925	373,314,509	165,522,304	1,684,566,004
FY1983-84	759,224,796	465,878,954	361,098,012	156,599,674	1,742,801,436
FY1984-85	831,650,043	508,749,726	392,057,466	163,460,949	1,895,918,184
FY1985-86	824,594,846	540,419,089	406,654,534	181,025,297	1,952,693,766
FY1986-87	852,957,713	550,381,738	434,889,025	197,750,807	2,035,979,283
FY1987-88	895,808,825	529,449,619	483,048,428	203,443,587	2,111,750,459
FY1988-89	990,817,906	594,083,847	552,691,133	235,972,514	2,373,565,400
FY1989-90	1,232,386,426	674,984,134	595,070,435	253,392,317	2,755,833,312
FY1990-91	1,421,660,959	737,748,254	694,865,444	266,473,436	3,120,748,093
FY1991-92	1,534,761,838	824,074,551	755,886,585	283,641,747	3,398,364,721
FY1992-93	1,604,238,201	871,608,209	839,410,206	302,748,148	3,618,004,764
FY1993-94	1,628,738,485	913,074,906	934,040,131	314,120,478	3,789,974,000
FY1994-95	1,712,078,019	971,696,337	1,004,487,357	332,140,236	4,020,401,949
FY1995-96	1,804,174,932	1,037,504,532	1,181,867,901	346,981,088	4,370,528,453
FY1996-97	1,882,429,606	1,074,409,430	1,148,399,528	375,385,670	4,480,624,234
FY1997-98	1,979,798,321	1,121,968,313	1,179,866,825	393,815,064	4,675,448,523
FY1998-99 *	2,228,579,121	937,301,414	1,288,860,855	445,357,561	4,900,098,951
FY1999-00 *	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
FY2000-01 *	2,390,176,080	1,110,434,099	1,421,939,565	461,846,079	5,384,395,823
Average Annual Growth					
FY91-92/FY93-94 Biennium	6.2%	8.7%	9.9%	6.6%	7.7%
FY93-94/FY94-95 Biennium	3.3%	5.6%	9.4%	4.7%	5.4%
FY95-96/FY96-97 Biennium	4.9%	5.2%	6.9%	6.3%	5.6%
FY97-98/FY98-99 Biennium	8.8%	-6.6%	5.9%	8.9%	4.6%
FY99-00/FY00-01 Biennium	3.6%	8.8%	5.0%	1.8%	4.8%
FY81 to FY01 (20 yr)	6.6%	5.8%	7.6%	6.0%	6.6%



Appropriations By Agency - All Fund Sources

FY00/FY01 Biennial Budget as Enacted in the 1999 Legislative Session

		W/O Deficits	Per 99 Session	Per 99 Session	FY00 vs Prior Yr		FY01 vs Prior Yr		
Fund		FY1998-99	FY1999-00	FY2000-01	\$ Change	% Change	\$ Change	% Change	
3	Legislative Council	Gen	13,257,771	13,851,166	14,458,532	593,395	4.5%	607,366	4.4%
		Cash	84,960	148,295	135,222	63,335	74.5%	(13,073)	-8.8%
		Fed	150,000	22,575	8,580	(127,425)	-85.0%	(13,995)	-62.0%
	Total	13,492,731	14,022,036	14,602,334	529,305	3.9%	580,298	4.1%	
5	Supreme Court	Gen	43,892,809	46,773,496	50,016,972	2,880,687	6.6%	3,243,476	6.9%
		Cash	1,286,489	1,128,531	1,070,896	(157,958)	-12.3%	(57,635)	-5.1%
		Fed	659,514	797,953	743,209	138,439	21.0%	(54,744)	-6.9%
	Total	45,838,812	48,699,980	51,831,077	2,861,168	6.2%	3,131,097	6.4%	
7	Governor	Gen	1,597,376	1,373,929	1,437,673	(223,447)	-14.0%	63,744	4.6%
		Cash	806,656	791,840	807,632	(14,816)	-1.8%	15,792	2.0%
		Fed	5,172,406	5,176,814	5,214,697	4,408	0.1%	37,883	0.7%
	Total	7,576,438	7,342,583	7,460,002	(233,855)	-3.1%	117,419	1.6%	
8	Lt. Governor	Gen	96,604	99,522	101,865	2,918	3.0%	2,343	2.4%
		Total	96,604	99,522	101,865	2,918	3.0%	2,343	2.4%
9	Secretary of State	Gen	633,134	698,786	725,132	65,652	10.4%	26,346	3.8%
		Cash	2,389,924	3,147,093	3,396,540	757,169	31.7%	249,447	7.9%
		Rev	923,434	966,118	1,014,486	42,684	4.6%	48,368	5.0%
	Total	3,946,492	4,811,997	5,136,158	865,505	21.9%	324,161	6.7%	
10	Auditor	Gen	1,594,585	1,940,219	2,004,990	345,634	21.7%	64,771	3.3%
		Cash	625,995	642,713	664,449	16,718	2.7%	21,736	3.4%
		Total	2,220,580	2,582,932	2,669,439	362,352	16.3%	86,507	3.3%
11	Attorney General	Gen	3,249,752	3,448,388	3,588,227	198,636	6.1%	139,839	4.1%
		Cash	115,493	115,493	115,493	0	0.0%	0	0.0%
		Rev	438,674	450,745	465,951	12,071	2.8%	15,206	3.4%
	Total	3,803,919	4,014,626	4,169,671	210,707	5.5%	155,045	3.9%	
12	Treasurer	Gen	32,008,584	27,642,528	27,656,437	(4,366,056)	-13.6%	13,909	0.1%
		Cash	6,998,509	7,009,910	7,019,834	11,401	0.2%	9,924	0.1%
		Total	39,007,093	34,652,438	34,676,271	(4,354,655)	-11.2%	23,833	0.1%
13	Education	Gen	742,884,354	749,097,335	751,351,922	6,212,981	0.8%	2,254,587	0.3%
		Cash	24,259,201	24,113,137	24,678,889	(146,064)	-0.6%	565,752	2.3%
		Fed	176,430,872	177,316,722	178,193,086	885,850	0.5%	876,364	0.5%
	Rev	639,162	483,218	500,429	(155,944)	-24.4%	17,211	3.6%	
Total	944,213,589	951,010,412	954,724,326	6,796,823	0.7%	3,713,914	0.4%		
14	Public Service	Gen	2,153,405	2,262,605	2,366,137	109,200	5.1%	103,532	4.6%
		Cash	1,373,756	44,736,285	61,815,308	43,362,529	3156.5%	17,079,023	38.2%
		Total	3,527,161	46,998,890	64,181,445	43,471,729	1232.5%	17,182,555	36.6%

	Fund	W/O Deficits FY1998-99	Per 99 Session FY1999-00	Per 99 Session FY2000-01	FY00 vs Prior Yr		FY01 vs Prior Yr	
					\$ Change	% Change	\$ Change	% Change
15 Parole Board	Gen	578,622	602,687	629,387	24,065	4.2%	26,700	4.4%
	Cash	0	0	0	0	na	0	na
	Total	578,622	602,687	629,387	24,065	4.2%	26,700	4.4%
16 Revenue	Gen	63,375,568	59,113,812	66,672,832	(4,261,756)	-6.7%	7,559,020	12.8%
	Cash	18,920,193	19,435,394	20,012,648	515,201	2.7%	577,254	3.0%
	Fed	25,000	25,000	25,000	0	0.0%	0	0.0%
	Rev	270,226	7,719	7,997	(262,507)	-97.1%	278	3.6%
	Total	82,590,987	78,581,925	86,718,477	(4,009,062)	-4.9%	8,136,552	10.4%
17 Aeronautics	Gen	32,400	35,000	35,000	2,600	8.0%	0	0.0%
	Cash	21,063,317	20,503,860	19,776,614	(559,457)	-2.7%	(727,246)	-3.5%
	Total	21,095,717	20,538,860	19,811,614	(556,857)	-2.6%	(727,246)	-3.5%
18 Agriculture	Gen	5,541,927	5,894,121	6,058,263	352,194	6.4%	164,142	2.8%
	Cash	4,842,752	4,945,513	5,129,518	102,761	2.1%	184,005	3.7%
	Fed	1,621,897	1,655,077	1,692,210	33,180	2.0%	37,133	2.2%
	Rev	430,652	474,595	490,838	43,943	10.2%	16,243	3.4%
	Total	12,437,228	12,969,306	13,370,829	532,078	4.3%	401,523	3.1%
19 Banking	Cash	4,226,893	4,389,087	4,551,784	162,194	3.8%	162,697	3.7%
	Total	4,226,893	4,389,087	4,551,784	162,194	3.8%	162,697	3.7%
20 HHS-Regulation	Gen	6,049,358	6,409,596	6,650,535	360,238	6.0%	240,939	3.8%
	Cash	9,307,481	9,347,394	9,640,082	39,913	0.4%	292,688	3.1%
	Fed	3,141,017	6,307,258	6,511,983	3,166,241	100.8%	204,725	3.2%
	Total	18,497,856	22,064,248	22,802,600	3,566,392	19.3%	738,352	3.3%
21 Fire Marshal	Gen	1,059,020	1,182,806	1,199,520	123,786	11.7%	16,714	1.4%
	Cash	2,241,272	2,537,225	2,586,375	295,953	13.2%	49,150	1.9%
	Fed	122,313	142,654	155,402	20,341	16.6%	12,748	8.9%
	Total	3,422,605	3,862,685	3,941,297	440,080	12.9%	78,612	2.0%
22 Insurance	Cash	5,781,840	6,235,110	6,460,295	453,270	7.8%	225,185	3.6%
	Fed	178,109	180,077	182,852	1,968	1.1%	2,775	1.5%
	Total	5,959,949	6,415,187	6,643,147	455,238	7.6%	227,960	3.6%
23 Labor	Gen	509,077	530,384	549,258	21,307	4.2%	18,874	3.6%
	Cash	1,673,832	1,805,318	1,861,190	131,486	7.9%	55,872	3.1%
	Fed	31,633,779	33,391,206	34,371,573	1,757,427	5.6%	980,367	2.9%
	Total	33,816,688	35,726,908	36,782,021	1,910,220	5.6%	1,055,113	3.0%
24 Motor Vehicles	Cash	15,133,856	13,208,722	16,790,830	(1,925,134)	-12.7%	3,582,108	27.1%
	Fed	1,779,365	2,419,192	2,493,244	639,827	36.0%	74,052	3.1%
	Total	16,913,221	15,627,914	19,284,074	(1,285,307)	-7.6%	3,656,160	23.4%
25 HHS-Services	Gen	117,943,473	126,628,848	132,161,869	8,685,375	7.4%	5,533,021	4.4%
	Cash	18,758,046	24,019,869	24,167,689	5,261,823	28.1%	147,820	0.6%
	Fed	91,606,361	88,068,099	90,240,544	(3,538,262)	-3.9%	2,172,445	2.5%
	Total	228,307,880	238,716,816	246,570,102	10,408,936	4.6%	7,853,286	3.3%

	Fund	W/O Deficits FY1998-99	Per 99 Session FY1999-00	Per 99 Session FY2000-01	FY00 vs Prior Yr		FY01 vs Prior Yr	
					\$ Change	% Change	\$ Change	% Change
26 HHS- Finance	Gen	494,514,197	532,819,570	560,450,634	38,305,373	7.7%	27,631,064	5.2%
	Cash	45,143,638	41,053,699	30,562,521	(4,089,939)	-9.1%	(10,491,178)	-25.6%
	Fed	721,587,353	830,267,510	859,239,230	108,680,157	15.1%	28,971,720	3.5%
	Total	1,261,245,188	1,404,140,779	1,450,252,385	142,895,591	11.3%	46,111,606	3.3%
27 Roads	Gen	596,000	596,000	596,000	0	0.0%	0	0.0%
	Cash	469,272,194	536,467,767	526,373,729	67,195,573	14.3%	(10,094,038)	-1.9%
	Total	469,868,194	537,063,767	526,969,729	67,195,573	14.3%	(10,094,038)	-1.9%
28 Veterans Affairs	Gen	578,394	617,152	639,553	38,758	6.7%	22,401	3.6%
	Cash	0	0	0	0	na	0	na
	Total	578,394	617,152	639,553	38,758	6.7%	22,401	3.6%
29 Water Resources	Gen	4,374,689	7,711,047	6,721,910	3,336,358	76.3%	(989,137)	-12.8%
	Cash	10,000	30,000	30,000	20,000	200.0%	0	0.0%
	Total	4,384,689	7,741,047	6,751,910	3,356,358	76.5%	(989,137)	-12.8%
30 Electrical Board	Cash	862,321	912,001	954,149	49,680	5.8%	42,148	4.6%
	Total	862,321	912,001	954,149	49,680	5.8%	42,148	4.6%
31 Military Dept	Gen	4,363,144	4,327,637	4,427,882	(35,507)	-0.8%	100,245	2.3%
	Cash	683,686	559,179	573,917	(124,507)	-18.2%	14,738	2.6%
	Fed	9,825,348	10,118,009	10,291,787	292,661	3.0%	173,778	1.7%
	Total	14,872,178	15,004,825	15,293,586	132,647	0.9%	288,761	1.9%
32 Ed Lands & Funds	Gen	380,097	380,322	396,455	225	0.1%	16,133	4.2%
	Cash	2,671,476	2,699,209	2,780,350	27,733	1.0%	81,141	3.0%
	Total	3,051,573	3,079,531	3,176,805	27,958	0.9%	97,274	3.2%
33 Game and Parks	Gen	9,113,376	9,486,229	9,878,307	372,853	4.1%	392,078	4.1%
	Cash	39,860,989	46,475,947	47,499,871	6,614,958	16.6%	1,023,924	2.2%
	Fed	178,880	95,150	95,150	(83,730)	-46.8%	0	0.0%
	Total	49,153,245	56,057,326	57,473,328	6,904,081	14.0%	1,416,002	2.5%
34 Library Commission	Gen	3,289,155	3,532,833	3,621,766	243,678	7.4%	88,933	2.5%
	Cash	173,143	136,387	136,387	(36,756)	-21.2%	0	0.0%
	Fed	988,564	1,053,246	1,053,246	64,682	6.5%	0	0.0%
	Total	4,450,862	4,722,466	4,811,399	271,604	6.1%	88,933	1.9%
35 Liquor Commission	Gen	683,300	717,756	747,026	34,456	5.0%	29,270	4.1%
	Cash	54,441	54,441	54,441	0	0.0%	0	0.0%
	Total	737,741	772,197	801,467	34,456	4.7%	29,270	3.8%
36 Racing Commission	Cash	733,695	735,086	751,636	1,391	0.2%	16,550	2.3%
	Total	733,695	735,086	751,636	1,391	0.2%	16,550	2.3%

	Fund	W/O Deficits FY1998-99	Per 99 Session FY1999-00	Per 99 Session FY2000-01	FY00 vs Prior Yr		FY01 vs Prior Yr	
					\$ Change	% Change	\$ Change	% Change
37 Workers Compensation	Cash	3,152,623	3,252,607	3,405,855	99,984	3.2%	153,248	4.7%
	Fed	51,265	27,157	27,157	(24,108)	-47.0%	0	0.0%
	Total	3,203,888	3,279,764	3,433,012	75,876	2.4%	153,248	4.7%
38 Status of Women	Gen	180,916	188,250	195,518	7,334	4.1%	7,268	3.9%
	Cash	5,000	5,000	5,000	0	0.0%	0	0.0%
	Total	185,916	193,250	200,518	7,334	3.9%	7,268	3.8%
39 Brand Committee	Cash	3,377,532	3,601,334	3,711,265	223,802	6.6%	109,931	3.1%
	Total	3,377,532	3,601,334	3,711,265	223,802	6.6%	109,931	3.1%
40 Motor Vehicle Dealers	Cash	486,790	509,773	528,370	22,983	4.7%	18,597	3.6%
	Total	486,790	509,773	528,370	22,983	4.7%	18,597	3.6%
41 Real Estate Commission	Cash	844,495	860,201	873,709	15,706	1.9%	13,508	1.6%
	Total	844,495	860,201	873,709	15,706	1.9%	13,508	1.6%
45 Barber Examiners	Cash	103,595	107,957	112,703	4,362	4.2%	4,746	4.4%
	Total	103,595	107,957	112,703	4,362	4.2%	4,746	4.4%
46 Correctional Services	Gen	78,149,390	89,869,910	97,226,301	11,720,520	15.0%	7,356,391	8.2%
	Cash	582,737	582,737	582,737	0	0.0%	0	0.0%
	Fed	219,375	219,375	219,375	0	0.0%	0	0.0%
	Rev	6,308,404	7,548,262	10,797,172	1,239,858	19.7%	3,248,910	43.0%
	Total	85,259,906	98,220,284	108,825,585	12,960,378	15.2%	10,605,301	10.8%
47 Educational Telecomm.	Gen	7,238,172	7,649,184	7,837,294	411,012	5.7%	188,110	2.5%
	Cash	524,861	372,932	302,227	(151,929)	-28.9%	(70,705)	-19.0%
	Total	7,763,033	8,022,116	8,139,521	259,083	3.3%	117,405	1.5%
48 Postsecondary Coord Comm	Gen	5,469,900	6,491,723	6,715,580	1,021,823	18.7%	223,857	3.4%
	Cash	2,400	4,100	4,100	1,700	70.8%	0	0.0%
	Fed	503,119	503,119	503,119	0	0.0%	0	0.0%
	Rev	50,000	0	0	(50,000)	-100.0%	0	na
	Total	6,025,419	6,998,942	7,222,799	973,523	16.2%	223,857	3.2%
50 State Colleges	Gen	29,947,533	31,619,610	32,712,178	1,672,077	5.6%	1,092,568	3.5%
	Cash	13,778,301	14,278,301	14,798,301	500,000	3.6%	520,000	3.6%
	Fed	12,104,090	12,104,090	12,104,090	0	0.0%	0	0.0%
	Rev	5,362,440	5,471,547	5,585,435	109,107	2.0%	113,888	2.1%
	Total	61,192,364	63,473,548	65,200,004	2,281,184	3.7%	1,726,456	2.7%
51 University of Nebraska	Gen	355,942,829	372,215,157	387,716,725	16,272,328	4.6%	15,501,568	4.2%
	Cash	131,416,512	135,104,512	138,940,032	3,688,000	2.8%	3,835,520	2.8%
	Fed	152,799,374	152,799,374	152,799,374	0	0.0%	0	0.0%
	Rev	292,218,373	292,218,373	292,218,373	0	0.0%	0	0.0%
	Total	932,377,088	952,337,416	971,674,504	19,960,328	2.1%	19,337,088	2.0%

	Fund	W/O Deficits FY1998-99	Per 99 Session FY1999-00	Per 99 Session FY2000-01	FY00 vs Prior Yr		FY01 vs Prior Yr	
					\$ Change	% Change	\$ Change	% Change
52 Board of Agriculture	Gen	203,242	237,762	243,967	34,520	17.0%	6,205	2.6%
	Cash	7,500	7,500	7,500	0	0.0%	0	0.0%
	Total	210,742	245,262	251,467	34,520	16.4%	6,205	2.5%
53 Real Estate Appraisers	Cash	156,526	169,818	175,527	13,292	8.5%	5,709	3.4%
	Total	156,526	169,818	175,527	13,292	8.5%	5,709	3.4%
54 Historical Society	Gen	3,574,554	3,703,239	3,850,299	128,685	3.6%	147,060	4.0%
	Cash	888,562	1,098,350	1,131,210	209,788	23.6%	32,860	3.0%
	Fed	397,636	417,521	429,482	19,885	5.0%	11,961	2.9%
	Total	4,860,752	5,219,110	5,410,991	358,358	7.4%	191,881	3.7%
55 Natural Resources Commission	Gen	9,194,746	9,193,742	9,030,515	(1,004)	0.0%	(163,227)	-1.8%
	Cash	3,133,015	3,291,840	3,291,840	158,825	5.1%	0	0.0%
	Fed	149,000	149,000	149,000	0	0.0%	0	0.0%
	Total	12,476,761	12,634,582	12,471,355	157,821	1.3%	(163,227)	-1.3%
56 Wheat Board	Cash	1,181,774	1,206,124	1,219,009	24,350	2.1%	12,885	1.1%
	Total	1,181,774	1,206,124	1,219,009	24,350	2.1%	12,885	1.1%
57 Oil & Gas Commission	Cash	361,880	379,224	366,972	17,344	4.8%	(12,252)	-3.2%
	Fed	101,586	94,741	97,969	(6,845)	-6.7%	3,228	3.4%
	Total	463,466	473,965	464,941	10,499	2.3%	(9,024)	-1.9%
58 Engineers Architects	Cash	345,726	401,296	414,968	55,570	16.1%	13,672	3.4%
	Total	345,726	401,296	414,968	55,570	16.1%	13,672	3.4%
59 Geologists Board	Cash	150,000	150,000	150,000	0	0.0%	0	0.0%
	Total	150,000	150,000	150,000	0	0.0%	0	0.0%
60 Ethanol Board	Cash	410,659	587,478	599,338	176,819	43.1%	11,860	2.0%
	Total	410,659	587,478	599,338	176,819	43.1%	11,860	2.0%
61 Dairy Board	Cash	1,364,000	1,400,000	1,400,000	36,000	2.6%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Total	1,364,000	1,400,000	1,400,000	36,000	2.6%	0	0.0%
62 Land Surveyors	Cash	21,033	25,342	25,349	4,309	20.5%	7	0.0%
	Fed	0	0	0	0	na	0	na
	Total	21,033	25,342	25,349	4,309	20.5%	7	0.0%
63 Public Accountancy	Cash	475,673	462,062	458,460	(13,611)	-2.9%	(3,602)	-0.8%
	Fed	0	0	0	0	na	0	na
	Total	475,673	462,062	458,460	(13,611)	-2.9%	(3,602)	-0.8%

		W/O Deficits	Per 99 Session	Per 99 Session	FY00 vs Prior Yr		FY01 vs Prior Yr	
Fund		FY1998-99	FY1999-00	FY2000-01	\$ Change	% Change	\$ Change	% Change
64 State Patrol	Gen	29,951,550	32,191,462	33,868,493	2,239,912	7.5%	1,677,031	5.2%
	Cash	5,882,646	6,339,285	6,592,987	456,639	7.8%	253,702	4.0%
	Fed	1,447,144	1,347,144	1,347,144	(100,000)	-6.9%	0	0.0%
	Total	37,281,340	39,877,891	41,808,624	2,596,551	7.0%	1,930,733	4.8%
65 Admin Services (DAS)	Gen	8,494,716	9,439,214	9,591,784	944,498	11.1%	152,570	1.6%
	Cash	16,160,423	11,129,543	5,564,901	(5,030,880)	-31.1%	(5,564,642)	-50.0%
	Rev	125,934,086	146,642,511	142,427,585	20,708,425	16.4%	(4,214,926)	-2.9%
	Total	150,589,225	167,211,268	157,584,270	16,622,043	11.0%	(9,626,998)	-5.8%
66 Abstracter's Board	Cash	20,955	21,190	21,543	235	1.1%	353	1.7%
	Total	20,955	21,190	21,543	235	1.1%	353	1.7%
67 Equal Opportunity Commission	Gen	1,243,092	1,303,905	1,359,717	60,813	4.9%	55,812	4.3%
	Fed	545,662	721,565	746,512	175,903	32.2%	24,947	3.5%
	Total	1,788,754	2,025,470	2,106,229	236,716	13.2%	80,759	4.0%
68 Mexican- American Commission	Gen	155,913	165,007	172,236	9,094	5.8%	7,229	4.4%
	Total	155,913	165,007	172,236	9,094	5.8%	7,229	4.4%
69 Arts Council	Gen	1,408,628	1,461,384	1,454,726	52,756	3.7%	(6,658)	-0.5%
	Cash	500,000	1,525,000	1,525,000	1,025,000	205.0%	0	0.0%
	Fed	563,846	563,846	563,846	0	0.0%	0	0.0%
	Total	2,472,474	3,550,230	3,543,572	1,077,756	43.6%	(6,658)	-0.2%
70 Foster Care Review Board	Gen	1,025,665	1,063,335	1,109,265	37,670	3.7%	45,930	4.3%
	Cash	6,000	6,000	6,000	0	0.0%	0	0.0%
	Fed	167,694	318,871	325,161	151,177	90.2%	6,290	2.0%
	Total	1,199,359	1,388,206	1,440,426	188,847	15.7%	52,220	3.8%
72 Economic Development	Gen	6,247,784	5,670,163	5,775,694	(577,621)	-9.2%	105,531	1.9%
	Cash	7,579,674	12,353,561	12,993,858	4,773,887	63.0%	640,297	5.2%
	Fed	32,398,238	28,349,123	28,009,598	(4,049,115)	-12.5%	(339,525)	-1.2%
	Total	46,225,696	46,372,847	46,779,150	147,151	0.3%	406,303	0.9%
73 Landscape Architects	Cash	9,105	12,075	12,835	2,970	32.6%	760	6.3%
	Total	9,105	12,075	12,835	2,970	32.6%	760	6.3%
74 Power Review Board	Cash	204,808	172,525	180,932	(32,283)	-15.8%	8,407	4.9%
	Total	204,808	172,525	180,932	(32,283)	-15.8%	8,407	4.9%
75 Investment Council	Cash	486,914	527,233	555,625	40,319	8.3%	28,392	5.4%
	Total	486,914	527,233	555,625	40,319	8.3%	28,392	5.4%
76 Indian Affairs	Gen	156,656	164,337	169,972	7,681	4.9%	5,635	3.4%
	Total	156,656	164,337	169,972	7,681	4.9%	5,635	3.4%

	Fund	W/O Deficits	Per 99 Session	Per 99 Session	FY00 vs Prior Yr		FY01 vs Prior Yr	
		FY1998-99	FY1999-00	FY2000-01	\$ Change	% Change	\$ Change	% Change
77 Industrial Relations	Gen	216,723	224,215	231,938	7,492	3.5%	7,723	3.4%
	Total	216,723	224,215	231,938	7,492	3.5%	7,723	3.4%
78 Crime Commission	Gen	3,020,098	3,437,081	3,298,463	416,983	13.8%	(138,618)	-4.0%
	Cash	816,211	869,411	867,365	53,200	6.5%	(2,046)	-0.2%
	Fed	10,914,802	13,242,167	13,283,641	2,327,365	21.3%	41,474	0.3%
	Total	14,751,111	17,548,659	17,449,469	2,797,548	19.0%	(99,190)	-0.6%
82 Deaf and Hard of Hearing	Gen	556,614	609,101	638,524	52,487	9.4%	29,423	4.8%
	Cash	38,673	27,312	28,447	(11,361)	-29.4%	1,135	4.2%
	Total	595,287	636,413	666,971	41,126	6.9%	30,558	4.8%
83 Community Colleges	Gen	50,659,322	57,171,868	62,387,138	6,512,546	12.9%	5,215,270	9.1%
	Cash	0	30,000,000	0	30,000,000	na	(30,000,000)	-100.0%
Total	50,659,322	87,171,868	62,387,138	36,512,546	72.1%	(24,784,730)	-28.4%	
84 Environmental Quality (DEQ)	Gen	4,370,729	6,994,794	3,723,716	2,624,065	60.0%	(3,271,078)	-46.8%
	Cash	27,833,485	25,749,747	26,897,164	(2,083,738)	-7.5%	1,147,417	4.5%
	Fed	28,738,346	22,706,419	20,422,304	(6,031,927)	-21.0%	(2,284,115)	-10.1%
	Total	60,942,560	55,450,960	51,043,184	(5,491,600)	-9.0%	(4,407,776)	-7.9%
85 Retirement Board	Gen	14,199,904	14,673,501	14,673,501	473,597	3.3%	0	0.0%
	Cash	2,149,835	2,864,286	2,709,716	714,451	33.2%	(154,570)	-5.4%
Total	16,349,739	17,537,787	17,383,217	1,188,048	7.3%	(154,570)	-0.9%	
86 Dry Bean Board	Cash	300,000	450,000	450,000	150,000	50.0%	0	0.0%
	Total	300,000	450,000	450,000	150,000	50.0%	0	0.0%
87 Accountability & Disclosure	Gen	363,223	404,127	421,875	40,904	11.3%	17,748	4.4%
	Cash	74,193	307,947	361,305	233,754	315.1%	53,358	17.3%
	Total	437,416	712,074	783,180	274,658	62.8%	71,106	10.0%
88 Nebraska Corn Board	Cash	3,510,169	3,511,348	4,126,690	1,179	0.0%	615,342	17.5%
	Total	3,510,169	3,511,348	4,126,690	1,179	0.0%	615,342	17.5%
90 Railway Council	Gen	7,390	6,651	6,651	(739)	-10.0%	0	0.0%
	Rev	900,000	500,000	500,000	(400,000)	-44.4%	0	0.0%
	Total	907,390	506,651	506,651	(400,739)	-44.2%	0	0.0%
92 Grain Sorghum Board	Cash	1,004,131	804,992	810,746	(199,139)	-19.8%	5,754	0.7%
	Total	1,004,131	804,992	810,746	(199,139)	-19.8%	5,754	0.7%
93 Tax Equalization & Review	Gen	471,052	538,842	575,252	67,790	14.4%	36,410	6.8%
	Cash	1,500	11,500	11,500	10,000	666.7%	0	0.0%
	Total	472,552	550,342	586,752	77,790	16.5%	36,410	6.6%

		W/O Deficits	Per 99 Session	Per 99 Session	FY00 vs Prior Yr		FY01 vs Prior Yr	
Fund		FY1998-99	FY1999-00	FY2000-01	\$ Change	% Change	\$ Change	% Change
94 Public Advocacy	Gen	451,217	466,689	485,978	15,472	3.4%	19,289	4.1%
	Cash	940,000	940,000	940,000	0	0.0%	0	0.0%
	Total	1,391,217	1,406,689	1,425,978	15,472	1.1%	19,289	1.4%
95 Rural Development Commission	Gen	333,326	343,157	355,792	9,831	2.9%	12,635	3.7%
	Cash	20,000	20,000	20,000	0	0.0%	0	0.0%
	Fed	125,000	125,000	125,000	0	0.0%	0	0.0%
	Total	478,326	488,157	500,792	9,831	2.1%	12,635	2.6%
96 Property Assessment And Taxation	Gen	0	3,996,600	4,041,516	3,996,600	na	44,916	1.1%
	Cash	0	755,957	35,814,908	755,957	na	35,058,951	4637.7%
	Total	0	4,752,557	39,856,424	4,752,557	#DIV/0!	35,103,867	738.6%
Capital Construction	Gen	60,994,066	54,676,163	45,161,388	(6,317,903)	-10.4%	(9,514,775)	-17.4%
	Cash	7,635,450	17,084,172	17,039,816	9,448,722	123.7%	(44,356)	-0.3%
	Fed	2,533,900	0	275,000	(2,533,900)	-100.0%	275,000	na
	Rev	11,882,110	15,397,696	7,837,813	3,515,586	29.6%	(7,559,883)	-49.1%
	Total	83,045,526	87,158,031	70,314,017	4,112,505	5.0%	(16,844,014)	-19.3%
STATE TOTALS	Gen	2,228,579,121	2,323,943,947	2,390,176,080	95,364,826	4.3%	66,232,133	2.8%
	Cash	937,301,414	1,100,726,077	1,110,434,099	163,424,663	17.4%	9,708,022	0.9%
	Fed	1,288,860,855	1,390,725,054	1,421,939,565	101,864,199	7.9%	31,214,511	2.2%
	Rev	445,357,561	470,160,784	461,846,079	24,803,223	5.6%	(8,314,705)	-1.8%
	Total	4,900,098,951	5,285,555,862	5,384,395,823	385,456,911	7.9%	98,839,961	1.9%

CAPITAL CONSTRUCTION

Capital Construction Summary

This section summarizes the capital construction appropriations enacted in the 1999 Session. *New Construction* refers to projects initiated in the 1999 Session while *Reaffirmations* refers to funding needed to complete projects authorized and initial funding provided in prior legislative sessions. General Funds utilized for capital construction are actually appropriated as State Building Funds (SBF). Although technically a separate fund, the sole source of funds for the SBF are transfers from the General Fund and therefore are in fact General Funds. *The Nebraska Capital Construction Fund (NCCF)* accounts for the portion of the cigarette tax earmarked for capital construction.

Table 28 Capital Construction, All Funds

	Reaffirmations	New Projects	Total
<u>FY1999-00</u>			
General Funds (SBF)	40,663,279	14,012,884	54,676,163
Cash Funds	8,932,085	8,152,087	17,084,172
Federal Funds	0	0	0
Revolving/Other Funds	7,672,696	1,225,000	8,897,696
Nebr Capital Const Fund (NCCF)	6,500,000	0	6,500,000
FY1999-00 Total	63,768,060	23,389,971	87,158,031
<u>FY2000-01</u>			
General Funds (SBF)	30,685,595	14,475,793	45,161,388
Cash Funds	6,878,080	10,161,736	17,039,816
Federal Funds	0	275,000	275,000
Revolving/Other Funds	1,002,696	335,117	1,337,813
Nebr Capital Const Fund (NCCF)	6,500,000	0	6,500,000
FY2000-01 Total	45,066,371	25,247,646	70,314,017
<u>FY2001-02</u>			
General Funds (SBF)	7,412,194	13,261,416	20,673,610
Cash Funds	5,200,000	0	5,200,000
Federal Funds	0	0	0
Revolving/Other Funds	1,002,696	2,561,992	3,564,688
Nebr Capital Const Fund (NCCF)	11,700,000	0	11,700,000
FY2001-02 Total	25,314,890	15,823,408	41,138,298
<u>FY2002-03</u>			
General Funds (SBF)	7,918,750	8,343,750	16,262,500
Cash Funds	5,200,000	0	5,200,000
Federal Funds	0	0	0
Revolving/Other Funds	1,002,696	2,561,992	3,564,688
Nebr Capital Const Fund (NCCF)	11,700,000	0	11,700,000
FY2002-03 Total	25,821,446	10,905,742	36,727,188

Over 75% of the General Funds appropriated for capital construction are reaffirmations of projects initiated in prior sessions. The largest of these reaffirmations is the second and third year construction costs of the new 960-bed prison in Tecumseh (\$24.1 million in FY99-00 and \$23.3 million in FY00-01). Another \$5.5 million in each year is included for the state's share of deferred maintenance and repair projects at the University and State Colleges as authorized under LB1100 passed in the 1998 session. The University and State Colleges have also obligated cash funds as part of the bill. The remaining 25% of General Fund capital construction appropriations is for new

projects. Three projects account for virtually all of this new construction and are described below. Also included is an update on the status of Peru State College construction projects

Transponder Replacement and Digital Television (DTV) Signal Conversion -Nebraska Educational Communications Commission (NETC)

The Nebraska Educational Telecommunications Commission (NETC) faces two large construction/equipment issues: replacement of the satellite transponder capacity and conversion of the current analog (NTSC) television transmission signal to digital (DTV).

Since 1991, NETC has owned a 72Mhz transponder on GE's Spacenet 3 satellite. The satellite capacity has been used to transmit broadcast signals for the statewide public television and radio networks and distance learning communications. The satellite's projected end of life is January 2000 and a replacement will be required in order to continue broadcasting. A study was funded to determine the best strategies to replace the current system. Skejei Telecom Inc. conducted the study and has recommended a satellite and optical fiber transmission/distribution system. Estimated cost is \$25.9 million.

The Federal Communications Commission (FCC) has mandated that all television broadcasters begin transmitting Digital Television (DTV) signals according to a specified phased-in schedule. For public television, the deadline is May 1, 2003. NETC must comply with this deadline or cease operation of the statewide educational television network. The conversion to digital will require replacement of equipment for all phases of NETC operations including (1) local program production, (2) pass-through of programming and transmission to satellite, and (3) transmission of signals to local coverage areas. The first priority in the conversion is to maintain the capability to receive/record programming from satellite sources and retransmit the signal to the various state transmitter sites from which the signal is then rebroadcast to the local coverage area. The cost of upgrading the transmitter sites is estimated at \$12.4 million with \$1.66 million necessary for pass-through of programming and transmission to/from the satellite and \$4 million to begin replacing production equipment. The second priority is \$18 million required for DTV production equipment both studio and remote unit. Total DTV conversion costs is estimated at \$36.4 million.

The budget includes initial funding for the transponder capacity replacement, and the first priority of DTV conversion. The decision on the remaining \$18 million for production equipment is deferred with the intent that NETC aggressively pursue other funding sources including federal funds.

Total funding required for the initial projects total \$44 million as follows:

Replacement of the satellite transponder	\$25,944,000
Conversion of transmitters to DTV	12,400,000
Pass-through of programming and transmission	1,655,600
DTV production equipment	3,967,600
	<hr/>
Total Approved	43,967,200
Production equipment to DTV (pending)	18,000,000
	<hr/>
Grand Total	62,339,387

The \$44 million dollars needed for the transponder capacity replacement and first priority for DTV conversion is to be financed over a 10-year period with annual net costs of \$6 million. The enacted budget includes this \$6 million in both FY99-00 and FY2000-01.

College of Education Building-University of Nebraska at Kearney (UNK)

The budget includes \$4.7 million in both FY99-00 and FY00-01 for construction of a new College of Education building at the University of Nebraska at Kearney. The new building would contain approximately 32,000 net square feet and would consolidate dispersed College Education programs into one location. The building would be designed to accommodate state of the art instructional technology and contain classrooms, laboratories, offices, and clinic space.

Replace/Renovate Facilities and Master Plan-Geneva/Kearney YRTC

The Legislature appropriated \$1,150,555 General Fund in FY99-00 and \$2,200,000 in FY00-01 for development of a master plan and initiate replacement and renovation of facilities at the Youth Rehabilitation and Treatment Centers at Geneva and Kearney.

In FY99-00, \$150,000 is included for development of a facilities master plan for the YRTC's, with an additional \$50,000 for program statements for those projects deemed to be of the highest priority. A total of \$458,075 is included for fire and life safety projects, window projects relating to security, and air conditioning improvements for the YRTC campuses. Building Renewal allocations in the amount of \$238,725 have already been approved, with projects underway at the Food Service Building and Sacajawea Cottage at Geneva, and at Dickson Cottage and Morton Cottage at Kearney. This \$458,075 provided will cover the remaining portion of the \$696,800 cost. The final \$492,480 in FY99-00 is for installation of remote door locking systems at the Dunbar, Sandoz, Burroughs, and Sacajawea Cottages on the Geneva campus, and at Dickson Cottage on the Kearney campus. The work would include addition of electric strikes, door modifications, wiring and central control panels.

Specific use of the \$2.2 million appropriation in FY00-01 has not yet been determined. Decisions on which projects move forward must be an outgrowth of the capital facilities plan and the program statements. The funds will remain in reserve until the required preliminary steps have been accomplished.

Peru State College Construction Update

LB 1138 (1998) appropriated \$1,785,350 for each of FY1998-99 and FY1999-00 to renovate and construct an addition to the Hoyt Science Hall at Peru State College. As this appropriation preceded consideration of the project proposal by the Coordinating Commission for Postsecondary Education, LB 1138 provided that, prior to consideration of the Hoyt Science Hall project proposal, the Coordinating Commission was to undertake and complete a study relating to Peru State College and a number of related elements as outlined in the bill. Upon its completion, this report was submitted to the Governor and Legislature on December 1, 1998. Subsequently, the commission initiated its review and consideration of the Hoyt Science Hall project proposal and at its meeting on April 14, 1999, the commission approved the Hoyt Science Hall project to proceed.

The budget reappropriates the unexpended balance of the FY1998-99 Hoyt Science Hall appropriation and reaffirms the FY1999-00 appropriation for the project (\$1,785,350). Peru State College is also allowed to proceed with subsequent architectural planning phases for the project; however, the college would be restricted from expending any of the appropriated amounts to initiate construction prior to April 15, 2000.

In its report to the Legislature regarding Peru State as required by LB 1138 (1998), the Coordinating Commission recommended that

Language incorporated into LB 878 requires that the Board of Trustees of the Nebraska State Colleges and the Coordinating Commission provide a status report to the Appropriations Committee with respect to the benchmarks and time lines for accomplishment of needed improvements at Peru that were established and submitted to the commission by April 1, 1999. Additionally, the Board of Trustees is to report the means by which progress toward achievement of key objectives for improvements at Peru State will be measured. The Board of Trustees is also required to provide a Peru State progress report during the initial weeks of the 2000 legislative session and subsequent annual progress reports. Appropriations Committee consideration of whether to sustain, amend, or rescind appropriations for the Hoyt Science Hall project is intended to take into account progress toward achievement of the established key objectives for improvements at Peru State.

Additionally, the budget provides architectural planning funds (\$115,400 for FY1999-00) relating to renovation of the Library Building and Old Gym at Peru State. Although funding is allocated for FY2001-02 (\$4.9 million) to undertake the project, this future project funding is conditioned in the budget upon the committee's consideration of reported progress toward achievement of the established key objectives for improvements at Peru State as outlined above.

The budget also includes state funding for FY1999-00 in the amount of \$240,000 for improvements to the Peru State campus water system and reaffirmation of \$200,000 for miscellaneous building renewal work.

Project Listing - Reaffirmations

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
#46-Corrections	New 960 bed General Custody Prison (Tecumseh)	1999-00	24,069,080	0	0	0	0	24,069,080
	New 960 bed General Custody Prison (Tecumseh)	2000-01	22,366,291	0	0	0	0	22,366,291
#46-Corrections	Incarceration work camp (McCook)	1999-00	776,887	0	0	0	0	776,887
#47-NETC	Satellite transponder lease	1999-00	see below	0	0	0	0	0
#50-Colleges	Misc renovations (PSC)	1999-00	200,000	0	0	0	0	200,000
#50-Colleges	Connell Hall renovation (WSC)	1999-00	683,100	0	0	0	0	683,100
#50-Colleges	Hoyt Hall /misc renovations & repairs (PSC)	1999-00	1,785,350	0	0	0	0	1,785,350
#50-Colleges	Deferred maintenance/repair (LB1100)	1999-00	400,000	0	0	647,496	0	1,047,496
	Deferred maintenance/repair (LB1100)	2000-01	400,000	0	0	647,496	0	1,047,496
	Deferred maintenance/repair (LB1100)	2001-02	400,000	0	0	647,496	0	1,047,496
	Deferred maintenance/repair (LB1100)	2002-03	400,000	0	0	647,496	0	1,047,496
#51-University	Info Science Technology & Engineering bldng (UNO)	1999-00	0	0	0	6,670,000	0	6,670,000
#51-University	Deferred maintenance/repair (LB1100)	1999-00	5,500,000	5,200,000	0	0	0	10,700,000
	Deferred maintenance/repair (LB1100)	2000-01	5,500,000	5,200,000	0	0	0	10,700,000
	Deferred maintenance/repair (LB1100)	2001-02	5,500,000	5,200,000	0	0	0	10,700,000
	Deferred maintenance/repair (LB1100)	2002-03	5,500,000	5,200,000	0	0	0	10,700,000
#51-University	Richards Hall renovation (UNL)	1999-00	0	2,698,710	0	0	0	2,698,710
#51-University	Agricultural Field Laboratory (UNL)	1999-00	0	80,973	0	0	0	80,973
	Agricultural Field Laboratory (UNL)	2000-01	0	70,000	0	0	0	70,000
#51-University	Agricultural Research Land acquisition (UNL)	1999-00	0	274,549	0	0	0	274,549
	Agricultural Research Land acquisition (UNL)	2000-01	0	200,000	0	0	0	200,000
#51-University	West Center renovation (UNK)	1999-00	0	677,853	0	0	0	677,853
	West Center renovation (UNK)	2000-01	0	1,408,080	0	0	0	1,408,080
#65-DAS	Parking garage expansion	1999-00	0	0	0	355,200	0	355,200
	Parking garage expansion	2000-01	0	0	0	355,200	0	355,200
	Parking garage expansion	2001-02	0	0	0	355,200	0	355,200
	Parking garage expansion	2002-03	0	0	0	355,200	0	355,200
#65-DAS	Masonry/Structural repair-State Capitol	1999-00	5,248,862	0	0	0	0	5,248,862
	Masonry/Structural repair-State Capitol	2000-01	2,419,304	0	0	0	0	2,419,304
	Masonry/Structural repair-State Capitol	2001-02	1,512,194	0	0	0	0	1,512,194
	Masonry/Structural repair-State Capitol	2002-03	2,018,750	0	0	0	0	2,018,750
	Masonry/Structural repair-State Capitol	Future		7,411,374	0	0	0	7,411,374

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
#65-DAS	LB309 Task Force, deferred repair/maint (cig tax)	1999-00	0	0	0	0	6,500,000	6,500,000
	LB309 Task Force, deferred repair/maint (cig tax)	2000-01	0	0	0	0	6,500,000	6,500,000
	LB309 Task Force, deferred repair/maint (cig tax)	2001-02	0	0	0	0	11,700,000	11,700,000
	LB309 Task Force, deferred repair/maint (cig tax)	2002-03	0	0	0	0	11,700,000	11,700,000
#78-Crime Comm	Co-location of law enforcement training	1999-00	2,000,000	0	0	0	0	2,000,000
REAFFIRMATION	FY1999-00	1999-00	40,663,279	8,932,085	0	7,672,696	6,500,000	63,768,060
TOTALS	FY2000-01	2000-01	30,685,595	6,878,080	0	1,002,696	6,500,000	45,066,371
	FY2001-02	2001-02	7,412,194	5,200,000	0	1,002,696	11,700,000	25,314,890
	FY2002-03	2002-03	7,918,750	5,200,000	0	1,002,696	11,700,000	25,821,446

Project Listing - New Construction

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
#25-HHS Services	Replace/renovate facilities, master plan-Geneva YRTC (1)	1999-00	1,150,555	0	0	0	0	1,150,555
#27-Roads	Equipment storage building (Bridgeport)	2000-01	0	311,850	0	0	0	311,850
	Equipment storage building (Elkhorn)	2000-01	0	311,850	0	0	0	311,850
	Equipment storage building (Ogallala)	2000-01	0	374,220	0	0	0	374,220
	Equipment storage building (Bartlett)	2000-01	0	187,110	0	0	0	187,110
	Equipment storage building (Maywood)	2000-01	0	187,110	0	0	0	187,110
	Equipment storage building (Spencer)	2000-01	0	187,110	0	0	0	187,110
	Land purchase (Newcastle)	2000-01	0	25,000	0	0	0	25,000
	Land purchase (Big Springs)	2000-01	0	50,000	0	0	0	50,000
	Salt storage (Auburn)	2000-01	0	66,944	0	0	0	66,944
	Salt storage (Norfolk)	2000-01	0	211,365	0	0	0	211,365
	Salt storage (Shelton)	2000-01	0	98,960	0	0	0	98,960
#33-Game & Parks	State Parks-deferred maintenance/repair	1999-00	0	200,000	0	0	0	200,000
	State Parks-deferred maintenance/repair	2000-01	0	200,000	0	0	0	200,000
#33-Game & Parks	Wildlife land acquisition/improvements	1999-00	0	1,125,000	0	0	0	1,125,000
	Wildlife land acquisition/improvements	2000-01	0	1,125,000	0	0	0	1,125,000
#33-Game & Parks	Emergency repairs-state parks system	1999-00	0	100,000	0	0	0	100,000
	Emergency repairs-state parks system	2000-01	0	100,000	0	0	0	100,000
#33-Game & Parks	Emergency repairs-fish/wildlife facilities	1999-00	0	100,000	0	0	0	100,000
	Emergency repairs-fish/wildlife facilities	2000-01	0	100,000	0	0	0	100,000
#33-Game & Parks	State Parks-facility improvements	1999-00	0	662,500	0	0	0	662,500
	State Parks-facility improvements	2000-01	0	662,500	0	0	0	662,500
#33-Game & Parks	Aquatic habitat improvements	1999-00	0	2,506,300	0	0	0	2,506,300
	Aquatic habitat improvements	2000-01	0	2,612,250	0	0	0	2,612,250
#33-Game & Parks	Emergency repairs-Cowboy Trail	1999-00	0	50,000	0	0	0	50,000
	Emergency repairs-Cowboy Trail	2000-01	0	50,000	0	0	0	50,000
#33-Game & Parks	Facility improvements (Wildlife Management Areas)	1999-00	0	343,000	0	0	0	343,000
	Facility improvements (Wildlife Management Areas)	2000-01	0	335,000	0	0	0	335,000
#33-Game & Parks	Boat storage-Alliance headquarters	1999-00	0	22,000	0	0	0	22,000
	Boat storage-North Platte headquarters	1999-00	0	22,000	0	0	0	22,000
	New aeration system-Alexandria Lakes	1999-00	0	30,000	0	0	0	30,000
	New aeration system-Ft Kearny SRA	1999-00	0	35,000	0	0	0	35,000
	New well, raceway covers-Calamus Hatchery	1999-00	0	90,000	0	0	0	90,000
	Land, replace dam, pond development-Grove Trout Hatchery	1999-00	0	125,000	0	0	0	125,000
	New well, water supply-North Platte Hatchery	1999-00	0	50,000	0	0	0	50,000
	Lake acquisition and development-statewide	1999-00	0	200,000	0	0	0	200,000
	Fishing access development-statewide	1999-00	0	100,000	0	0	0	100,000
					0	0	0	0

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
	Boat storage-Norfolk headquarters	2000-01	0	55,000	0	0	0	55,000
	New aeration system-Windmill SRA	2000-01	0	35,000	0	0	0	35,000
	Lake acquisition and development-statewide	2000-01	0	200,000	0	0	0	200,000
	Fishing access development-statewide	2000-01	0	100,000	0	0	0	100,000
#33-Game & Parks	New residence-Chadron SP	1999-00	0	100,000	0	0	0	100,000
	Campground update/electrical-Ft Robinson SP	1999-00	0	175,000	0	0	0	175,000
	Flooring, fixtures, furniture replacement-Ft Robinson SP	1999-00	0	50,000	0	0	0	50,000
	New windmills or solar wells-Ft Robinson SP	1999-00	0	3,000	0	0	0	3,000
	Update phone system, parking lot-Mahoney SP	1999-00	0	45,000	0	0	0	45,000
	Cabin furnishings-Mahoney SP	1999-00	0	50,000	0	0	0	50,000
	Finish lower level of 4 bed cabin-Mahoney SP	1999-00	0	20,000	0	0	0	20,000
	Expand Admin Building-Mahoney SP	1999-00	0	70,000	0	0	0	70,000
	Two new cabins-Niobrara SP	1999-00	0	185,000	0	0	0	185,000
	Headquarter/Visitor Center-Chadron SP	2000-01	0	100,000	0	0	0	100,000
	Flooring, fixtures, furniture replacement-Ft Robinson SP	2000-01	0	50,000	0	0	0	50,000
	New windmills or solar wells-Ft Robinson SP	2000-01	0	3,000	0	0	0	3,000
	Finish lower level of 4 bed cabin-Mahoney SP	2000-01	0	20,000	0	0	0	20,000
	Ten camper cabins with AC/heat-Platte River SP	2000-01	0	50,000	0	0	0	50,000
	Headquarter/Visitor Center-Ponca SP	2000-01	0	300,000	0	0	0	300,000
	Headquarter/Visitor Center restrooms-Smith Falls SP	2000-01	0	50,000	0	0	0	50,000
	Walkway decking-Smith Falls SP	2000-01	0	5,000	0	0	0	5,000
#33-Game & Parks	Facility improvements-Central Office	1999-00	0	365,000	0	0	0	365,000
	Facility improvements-district offices statewide	1999-00	0	8,000	0	0	0	8,000
	Storage improvements-North Platte district office	1999-00	0	60,000	0	0	0	60,000
	Office/lab improvements-Kearney district office	1999-00	0	25,000	0	0	0	25,000
	Facility improvements-Central Office	2000-01	0	243,000	0	0	0	243,000
	Office/lab improvements-Kearney district office	2000-01	0	13,000	0	0	0	13,000
#33-Game & Parks	Jetty/shorelin riprap-Branched Oak SRA	1999-00	0	161,000	0	0	0	161,000
	Fishing pond development-Buffalo Bill SRA	1999-00	0	10,000	0	0	0	10,000
	Jetty/shorelin riprap-Calamus Reservoir SRA	1999-00	0	344,900	0	0	0	344,900
	Lone Eagle campground development-Lake McConaughy SRA	1999-00	0	201,000	0	0	0	201,000
	Picnic tables-Lake McConaughy SRA	1999-00	0	25,000	0	0	0	25,000
	Headquarters furniture/equipment-Lake McConaughy SRA	1999-00	0	35,000	0	0	0	35,000
	Three new cabins-Lewis & Clark SRA	1999-00	0	120,000	0	0	0	120,000
	Modern latrine, east addition-Louisville SRA	1999-00	0	100,000	0	0	0	100,000
	Replace water well-Medicine Creek SRA	1999-00	0	3,400	0	0	0	3,400
	Marina Point modern latrine/shower-Branched Oak SRA	2000-01	0	200,000	0	0	0	200,000
	Electrical hookups-Enders SRA	2000-01	0	5,000	0	0	0	5,000
	Shower/latrine rehabilitation-Ft Kearny SRA	2000-01	0	60,000	0	0	0	60,000
	Two small group shelters-Ft Kearny SRA	2000-01	0	10,000	0	0	0	10,000
	Insulate/renovate shop building-Johnson Lake SRA	2000-01	0	20,000	0	0	0	20,000
	Headquarters/Visitor Center-Johnson Lake SRA	2000-01	0	100,000	0	0	0	100,000
	Little Thunder campground development-Lake McConaughy	2000-01	0	158,000	0	0	0	158,000
	Twelve new boat slips-Lewis & Clark SRA	2000-01	0	50,000	0	0	0	50,000
	Utilities improvements-Louisville SRA	2000-01	0	80,000	0	0	0	80,000

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
	New shower/latrine-Louisville SRA	2000-01	0	200,000	0	0	0	200,000
	Pole building with concrete floor-Medicine Creek SRA	2000-01	0	20,000	0	0	0	20,000
#33-Game & Parks	Stockade rehabilitation-Ft Kearny SHP	2000-01	0	20,000	0	0	0	20,000
	Stockade gate structure-Ft Atkinson SHP	2000-01	0	8,500	0	0	0	8,500
#33-Game & Parks	Buffalo soldiers barracks-Ft Robinson (LB664)	1999-00	500,000	0	0	500,000	0	1,000,000
#33-Game & Parks	Trail development grants	1999-00	TRANSFER	110,000	0	0	0	110,000
	Trail development grants	2000-01	TRANSFER	110,000	0	0	0	110,000
#33-Game & Parks	Park and recreation land acquisition	2000-01	0	300,000	0	0	0	300,000
#33-Game & Parks	Storage building-AKSARBEN aquarium	2000-01	0	25,000	0	0	0	25,000
#47-NETC	Transponder replacement, digitize NETC signal	1999-00	6,000,000	0	0	0	0	6,000,000
	Transponder replacement, digitize NETC signal	2000-01	6,000,000	0	0	0	0	6,000,000
	Transponder replacement, digitize NETC signal	2001-02	6,000,000	0	0	0	0	6,000,000
	Transponder replacement, digitize NETC signal	2002-03	6,000,000	0	0	0	0	6,000,000
	Transponder replacement, digitize NETC signal	Future	36,000,000	0	0	18,000,000	0	54,000,000
#47-NETC	Replace KTNE Transmitter (Angora)	2000-01	275,000	0	275,000	0	0	550,000
#47-NETC	Carpenter (NET) Building renovations (planning)	1999-00	0	0	0	0	0	0
	Carpenter (NET) Building renovations (planning)	2000-01	46,875	0	0	46,875	0	93,750
	Carpenter (NET) Building renovations (planning)	2001-02	2,343,750	0	0	2,343,750	0	4,687,500
	Carpenter (NET) Building renovations (planning)	2002-03	2,343,750	0	0	2,343,750	0	4,687,500
#50-Colleges	Library Building addition/renovation (PSC)	1999-00	115,400	0	0	0	0	115,400
	Library Building addition/renovation (PSC)	2000-01	0	0	0	0	0	0
	Library Building addition/renovation (PSC)	2001-02	4,917,666	0	0	0	0	4,917,666
#50-Colleges	Water system renovation (PSC)	1999-00	240,000	0	0	10,000	0	250,000
#50-Colleges	Ramsey Theatre renovation/addition (WSC)	2000-01	722,970	0	0	0	0	722,970
#51-University	Hazardous material center (UNL)	1999-00	150,013	124,987	0	0	0	275,000
	Hazardous material center (UNL)	2000-01	450,038	374,967	0	0	0	825,005
#51-University	Education Building (UNK)	1999-00	4,710,910	0	0	0	0	4,710,910
	Education Building (UNK)	2000-01	4,710,910	0	0	0	0	4,710,910
#52-Fair Board	Master plan, State Fair Park	1999-00	20,000	0	0	0	0	20,000
#54-Hist Society	Renovation/addition-headquarters	1999-00	0	0	0	0	0	0
	Renovation/addition-headquarters	2000-01	70,000	0	0	70,000	0	140,000
	Renovation/addition-headquarters	Future	0	0	0	0	0	0
#54-Hist Society	Cheyenne outbreak barracks-Ft Robinson (LB663)	1999-00	150,000	0	0	150,000	0	300,000
#65-DAS	Boiler replacement (Hastings Reg Center)	1999-00	776,406	0	0	0	0	776,406

Agency	Project	FY	General (SBF)	Cash	Federal	Rev (Other)	NCCF *	Total
#65-DAS	Exercise purchase option, Executive Building	1999-00	0	0	0	565,000	0	565,000
	Exercise purchase option, Executive Building	2000-01	0	0	0	218,242	0	218,242
	Exercise purchase option, Executive Building	2001-02	0	0	0	218,242	0	218,242
	Exercise purchase option, Executive Building	2002-03	0	0	0	218,242	0	218,242
	Exercise purchase option, Executive Building	Future	0	0	0	2,618,904	0	2,618,904
#65-DAS	Painting, legislative space/hallways (State Capitol)	1999-00	199,600	0	0	0	0	199,600
#65-DAS	Replace/renovate facilities-Geneva YRTC (1)	2000-01	2,200,000	0	0	0	0	2,200,000
NEW	FY1999-00	1999-00	14,012,884	8,152,087	0	1,225,000	0	23,389,971
CONSTRUCTION	FY2000-01	2000-01	14,475,793	10,161,736	275,000	335,117	0	25,247,646
TOTALS	FY2001-02	2001-02	13,261,416	0	0	2,561,992	0	15,823,408
	FY2002-03	2002-03	8,343,750	0	0	2,561,992	0	10,905,742

(1) Starting in FY2000-01, operations of the YRTC's are shifted from HHS to DAS

FY1998-99 Deficiency Appropriations

Chronology of FY1998-99 Appropriations

GENERAL FUNDS	Operations	State Aid	Construction	Total
<i>Total Per 1997 Session</i>	782,190,148	1,339,322,993	48,072,549	2,169,585,690
1998 Session-Committee Recommendation	10,326,841	13,910,330	14,921,517	39,158,688
1998 Session-Floor Amendments	205,851	1,933,412	0	2,139,263
1998 Session-Mainline Governor Vetoes	(1,366,941)	(1,088,425)	(2,000,000)	(4,455,366)
1998 Session-Mainline Veto Overrides	1,255,580	862,600	0	2,118,180
1998 Session "A" bills (net of vetoes)	3,862,666	16,170,000	0	20,032,666
<i>Total Per 1998 Session</i>	796,474,145	1,371,110,910	60,994,066	2,228,579,121
Shift Higher Ed remissions to operations	19,369,489	(19,369,489)	0	0
Other Oper/aid shifts	(129,164)	129,164	0	0
<i>Adjusted Total Per 1998 Session</i>	815,714,470	1,351,870,585	60,994,066	2,228,579,121
1999 Session Deficits	3,157,373	(3,194,456)	3,311,825	3,274,742
1999 Session State Claims	2,110,979	0	0	2,110,979
1999 Session "A" bills	0	0	0	0
<i>Final Appropriation per 1999 Session</i>	820,982,822	1,348,676,129	64,305,891	2,233,964,842

ALL FUNDS	General	Cash	Federal	Rev/Other	Total
<i>Total Per 1997 Session</i>	2,169,585,690	1,113,920,974	1,194,299,331	386,034,263	4,863,840,258
1998 Session-Mainline	38,960,765	1,172,079	9,777,037	17,611,888	67,521,769
1998 Session "A" bills	20,032,666	40,707,428	11,875,384	500,000	73,115,478
<i>1998 Session Actions</i>	58,993,431	41,879,507	21,652,421	18,111,888	140,637,247
<i>Total Per 1998 Session</i>	2,228,579,121	1,155,800,481	1,215,951,752	404,146,151	5,004,477,505
Update cash/federal estimates	0	(218,499,067)	72,909,103	41,211,410	(104,378,554)
<i>Adjusted Per 1998 Session</i>	2,228,579,121	937,301,414	1,288,860,855	445,357,561	4,900,098,951
1999 -mainline deficits (LB 879)	3,274,742	5,152,709	1,767,444	9,667	10,204,562
1999 -Workers' Comp (LB465)	0	0	0	4,200,000	4,200,000
1999 -State Claims (LB882)	2,110,979	100,000	0	0	2,210,979
1999 "A" bills	0	0	0	0	0
<i>Final Per 1999 Session</i>	2,233,964,842	942,554,123	1,290,628,299	449,567,228	4,916,714,492

General Fund Deficiency Appropriation Items

Table 29 highlights in order of dollar amount, the FY1998-99 General Fund deficiency appropriations. The largest single item is a \$9 million deficit for Health and Human Services for educational assistance payments to Boystown pursuant to a lawsuit. This amount is offset by a \$9 million reduction in Medicaid where FY98-99 expenditures have been under budget. Other large amounts include \$2.7 million for the State Patrol to fund the SLEBEC salary settlement, \$2.1 million for a revised cash flow of the State Capital masonry project, and \$1.8 million for General Fund support of the low-level radioactive waste licensing process. A recent court restraining order prohibits the state from "collecting or attempting to collect any funds from the plaintiffs, the Commission, or US Ecology".

Reductions in General Funds, in addition to Medicaid, include \$2.7 million of unused temporary mitigation funds, and \$3 million of unused Homestead Exemption reimbursement funds. With respect to the mitigation funds, \$4.5 million was originally appropriated in the 1998 Session to provide one-time aid funds to assist K-12 school districts whose 1998-99 resources (state aid + property taxes) were less than 90% of the 1997-98 amount. The actual "need" of funds was only \$1.8 million.

A detailed listing of all FY1998-99 deficit appropriations, including all fund sources, is included in Table 30.

Table 29 FY1998-99 Deficiency Appropriations (General Funds Only)

Agency	Item	Dollar Amt
#26 HHS-Finance	Boys Town lawsuit, education assistance payments	9,000,000
#64 State Patrol	Salary adjustments related to SLEBC settlement	2,741,417
#65 Admin Services (DAS)	State Capitol masonry project	2,154,709
#84 Environmental Quality	GF support, Low-Level Radioactive Waste licensing	1,827,700
#26 HHS-Finance	Data processing costs	1,600,000
#29 Water Resources	Nebraska water rights	1,209,542
#47 NETC	FM antenna damage/repair	241,200
#84 Environmental Quality	Offset lower cash revenues, livestock waste control	200,289
#31 Military Dept	Armory maintenance projects/EOC	173,000
#50 State Colleges	Fuel oil tank removal project	133,000
#47 NETC	Radio Transmitter Replace	82,500
#21 Fire Marshal	Salary adjustments related to SLEBC settlement	58,099
#33 Game & Parks	Salary adjustments related to SLEBC settlement	47,271
#65 Admin Services (DAS)	Retirement of 2 long-term employees	15,963
#85 Retirement Board	Retirement contributions, mortality adjustment	(21,456)
#65 Admin Services (DAS)	Unused funds, Info Technology retraining funds	(124,175)
#64 State Patrol	Savings related to federal grant	(172,000)
#31 Military Dept	One-time tuition assistance savings	(173,000)
#65 Admin Services (DAS)	Delayed operations, new steamline charges	(292,305)
#13 Education	Reduce TEEOSA, increase Premium Tax	(311,483)
#65 Admin Services (DAS)	Tort Claims excess	(344,042)
#13 Education	Unused temporary mitigation funds	(2,773,987)
#16 Revenue	Homestead Exemption savings	(3,000,000)
#26 HHS-Finance	Medicaid savings	(3,818,000)
#26 HHS-Finance	Medicaid LT care savings	(5,182,000)
General Fund Total Deficiency Appropriations		3,274,742

Table 30 FY1998-99 Deficiency Appropriations (All Funds)

	Fund	Type	\$ Amount
#05-Supreme Court			
3	Gen	Oper	22,000
6	Gen	Oper	(150,000)
7	Gen	Oper	(111,663)
52	Gen	Oper	89,663
67	Gen	Oper	(150,000)
67	Cash	Oper	85,000
67	Cash	Oper	58,267
570	Gen	Oper	300,000
#07-Governor			
106	PSL	Oper	YES
#10-Auditor			
10	Gen	Oper	2,500
#12-State Treasurer			
12	Gen	Oper	303
#13-Dept of Education			
25	Gen	Aid	(2,773,987)
25	Gen	Aid	(311,483)
25	Gen	Aid	YES
25	Gen	Aid	YES
25	PSL	Oper	YES
351	PSL	Oper	YES
614	Cash	Oper	PSL only
#14-Public Service Commission			
19	Cash	Oper	65,000
#15-Pardons and Parole			
358	Gen	Oper	(48,000)
418	Gen	Oper	48,000
#16-Dept of Revenue			
106	Gen	Aid	(3,000,000)
#20-HHS Regulation			
177	Gen	Oper	200,000
177	Fed	Oper	100,000
177	Gen	Oper	12,313
177	Cash	Oper	59,448
177	Gen	Oper	(207,866)
177	Cash	Oper	(2,745)
178	Cash	Oper	2,745
#21-Fire Marshal			
193	Gen	Oper	4,073
193	Cash	Oper	16,685
193	Gen	Oper	54,026
193	Cash	Oper	221,338
#23-Dept of Labor			
194	Cash	Oper	59,911
#24-Dept of Motor Vehicles			
90	Cash	Oper	170,000
#25-HHS Services			

		Fund	Type	\$ Amount
33	Child support attorneys to temp HHS employees in #26-341	Gen	Oper	(68,979)
33	Child support attorneys to temp HHS employees in #26-341	Fed	Oper	(140,047)
33	Transfer Food Stamps to HHS-Finance	Gen	Oper	(168,108)
33	Transfer Food Stamps to HHS-Finance	Fed	Oper	(168,108)
33	Transfer RAID funding to HHS-Regulation	Gen	Oper	(200,000)
33	Transfer RAID funding to HHS-Regulation	Fed	Oper	(100,000)
33	Restore case Aid PSL not in A-bill (\$18,206)	PSL	Oper	YES
33	Transfer Special DD Services to Prog 421	Gen	Oper	(78,988)
33	Transfer Special DD Services to Prog 421	Fed	Oper	(236,963)
365	Reconcile maintenance agreement (\$5,600 PSL)	PSL	Oper	YES
365	Transfer Medical transcription staff from HHS-Finance	Gen	Oper	456,931
421	Transfer Medical transcription staff from HHS-Finance	Gen	Oper	273,141
421	Transfer Special DD Services from Prog 033	Gen	Oper	78,988
421	Transfer Special DD Services from Prog 033	Fed	Oper	236,963
519	Reconcile maintenance agreement (\$223,853 PSL)	PSL	Oper	YES
519	Veterans' Homes operations	Cash	Oper	2,072,491
<u>#26-HHS Finance/Support</u>				
175	Fully utilize community match	Cash	Aid	300,000
341	Child support attorneys to temp HHS employees in #26-341	Gen	Oper	68,979
341	Child support attorneys to temp HHS employees in #26-341	Fed	Oper	140,047
341	Transfer Food Stamps from HHS-Services	Gen	Oper	168,108
341	Transfer Food Stamps from HHS-Services	Fed	Oper	168,108
341	Transfer RAID funding support (.5 FTE) to HHS-Regulation	Gen	Oper	(12,313)
341	Data processing costs	Gen	Oper	1,600,000
341	Data processing costs	Fed	Oper	1,600,000
341	Transfer Medical transcription staff to HHS-Services	Gen	Oper	(730,072)
341	Transfer nursing home conversion staff to HHS-Regulation	Cash	Oper	(59,448)
341	Trans. Perform Accountability from HHS-Regulation	Gen	Oper	207,866
347	Boys Town lawsuit	Gen	Aid	9,000,000
348	Medicaid savings	Gen	Aid	(3,818,000)
349	Medicaid LT care savings	Gen	Aid	(5,182,000)
<u>#27-Dept of Roads</u>				
569	Reallocate highway construction to building cost increases	Cash	Oper	(2,602,900)
901	Construction cost increase - Neb City	Cash	Const	1,056,500
901	Construction cost increase - Mullen	Cash	Const	964,000
901	Construction cost increase - McCook	Cash	Const	582,400
<u>#29-Dept of Water Resources</u>				
331	Nebraska water rights	Gen	Oper	1,209,542
<u>#31-Military Dept</u>				
548	One-time tuition assistance savings	Gen	Aid	(173,000)
902	Armory maintenance projects/EOC	Gen	Const	173,000
<u>#33-Game and Parks Commission</u>				
336	Salary adjustments (SLEBC)	Gen	Oper	47,271
336	Salary adjustments (SLEBC)	Cash	Oper	267,871
<u>#47-Nebr Educational Telecommunications</u>				
533	Satellite replacement consultant cost	Cash	Oper	50,500
566	FM antenna damage/repair	Gen	Const	241,200
901	Radio Transmitter Replace	Gen	Const	82,500
901	Radio Transmitter Replace	Fed	Const	82,500
901	Niobrara Valley pod uplink/downlink	Gen	Const	YES
901	Wesleyan Microwave Project	Gen	Const	YES
910	Reappropriate 3300 Cash Balance GF to 2000	Cash	Const	YES
910	Potential purchase transponder capacity & reapprop	Cash	Const	1,500,000
910	MCPC-Use reappropriation to fund FY00 & FY01	Cash	Const	YES
<u>#48-Postsecondary Coordinating Commission</u>				
640	Personnel costs for PSC study (\$20,000 PSL)	PSL	Oper	YES

		Fund	Type	\$ Amount
#50-State Colleges				
901	Misc. improvements to facilities	Gen	Oper	97-98
901	Misc. improvements to facilities	Gen	Const	97-98
915	Fuel oil tank removal project	Gen	Const	133,000
915	Fuel oil tank removal project	Cash	Const	57,000
#64-State Patrol				
100	Program 100 consolidation	Gen	Oper	YES
100	Salary adjustments (Mgmt pay compression per SLEBEC)	Gen	Oper	124,939
100	Salary adjustments (SLEBC)	Gen	Oper	2,616,478
190	Savings related to federal grant	Gen	Oper	(172,000)
205	Salary adjustments (Mgmt pay compression per SLEBEC)	Cash	Oper	40,896
205	Salary adjustments (SLEBC)	Cash	Oper	347,991
#65-Administrative Services				
535	Retirement of 2 long-term employees	Gen	Oper	15,963
535	Retirement of 2 long-term employees	Rev	Oper	9,667
560	Fund transfer (\$1.7 million) Building Div shortfall (LB873)	Gen	Oper	YES
560	Delayed operations, new steamline charges	Gen	Oper	(292,305)
591	Tort Claims excess	Gen	Oper	(344,042)
593	Workers' Compensation Claims (LB465)	Rev	Oper	4,200,000
605	Unused funds, Info Technology retraining funds	Gen	Oper	(124,175)
939	State Capitol masonry project	Gen	Const	2,154,709
#66-Abstractors Board of Examiners				
58	Increase PSL \$600 for new director	PSL	Oper	YES
#67-Equal Opportunity Commission				
59	Directors/staff court settlement	Fed	Oper	84,944
#84-Dept of Environmental Quality				
513	Offset lower cash revenues, livestock waste control	Gen	Oper	200,289
513	Offset lower cash revenues, livestock waste control	Cash	Oper	(200,289)
585	GF support, Low-Level Radioactive Waste licensing	Gen	Oper	1,827,700
#85-Public Employees Retirement Board				
41	Costs relating to directors retirement	Cash	Oper	15,048
41	Retirement contributions, mortality adjustment	Gen	Oper	(21,456)
#93-Tax Equalization and Review Commission				
115	Special masters to hear appeals	Cash	Oper	25,000
<hr/>				
	General Funds		Total	3,275,045
	Cash Funds		Total	5,152,709
	Federal Funds		Total	1,767,444
	Revolving Funds		Total	4,209,667
	Total		Total	14,404,865

DEFINITION OF TERMS

Definition of Terms

State Biennial Budget

A biennium is the time period for which the same Legislature exists. For example, the 96th Legislature will exist for two years, with the first session held in 1999, the second session in 2000. Although the State Constitution prohibits one Legislature from enacting appropriations that are binding on a future Legislature, the first session of the 96th Legislature can bind the second session of the same 96th Legislature. Therefore the 96th Legislature, meeting in 1999, can enact appropriations for FY1999-00 and FY2000-01 without binding the 97th Legislature. The biennial budget then is the sum of all appropriations made by the Legislature (both the first and second sessions) for these two succeeding fiscal years. These budgets as initially set in the 1999 session, can be revised and amended in subsequent legislative sessions, up until the end of a fiscal year.

The biennial budget can't be found in any single legislative bill. The phrase "the sum of all appropriations" was used as appropriations are contained in many different bills. What's referred to as the "mainline" budget bills are basically the appropriations to carryout the functions of state government as they exist at the beginning of a legislative session, and are normally contained in several different bills legislator salaries, constitutional officer salaries, a main budget, and capital construction. New legislation enacted during a legislative session carries a companion appropriation bill if an appropriation is necessary to carry out the new law. This companion bill, referred to as an "A" bill, is a separate bill using the original bill number with the letter "A" following. In this manner, the appropriation to carry out the provisions of this legislation is only enacted if in fact the new legislation is enacted.

Fiscal Year

The time period for which appropriations are made is the states' fiscal year that runs from July 1st through June 30th of the following year. The fiscal year covering the period July 1, 1999 through June 30, 2000 is referred to as FY1999-00, FY99-00, or simply FY00. Within this 12-month period, agencies are limited to only those appropriations made for FY1999-00. The fiscal year covering the period July 1, 2000 through June 30, 2001 is referred to as FY2000-01, FY00-01, or simply FY00.

Fund Types

The State of Nebraska utilizes several different types of funds for appropriating and accounting for revenue sources. This structure is somewhat similar to a bank that has several general categories of accounts such as commercial, individual, and trust accounts while under these general types of accounts are many separate and distinct individual accounts. In the state system, the broad types of funds are listed below:

General Fund - This fund accounts for all the receipts not specified by statute to be credited to another fund. The majority of General Fund revenues come from sales and use taxes, and individual and corporate income taxes. Also deposited into the General Fund are liquor taxes, and approximately half of the cigarette tax and insurance

premium taxes. Note that there is only one General Fund. Because appropriations from this fund determine the level of sales and income tax rates, most discussion on "balancing the budget" relates to the General 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 240 individual cash funds contained in 73 different agencies. In many instances, an agency has multiple cash funds. For example, the Dept of Agriculture has 24 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, institution patient revenues, 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. The Dept of Roads accounts for almost 50% of cash fund revenues/expenditures.

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. Almost 2/3 of the federal funds (approximately 66%) is expended in the Health and Human Services System, a large portion for programs such as Medicaid, ADC, and other public assistance program. Federal funds in the Dept of Education account for 13% of the total, mostly flow through monies to local K-12 schools for programs such as Chapter 1, School Lunch, and Special Education.

Revolving Funds - These types of funds account for transactions where one agency provides goods or services to another agency. For example, the Dept of Education pays DAS-Information Management Services for use of the states' mainframe computer. The expenditure is charged against Education's budget (be it General, Cash, or Federal) as data processing expenses. DAS-IMS then receives these funds which are credited to a revolving fund from which DAS-IMS pays staff salaries, lease payments on computers, utilities, etc... This in essence double-counts an expenditure; once when an agency pays another 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. Revolving funds are also used by the University and State Colleges to account for revenues from dormitories, student unions, agricultural experiment stations, other "enterprise" operations.

Other Funds - In the appropriation figures, this type includes a very small amount of private donations in capital construction, and the Nebraska Capital Construction Fund (NCCF). The NCCF accounts for 9 cents of the cigarette tax that is earmarked for capital construction. Because these amounts are both relatively small, they are combined with Revolving Funds for purposes of this report.

Operations, State Aid, Construction

In this report, there are several instances where appropriations by fund type are also broken down into three categories: operations, state aid, and capital construction. And within the "state aid" category, there are two kinds: state aid to individuals/other and state aid to local governments.

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...

Aid to Individuals/Other includes programs such as Medicaid, Aid to Dependent Children (ADC), child welfare services and student scholarships where state funds are provided for the direct benefit of an individual. This area also includes aid to quasi-government units which are those local agencies that do not have the authority to levy property taxes. This would include entities such as area agencies on aging, mental health regions and developmental disability regions.

Aid to Local Governments accounts for aid payments to local governments that have the authority to levy a property tax such as cities, counties, K-12 schools, community colleges, natural resource districts (NRD's), and educational services units (ESU's). This category includes programs such as state aid to schools (TEEOSA), special education, homestead exemption reimbursements and property tax relief through direct aid payments to cities, counties, NRD's, community colleges, and ESU's. State payments to fund part of the K-12 teacher retirement plan 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.

Capital Construction includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used with respect to repair and renovations as relatively small or on-going projects are routinely done within agencies operating budgets. Highway and road construction and maintenance is not included in this category. This is included under cash fund agency operations.

Agency and Program Structure

Although only agency total figures are shown in this report, the state uses a program structure to which all appropriations are made. Budget programs are set out in the appropriations bills and are intended to follow functional lines within an agency. Overall there are approximately 300 budget programs within 82 state agencies. A lump sum appropriation is made to each program by fund type. Individual line items of expenditure (ie... salaries, data processing, equipment, supplies) are identified in the agency request and subsequently during the expenditure of the appropriated funds, but not for purposes of appropriations.

The only legally valid appropriations are made to budget programs with agency totals being for informational purposes only. Funds can only be shifted from one program to another by action of the Legislature. In some cases an entire agency is contained in one budget program. This normally occurs when it is a small agency with basically one purpose. A good example is the Board of Barber Examiners. However, there are some examples of very large

agencies which are also contained in only one program (for example the Dept of Correctional Services). In this case, the need for flexibility in terms of reallocating funding among the various institutions dictates a broader budget program. In these instances, more detailed data is available through the use of sub-programs during the request and expenditure process.

Budget Process and Chronology

The budgetary process is a biennial cycle of submissions, reviews, and appropriations. The full cycle takes almost one complete 12 month period. The following steps basically comprise the cycle as it works during the preparation of a biennial budget.

Step 1 Budget Request Instructions By July 15, statutes require the Dept. of Administrative Services (DAS) to issue instructions and forms for state agencies to use in submitting the budget request for the next two fiscal years.

Step 2 Agency Budget Requests By September 15, agencies must submit their requests to DAS with a copy to the Legislative Fiscal Office.

Step 3 Staff Review From September through December, analysts for the Dept of Administrative Services Budget Division and LFO review agency requests and collect and analyze information justifying the request levels. The DAS-Budget analysis is conducted for the use of the Governor in developing his/her recommendations, the LFO analysis is provided for the Appropriations Committee and Legislature.

Step 4 Governor's Recommendation By statute, the Governors budget is due by January 15th of each year. In the first year of his/her term, this time is extended until February 15th.

Step 5 Appropriations Committee Initial Review From the middle of January to mid to late February, the Appropriations Committee reviews agency requests and develops a preliminary recommendation. This preliminary recommendation becomes the basis for the agency budget hearings as well as a Preliminary Report required by legislative rules. This report is due 20-30 legislative days after the Governors budget is submitted during odd numbered years (15-20 legislative days in even numbered years).

Step 6 Agency Budget Hearings From mid-February to mid-March, approximately 4-5 weeks are used to conduct public hearings on the agency request, Governor recommendations and Appropriations Committee preliminary recommendation. During these hearings, agencies, interest groups, and the general public submit requested changes to the Committees preliminary recommendation. Although not done frequently, other standing committees of the Legislature may have hearings on the budgets of those agencies under their subject jurisdiction during this time.

Step 7 Committee Final Recommendation From mid-March to the mid to late April, another four weeks is used to review all requests subsequent to the hearings and finalize the Appropriations Committee recommendation that will be sent to the full Legislature. By rule, the budget bills must be submitted to the Legislature as a whole by the 70th legislative day in 90 day sessions, and the 40th day in 60 day sessions, otherwise the Governor's bills are considered as introduced. When the Appropriations Committee sends their recommendations to the entire

Legislature, the other standing committees again have the opportunity to review and/or hold hearings on the recommendations for the agencies under their jurisdiction.

Step 8 General File Like all other bills, budget bills are subject to amendment on the floor of the Legislature. The only difference is that for budget bills, all amendments must have 25 votes where a simple majority of those voting can amend other bills. This is the first of three stages a legislative bill must follow on its way to passage.

Step 9 Select File This is the second stage of floor debate and again the budget bills are subject to debate and amendment.

Step 10 Final Reading The number of votes required for passage of budget bills depends on whether the bill has the emergency clause (ie.. the bill becomes law immediately after signed by the Governor), and whether the appropriation exceeds the Governor's recommendation. Any bill with the emergency clause (including budget bills) requires a 2/3 vote of the 49 members of the Legislature (33 votes). Since the fiscal year starts on July 1, and voting on budget bills normally occurs at the end of May or first part of June, the mainline budget bills will require the emergency clause in order for agencies to have funding available by the start of the new fiscal year. Some appropriations can go into effect after the fiscal year has begun as the mainline bill provides adequate cash flow until 90 days after the session ends when bills without the emergency clause go into effect. In cases of bills without the emergency clause the number of votes depends on whether the appropriation is in excess of the Governor's recommendation (30 votes) or at or below the Governor's recommendation (simple majority, 25 votes). Note that by legislative rule, all bills which have a General Fund impact (ie.. General Fund "A" bill or General Fund revenue loss) are held on the final stage of consideration until the mainline budget bills have been passed.

Step 11 Governor Vetoes The Governor has five calendar days (excluding Sunday) to sign bills as enacted, let the bill become law without his/her signature, or return the bill with vetoes. In addition to the authority to veto a bill in total, the Governor also has the authority to line-item veto which means the Governor can strike a number and insert a lower number for any specific item of appropriation.

Step 12 Veto Overrides By legislative rule, if more than one item in a bill is vetoed, the Appropriations Committee must make a report to the Legislature within one legislative day. The rules further lay out the order for considering override attempts: (1) the Committee may offer to override the entire bill; (2) the Committee may offer to override selected line item vetoes; (3) any member of the Legislature may then offer a motion to override the entire bill; and (4) any member may then offer motions to override selected line item vetoes. In the Committee report, the Appropriations Committee can either recommend or not recommend overrides, or as in some cases, remain silent on the disposition of vetoes. In all cases, veto overrides require 30 votes.

Step 13 Deficit Appropriations A budget enacted for a fiscal year can be amended or changed up to the last day of that fiscal year. Deficit appropriations are changes made to the originally enacted appropriations. There are several chances to amend a biennial budget once it has been enacted. For example, the FY99-00 and FY00-01 biennial budget was enacted in the 1999 Session. Both years can be changed during the 2000 Session, even though at that time, the state will be nine months into FY99-00. The second year of the biennial budget (FY2000-01) can also be subject to change during the 2000 Session and again during the 2001 Session.