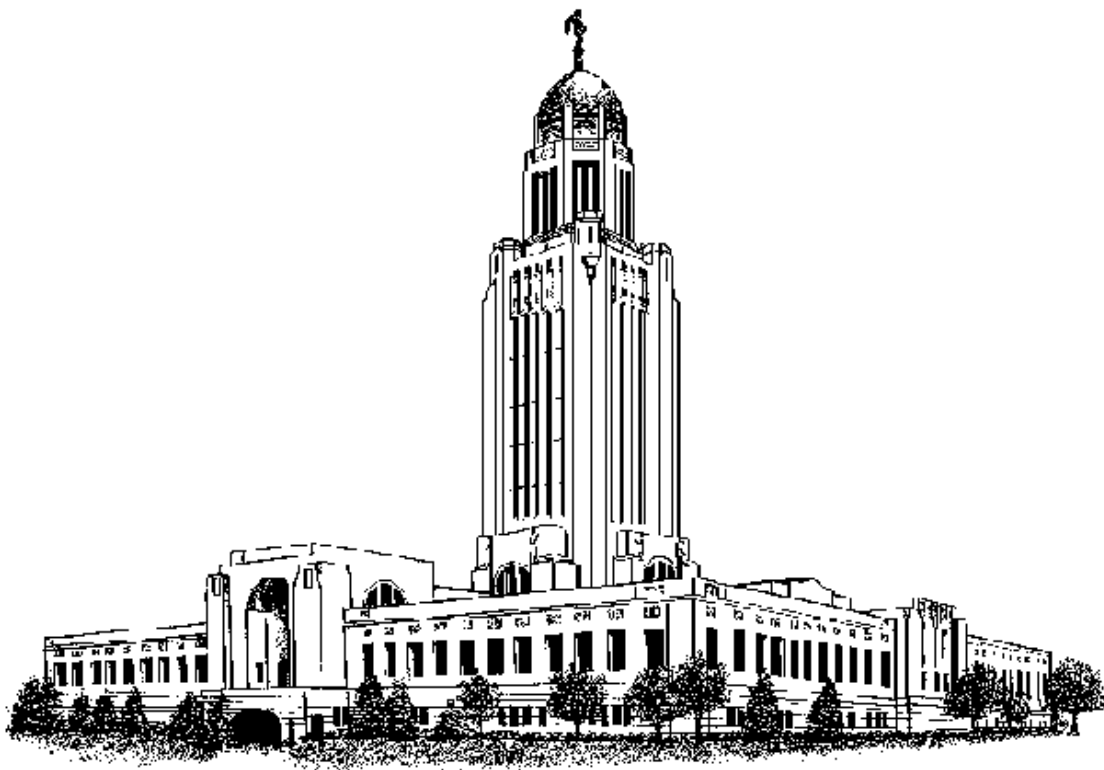


SPECIAL SESSION BUDGET ACTIONS



97th Legislature - First Special Session

October 25 through November 8, 2001

Prepared by the Legislative Fiscal Office

SUMMARY

- (1) The General Fund Financial Status for the FY02/FY03 biennium has deteriorated significantly since Sine Die of the 2001 Session. For the biennium, the revised estimates, prior to the special session, showed a projected ending balance of **minus** \$59.1 million (FY02-03), which was \$220 million **below** the 3% statutory minimum reserve.
- (2) The decline in the Financial Status since Sine Die was primarily attributed to three things.

The first two causes were lower than projected receipts for FY2000-01 (\$60.8 million below April Forecast plus 2001 bills) and incorporation of state revenue losses due to federal tax law changes (\$3.6 million in FY01-02 and \$13.4 million in FY02-03, \$17 million over the two-year biennium). These negative items were partially offset by nullification of the \$33.3 million projected automatic transfer to the Cash Reserve Fund because of lower FY00-01 receipts, and \$8 million estimated lapsed appropriations. The combination of these items placed the Financial Status in a position \$37 million below the minimum reserve as reported to the Tax Rate Review Committee in July 2001.

The Financial Status then declined further to the \$220 million shortfall level with the revised revenue forecasts of the Nebraska Economic Forecast Advisory Board on October 19, 2001. At that meeting, revenue forecasts were reduced by \$97.2 million in FY01-02 and \$86.2 million in FY02-03. Also the original \$8 million estimate of lapsed appropriation was replaced with actual lapses of \$3 million.

- (3) Revenue growth for FY2000-01 is calculated at 2.8%, almost half the Sine Die estimated growth of 5.4%. With the October 2001 revised forecasts of the NEFAB, revenue growth implied by the current forecasts for the FY02/FY03 biennium are now 4.4% in FY01-02 and 5.7% in FY02-03. This provides an average growth of 4.3% over the three years that affect the financial status for the current biennium (FY00-01, FY01-02 and FY0-03). Over the past

	NEFAB FY2000-01	NEFAB FY2001-02	NEFAB FY2002-03	LFO Prelim FY2003-04	LFO Prelim FY2004-05
<u>Sine Die 2001</u>					
Forecast	2,517,618	2,631,848	2,753,617	2,934,771	3,140,528
Calculated Growth	5.4%	5.4%	5.6%	6.7%	6.6%
<u>TRR July 19, 2001</u>					
Forecast	2,456,861	2,628,205	2,740,199	2,911,118	3,108,769
Calculated Growth	2.8%	7.9%	5.6%	6.7%	7.1%
Change	-60,757	-3,643	-13,418	-23,653	-31,759
<u>NEFAB Oct 19, 2001</u>					
Forecast	2,456,861	2,531,000	2,654,000	2,864,000	3,087,000
Calculated Growth	2.8%	4.4%	5.7%	8.0%	8.0%
Change	0	-97,205	-86,199	-47,119	-21,769

20 years, there were nine years in which revenue growth was "below average". The average revenue growth in those nine years was 4.4%.

Using the historical average methodology to arrive at preliminary numbers to use in the "out years" requires a revenue growth well above average in order to offset the low growth in the first two years and yield a five year average revenue growth equal to the 20 year average.

- (4) Since Sine Die, the estimated unobligated balance in the Cash Reserve Fund declines from \$78.8 million to \$45.5 million due to the lower than projected FY00-01 receipts. At Sine Die, it was projected that \$33.3 million would be transferred to the Cash Reserve Fund as the amount in excess of certified forecasts. However, receipts for FY00-01 were actually below the certified forecast and this transfer did not occur. THE LEGISLATURE'S ACTION DURING THE SPECIAL SESSION MAINTAINS THE CASH RESERVE FUND AT THE \$45.5 MILLION LEVEL. NO ADDITIONAL TRANSFERS WERE ENACTED.
- (5) **FINAL BUDGET ACTIONS ENACTED IN THE 2001 SPECIAL SESSION TOTAL \$170.9 MILLION (\$50.3 MILLION OF REVENUE ITEMS AND \$120.6 MILLION OF SPENDING REDUCTIONS), AND REDUCES THE BUDGET SHORTFALL FROM \$220 MILLION TO \$50.7 MILLION.** This \$50.7 million equates to an additional 4.9% cut in FY2002-03 (for consideration in the 2002 session) if applied to the same items to which the across the board cuts were applied this special session.

Of the spending reductions enacted during the Special Session, about 45% is attributed to the across the board percent cuts with the other 55% attributed to specific cuts and/or fund shifts.

The listing of individual items of adjustments begins on page 7. Items are grouped under revenue and appropriations actions. A narrative description of some of the major items follows starting on page 9. General Fund appropriation numbers by agency and then individual aid program start on page 14. This includes appropriation levels prior to the Special Session, across the board and specific reduction amounts, and revised appropriation totals after the Special Session.

GENERAL FUND FINANCIAL STATUS BEFORE SPECIAL SESSION ACTIONS

	Actual	Biennial Budget		Est for Following Biennium		
	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05	
<u>Beginning Balance</u>						
1						
2	Beginning Cash Balance	\$315,589,812	\$235,689,742	\$46,311,475	(\$59,055,295)	(\$159,074,670)
3	Cash Reserve Fund transfer-automatic	(77,576,670)	0	0	0	0
4	Carryover obligations from FY01	0	(109,253,969)	0	0	0
5	Allocation for potential deficits	na	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
6	LB 1 Lapse Carryover obligations from FY01	na	0	0	0	0
7	Unobligated Beginning Balance	238,013,142	121,435,773	41,311,475	(64,055,295)	(164,074,670)
<u>Estimated Receipts</u>						
8						
9	Net Receipts (October 2001 Forecast)	2,456,688,472	2,531,000,000	2,654,000,000	2,864,000,000	3,087,000,000
10	General Fund transfers-Out	(5,640,000)	(6,350,000)	(6,100,000)	(4,600,000)	(4,600,000)
11	General Fund transfers-In	0	In Receipts	In Receipts	0	0
12	Cash Reserve Fund transfers-legislative	24,500,000	59,800,000	64,900,000	0	0
13	LB 1 Cash Fund lapses/transfers	0	0	0	0	0
14	LB 3 Reallocate documentary stamp tax	0	0	0	0	0
15	LB 3 Relief to Prop Taxpayers Fund, excess	0	0	0	0	0
16	LB 3 Reallocate ed lottery funds	0	0	0	0	0
17	LB 4 Delay business child care credit	0	0	0	0	0
18	Floor Amendments-LB 1 and LB 3	0	0	0	0	0
19	General Fund Net Receipts	2,475,548,472	2,584,450,000	2,712,800,000	2,859,400,000	3,082,400,000
<u>Appropriations</u>						
20						
21	Appropriations Per 2001 Session	2,477,871,872	2,659,574,298	2,813,166,770	2,954,419,375	3,113,318,668
22	LB 1 Mainline reductions	--	0	0	0	0
23	LB 3 Change school reorg. incentive payments	--	0	0	0	0
24	LB 3 Nebr Medicaid Intergovt Trust Fund	--	0	0	0	0
25	LB 3 Nursing Facility Conversion Cash Fund	--	0	0	0	0
26	LB 2 Special Session expenses	--	0	0	0	0
27	Special Session-General File amendments	--	0	0	0	0
28	Special Session-Select File amendments	--	0	0	0	0
29	Special Session-Vetoes	--	0	0	0	0
30	Special Session-Veto overrides	--	0	0	0	0
31	Special Session-Other Bills	--	0	0	0	0
32	General Fund Appropriations	2,477,871,872	2,659,574,298	2,813,166,770	2,954,419,375	3,113,318,668
<u>Ending Balance</u>						
33						
34	Dollar ending balance	235,689,742	46,311,475	(59,055,295)	(159,074,670)	(194,993,338)
35	Biennial Reserve (%)	--	--	-1.06%	--	-3.21%
36	Variance from Minimum Reserve	--	--	(220,208,880)	--	(366,335,417)

CASH RESERVE FUND	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05
Beginning Balance	142,159,429	170,236,099	110,066,099	45,536,099	45,536,099
Transfer amounts above forecasts (line 3)	77,576,670	0	0	0	0
To/from Gen Fund per current law (line 12)	(24,500,000)	(59,800,000)	(64,900,000)	0	0
To Relief to Property Taxpayers Fund	(25,000,000)	0	0	0	0
To/From Muni Natural Gas Revolving Fund	0	(370,000)	370,000	0	0
Projected Ending Balance	170,236,099	110,066,099	45,536,099	45,536,099	45,536,099

GENERAL FUND FINANCIAL STATUS AFTER SPECIAL SESSION BUDGET ACTIONS

	Actual	<u>Biennial Budget</u>		<u>Est for Following Biennium</u>		
	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05	
1 <u>Beginning Balance</u>						
2	Beginning Cash Balance	\$315,589,812	\$235,689,742	\$121,563,009	\$111,926,547	\$68,073,803
3	Cash Reserve Fund transfer-automatic	(77,576,670)	0	0	0	0
4	Carryover obligations from FY01	0	(109,253,969)	0	0	0
5	Allocation for potential deficits	na	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
6	LB 1 Lapse Carryover obligations from FY01	na	2,047,379	0	0	0
7	Unobligated Beginning Balance	<u>238,013,142</u>	<u>123,483,152</u>	<u>116,563,009</u>	<u>106,926,547</u>	<u>63,073,803</u>
8 <u>Estimated Receipts</u>						
9	Net Receipts (October 2001 Forecast)	2,456,688,472	2,531,000,000	2,654,000,000	2,864,000,000	3,087,000,000
10	General Fund transfers-Out	(5,640,000)	(6,350,000)	(6,100,000)	(4,600,000)	(4,600,000)
11	General Fund transfers-In	0	In Receipts	In Receipts	0	0
12	Cash Reserve Fund transfers-legislative	24,500,000	59,800,000	64,900,000	0	0
13	LB 1 Cash Fund lapses/transfers	0	7,350,000	15,120,000	0	0
14	LB 3 Reallocate documentary stamp tax	0	1,750,000	3,500,000	1,750,000	0
15	LB 3 Relief to Prop Taxpayers Fund, excess	0	2,009,452	0	0	0
16	LB 3 Reallocate ed lottery funds	0	6,500,000	6,500,000	0	0
17	LB 4 Delay business child care credit	0	1,585,000	1,984,500	0	0
18	Floor Amendments-LB 1 and LB 3	0	1,350,000	2,700,000	2,700,000	2,700,000
19	General Fund Net Receipts	<u>2,475,548,472</u>	<u>2,604,994,452</u>	<u>2,742,604,500</u>	<u>2,863,850,000</u>	<u>3,085,100,000</u>
20 <u>Appropriations</u>						
21	Appropriations Per 2001 Session	2,477,871,872	2,659,574,298	2,813,166,770	2,954,419,375	3,113,318,668
22	LB 1 Mainline reductions	--	(43,903,655)	(60,912,611)	(51,722,687)	(46,505,820)
23	LB 3 Change school reorg. incentive payments	--	(3,000,000)	(2,000,000)	(3,830,747)	(5,383,646)
24	LB 3 Nebr Medicaid Intergovt Trust Fund	--	(5,846,593)	0	0	0
25	LB 3 Nursing Facility Conversion Cash Fund	--	0	(6,850,000)	0	0
26	LB 2 Special Session expenses	--	90,545	0	0	0
27	Special Session-General File amendments	--	0	4,050,000	4,050,000	4,050,000
28	Special Session-Select File amendments	--	0	(213,197)	(213,197)	(213,197)
29	Special Session-Vetoes	--	0	0	0	0
30	Special Session-Veto overrides	--	0	0	0	0
31	Special Session-Other Bills	--	0	0	0	0
32	General Fund Appropriations	<u>2,477,871,872</u>	<u>2,606,914,595</u>	<u>2,747,240,962</u>	<u>2,902,702,744</u>	<u>3,065,266,005</u>
33 <u>Ending Balance</u>						
34	Dollar ending balance	235,689,742	121,563,009	111,926,547	68,073,803	82,907,798
35	Biennial Reserve (%)	--	--	2.01%	--	1.39%
36	Variance from Minimum Reserve	--	--	(50,693,512)	--	(93,622,587)

CASH RESERVE FUND	FY2000-01	FY2001-02	FY2002-03	FY2003-04	FY2004-05
Beginning Balance	142,159,429	170,236,099	110,066,099	45,536,099	45,536,099
Transfer amounts above forecasts (line 3)	77,576,670	0	0	0	0
To/from Gen Fund per current law (line 12)	(24,500,000)	(59,800,000)	(64,900,000)	0	0
To Relief to Property Taxpayers Fund	(25,000,000)	0	0	0	0
To/From Muni Natural Gas Revolving Fund	0	(370,000)	370,000	0	0
Projected Ending Balance	<u>170,236,099</u>	<u>110,066,099</u>	<u>45,536,099</u>	<u>45,536,099</u>	<u>45,536,099</u>

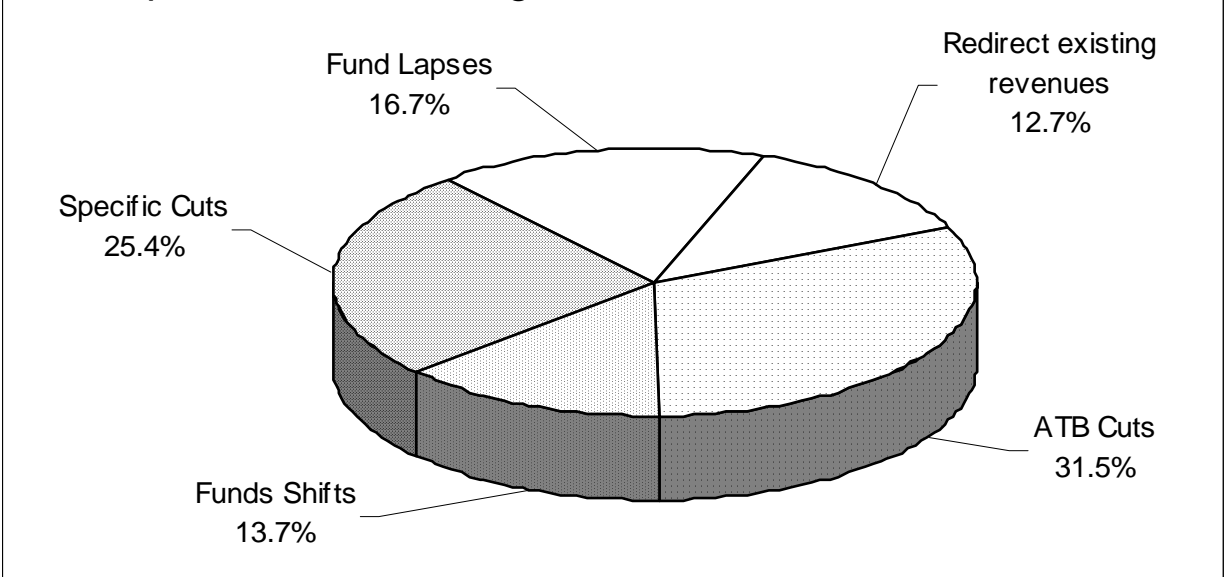
CHANGES IN THE FINANCIAL STATUS SINCE SINE DIE

Millions of Dollars	General Fund	Cash Reserve
Sine Die 2001 Session	\$1.5	\$78.8
Less: FY01 Actual Receipts vs Sine Die Est. ⁽¹⁾	(23.9)	(33.3)
Less: Adjust for 2001 bills ⁽²⁾	(3.6)	Na
Plus: Estimated Lapsed Appropriations	8.0	Na
Less: Fed Tax Changes	(17.1)	Na
Less: Reserve Calculation	(2.0)	Na
Tax Rate Review Committee 7/16/01)	\$(37.1)	\$45.5
Less: Lower lapsed appropriation number	(5.0)	0.0
Less: Revise FY01-02 Forecast (Oct 2001)	(97.2)	0.0
Less: Revise FY02-03 Forecast (Oct 2001)	(86.2)	0.0
Plus: Change in Minimum Reserve, lower revenue forecast	5.3	0.0
NEFAB Revised Forecasts (10/19/01)	\$(220.2)	\$45.5
Plus: Special Session Actions-Revenue Items	50.3	0.0
Plus: Committee Recommendation-Spending Reductions	120.6	0.0
Plus: Change in Minimum Reserve	(1.4)	0.0
After Special Session Budget Actions	\$(50.7)	\$45.5

SUMMARY OF SPECIAL SESSION BUDGET ACTIONS

	FY2001-02	FY2002-03	Two Yr Total	% of total
<u>Revenues:</u>				
Cash Fund lapses-Banking	0.0	15.0	15.0	8.8%
Cash Fund lapses-Other Funds	8.0	0.1	8.1	4.7%
Redirect doc stamp tax back to GF (2 yrs)	1.7	3.5	5.2	3.1%
Reduce GF transfers-teacher loan program	2.7	2.7	5.4	3.2%
Delay implementation, tax bills (LB433)	1.6	2.0	3.6	2.1%
Reallocate Education lottery funds (2 yrs)	6.5	6.5	13.0	7.6%
Subtotal-Revenue Actions	20.5	29.8	50.3	29.4%
<u>Spending:</u>				
Fund Shifts	12.3	11.1	23.4	13.7%
Specific cuts	20.7	22.8	43.5	25.5%
Across the Board cuts	21.7	32.0	53.7	31.4%
Subtotal-Revenue Actions	54.7	65.9	120.7	70.6%
<u>Total Budget Actions</u>	75.2	95.7	170.9	100.0%

2001 Special Session Budget Actions



DETAIL LISTING - SPECIAL SESSION BUDGET ACTIONS

	FY2001-02	FY2002-03	Two Yr Total
REVENUES			
<u>Cash Fund Lapses</u>			
Securities Act Cash Fund	0	15,000,000	15,000,000
Dept of Insurance Cash Fund	4,000,000	0	4,000,000
Motor Vehicles Cash Fund	2,000,000	0	2,000,000
Teacher Loan program	2,700,000	2,700,000	5,400,000
DAS Info Technology Fund	0	120,000	120,000
Relief to Property Taxpayers Cash Fund, excess after credits	2,009,452	0	2,009,452
Subtotal-Cash Fund lapses	10,709,452	17,820,000	28,529,452
<u>Other Revenue Related</u>			
LB 4 Delay business child care tax credits (LB433-2001)	1,585,000	1,984,500	3,569,500
LB 3 Redirect doc stamp back to GF from Affordable Housing	1,750,000	3,500,000	5,250,000
LB 3 Reallocate ed lottery funds to General Fund	6,500,000	6,500,000	13,000,000
Subtotal-Other Revenue Items	9,835,000	11,984,500	21,819,500
<u>Total Revenue Related</u>	20,544,452	29,804,500	50,348,952
APPROPRIATIONS			
<u>Shift to Other Fund Sources</u>			
Courts-use probation cash in lieu of GF	185,000	185,000	370,000
HHS (Reg)-use cash in lieu of GF	1,000,000	0	1,000,000
HHS (Reg)-use fed funds in brain injury registry	95,000	95,000	190,000
Fire Marshal-use cash in lieu of GF	300,000	614,697	914,697
HHS (Finance)-Medicaid, higher drug rebate estimate	3,000,000	3,000,000	6,000,000
HHS (Finance)-Medicaid, excess Nursing Home Conversion funds	0	6,850,000	6,850,000
HHS (Finance), use excess IGT funds, shift to cash	5,846,593	0	5,846,593
Corrections-cash in lieu of GF	1,200,000	0	1,200,000
DAS Accounting-shift all to cash	287,583	295,666	583,249
EEOC-shift to federal funds	400,000	0	400,000
Subtotal-Fund Shifts	12,314,176	11,040,363	23,354,539
<u>Other Specific Cuts</u>			
Leg Council-special session expenses	(90,545)	0	(90,545)
Leg Council-Delay implementation of NE Future Center	77,406	159,812	237,218
Courts-reduce retainer charge	300,000	100,000	400,000
Recalculation, TEEOSA aid	3,368,591	4,763,816	8,132,407
Excess FY02 base year incentives, TEEOSA aid	383,646	0	383,646
School Consolidation incentives-LB313	3,000,000	2,000,000	5,000,000
County Prop Tax Relief, offset no ATB in FY02	0	240,287	240,287
HHS (Serv)-repeal A bill, LB 24 Immunization task force	29,760	0	29,760
HHS (Finance)-reduce reapprop, juvenile predisposition claims	2,047,379	0	2,047,379
HHS (Finance)-Public Assist, child care base reduction	1,000,000	1,000,000	2,000,000
HHS (Finance)-Medicaid, payments inpatient/outpatient	230,000	560,000	790,000
HHS (Finance)-Medicaid, DRG validation software	220,000	520,000	740,000
HHS (Finance)-Medicaid, nursing rates, assisted living level	990,000	2,600,000	3,590,000
HHS (Finance)-Medicaid, substance abuse option (LB 344)	0	445,187	445,187
Corrections-depreciation surcharge, delay in Tecumseh Prison	1,459,875	0	1,459,875
Colleges-depreciation surcharge excess	34,878	21,748	56,626

	FY2001-02	FY2002-03	Two Yr Total
University-lower optometry/vet contracts	44,242	44,242	88,484
University-depreciation surcharge excess	0	130,621	130,621
DED-training grants to total cut of \$850,000 and \$1,000,000	785,988	919,985	1,705,973
Crime Commission-Juvenile services planning grants	0	6,250	6,250
Crime Commission-Crimes Agains Children	23,040	19,000	42,040
Crime Commission-excess GF match, victim notification	9,120	9,025	18,145
Crime Commission-depreciation surcharge excess	220,224	0	220,224
Comm Colleges-excess above formula	0	1,742,905	1,742,905
DEQ-excess Superfund funds	141,818	203,300	345,118
Construction-Geneva YRTC replace/renovate facilities	340,350	469,150	809,500
Construction-NCTA-Johnson acreage acquisition	11,813	0	11,813
Construction-UNL-Sheldon Art Gallery, vapor barrier	80,000	0	80,000
Construction-State Fair repairs, utility/electrical distribution	0	500,000	500,000
Construction-Museum of Nebraska History-planning	36,743	0	36,743
Construction-Debt finance NETC Carpenter Building renovations	1,333,267	3,366,251	4,699,518
Construction-Debt finance Peru Library/Gym renovations	1,123,221	3,222,679	4,345,900
Construction-Debt finance Wayne Power Plant construction	3,523,938	211,024	3,734,962
Subtotal-Other Specific Cuts	20,724,754	22,833,234	43,557,988
<u>Across the Board Reductions</u>			
Operations	19,287,660	24,256,895	43,544,555
Aid to Individuals	556,779	933,131	1,489,910
Aid to Local Govt	1,823,712	6,862,187	8,685,899
Subtotal-Across the Board	21,668,151	32,052,213	53,720,364
<u>Total-Reduce Appropriations</u>	54,707,081	65,925,810	120,632,891
GRAND TOTAL ALL BUDGET ACTIONS	75,251,533	95,730,310	170,981,843

MAJOR ITEMS

Across the Board Cuts

Across the board reductions totaled \$53.7 million over the two years of the biennium. This accounted for 31% of all budget actions and 45% of the spending reductions. In general, the across the board percentage applied was the same as the Governor's recommendation, 4% in FY01-02 and an additional 1% (total of 5%) in FY02-03.

Like the Governor, major exclusions to these across the board reductions were public safety (Military Dept, State Patrol), state operated institutions (correctional facilities, regional centers, veterans homes, YRTC's in Geneva and Kearney, BSDC). Also excluded from the general across the board cut were aid programs such as TEEOSA school aid, higher education student aid (FY02 only), formula based community college aid, Medicaid, Public Assistance, homestead exemption reimbursement, vocational rehabilitation (aid and operations), and community-based programs (developmental disability, behavioral health and aging).

Other agencies and programs that were not specifically excluded but were applied a lower percentage cut include the State Colleges (1% each year), University of Nebraska (2% FY02 2.5% FY03), Attorney General (2% FY02 2.5% FY03), and Dept of Revenue (2% FY02 2.5% FY03). Probation services were reduced only to the extent of vacancy savings in FY01-02.

Debt Finance Construction Projects

The budget revisions, as enacted in LB1, modify General Fund outlays for three previously approved and funded capital construction projects. These modifications will not affect the related project timelines, but the means by which the projects are financed will change. LB542 (2001 Regular Session) appropriated amounts to the Nebraska Educational Telecommunications Commission for renovation of the Terry M. Carpenter Telecommunications Center. Additionally, the bill appropriated funds to the Nebraska State College System for renovation of the Library and Old Gym facilities at Peru State College and construction of a plant to produce steam and chilled water service for the Wayne State College campus. Related General Fund (State Building Fund) appropriations were as follows:

	<u>FY2001-02</u>	<u>FY2002-03</u>	<u>FY2003-04</u>	<u>TOTAL</u>
Carpenter Center Renovation	1,333,267	3,792,116	3,981,722	9,107,105
Peru State Library/Old Gym Renovations	1,334,140	3,598,424	1,547,445	6,480,009
Wayne State Steam/Chilled Water Plant	3,803,877	0	0	3,803,877
	<hr/>	<hr/>	<hr/>	<hr/>
Original Project Appropriations (LB542-2001)	6,471,284	7,390,540	5,529,167	19,390,991

The funding alternative approved in LB1 entails debt financing the above projects over a term not to extend beyond FY2008-09. Amounts already expended and to be expended prior to the date by which debt proceeds will become available will continue to be accommodated within amounts

appropriated for FY2001-02. Debt would be structured such that only interest will be due and payable in FY2002-03. The principal balance of the debt will then be amortized over the six-year FY2003-04 through FY2008-09 period. The Nebraska Educational Telecommunications Commission and the Board of Trustees of the Nebraska State Colleges would be precluded from pledging the credit of the State of Nebraska for repayment of the related debt; however, any appropriations made by the Legislature for such purpose could be pledged.

Financing the construction projects as described above allows reductions in General Fund appropriations over the 2001-03 biennium as follows:

	<u>FY2001-02</u>	<u>FY2002-03</u>	<u>Biennium Total</u>
Original Project Appropriations (LB542-2001)	6,471,284	7,390,540	13,861,824
LB1 Appropriations-Debt Financing Alternative	490,858	1,012,634	1,503,492
	<hr/>	<hr/>	<hr/>
Special Session General Fund Reduction	(5,980,426)	(6,377,906)	(12,358,332)

Total appropriations under the debt financing alternative over the FY2001-02 through FY2008-09 period will amount to \$24,711,678. This total includes \$3,868,031 intended to be appropriated for each fiscal year beginning FY2003-04 through FY2008-09 for repayment of outstanding debt. The \$24,711,678 total under the debt financing alternative compares to the \$19,390,991 total as originally appropriated for the projects by LB542 (2001 Regular Session). The \$5,320,687 difference effectively represents financing costs over the eight-year financing period.

Reallocate Education Innovation Funds to General Fund (LB 3)

LB 3 reallocated the proceeds of the Education Innovation Fund for 2001-02 and 2002-03. In these two years, lottery receipts will be allocated to fund a distance education network completion grant (up to \$1.5 million), operating expenses of the Excellence in Education Council and the remainder will be deposited in the General Fund. It is estimated that approximately \$6.5 million will be transferred to the General Fund each fiscal year. No funds would be allocated for the mentor teacher program, and quality education incentives and competitive grants for these two years.

Beginning in 2003-04, lottery funds will again be allocated to the mentor teacher program, quality education incentives and competitive grants with several changes. The percentage allocated for quality education incentives is reduced from 70% to 60% and the allocation percentage for competitive grants is decreased from 20% to 10%. Mentor teacher programs will receive 10% of the funds and the remaining 20% (approximately \$1.6 million) is allocated to the Attracting Excellence to Teaching Program (teacher loan forgiveness program).

Medicaid - Utilize Excess IGT and Nursing Home Conversion Funds

Intergovernmental Trust Fund (IGT) monies were generated by governmental nursing facilities receiving disproportionate share payments and returning the payment less a processing fee to the state. Higher than projected receipts allows for the excess funds to be transferred to the

Department of Health and Human Services Finance & Support Cash Fund to be used to replace General Fund appropriations in the Medicaid program. There are "excess" funds because in the original projection of IGT revenue, it was assumed that nursing home bed usage would drop, as new assisted living beds became available. Nursing home bed usage is dropping but the Medicare cap that is used to calculate the amount of allowable over payments the state can make to facilities was higher than projected. The Governor recommended using part of the "excess" to offset the equivalent of a 4% reduction in Special Education resulting in one-time General Fund savings of \$5,846,593 in FY01-02. The Legislature utilized this same dollar amount but utilized the dollars to offset Medicaid costs instead.

With respect to the Nursing Home Conversion Cash fund, the legislature provided two transfers into the fund from the IGT monies, the first was \$40 million and the second was \$14 million. With interest, the estimated total amount that will be paid out is about \$55 million. There were three rounds of grants, the last of which is currently in the process of being executed. As the final level of committed funds is now known, \$7.0 million is the projected balance at the expiration of the program (January 1, 2003). Prior law provided that upon termination of the conversion grants program, the unobligated balance of the fund was to be transferred to the Nebraska Health Care Cash Fund. LB 3 reallocates the unobligated balance of the Nursing Facility Conversion Cash Fund to the Department of Health and Human Services Finance & Support Cash Fund to be used to offset General Fund appropriations in the Medicaid program. This results in one-time General Fund savings of \$6,850,000 in FY02-03. There is also an additional \$150,000 in Program 341 which is used for some administrative expense to improve the DRG validation system.

State Aid to Schools (TEEOSA) Recalculation

There was a reduction in General Fund appropriations for TEEOSA school aid amounting to \$3,752,237 in FY01-02 and \$4,763,816 in FY02-03. ***In neither case is this an actual cut in required aid to schools under current law.***

The reduction in FY01-02 is due to higher than projected Insurance Premium Tax monies (\$3,368,591) and unused base year incentives (\$383,646). The certified TEEOSA aid is paid for with a combination of Insurance Premium Tax allocated to schools and state General Funds. The higher than projected Insurance Premium Tax, allows for a reduction in the General Fund component and still fully fund the certified TEEOSA aid.

The FY02-03 appropriation level is still estimated (actual certification won't occur until February 1, 2002) based on a series of variables such as school spending growth and property valuations. When actual data for a variable replaces estimates, the estimated TEEOSA aid amount changes. Since adjusted valuation is now known, and is higher than what was assumed in the Sine Die estimate, this allows for a reduction in the TEEOSA aid estimate. As noted before, this appropriation number will again change next session when the actual aid certification is made.

School Reorganization Base Year Incentives

Also in LB 3, the Legislature eliminated funding for base year incentive aid after 2001-02 as provided for in LB313 enacted during the 2001 regular session. Originally, base year incentives of \$2 million were to end in FY2001-02. LB 313 provided for an additional \$3 million in FY01-02 and an additional \$2 million in FY02-03. The elimination of base year incentive aid will save a total of \$5 million general funds (\$3 million appropriated in 2001-02 that is carried over to 2002-03 and an additional \$2 million that is appropriated for 2002-03).

Since the payment of base year incentives is eliminated for 2002-03, there will be a future savings in the payment of incentive aid in the second and third years of the program. The incentive program allows school districts to receive base year funding and incentive aid for two additional years. Curtailing the program after 2001-02 means that future obligations for incentive aid in the second and third years will be decreased by up to \$3.8 million in 2003-04 and up to \$5.4 million in 2004-05.

Medicaid - Higher Drug Rebate Estimates

LB 257, passed during the 2001 session, provided that the Department of Health and Human Services Finance & Support shall credit all pharmaceutical rebates, third party liability payments, and estate recovery receipts to the Medicaid budget in the year in which the rebate or refund was received. The annual amount of rebates and refunds is projected to exceed the amount estimated prior to the passage of the legislation allowing for the reduction of \$3 million General Funds each year of the biennium while not reducing the overall level of funding for services.

Attracting Excellence to Teaching Program (Teacher Loan Forgiveness) (LB 1 and LB 3)

Although treated as a General Fund transfer rather than expenditure, the budget as enacted in the 2001 regular session provided \$2.7 million for both years for the teacher loan forgiveness program. This program enacted in the 2000 Session (but not funded), provides annual loans of up to \$2,500 to teacher education students who major in subject shortage areas and commit to teach in public or private schools in the state upon graduation. Loans are then forgiven based on the number of years that the borrower teaches in the state.

In LB3, these General Fund transfers were negated and the funding of the program suspended until FY2003-04 at which time it would be funded from the Education Innovation Fund (lottery funds) and the remaining 20% will be allocated to the Attracting Excellence to Teaching Program (teacher loan forgiveness program).

Redirect documentary stamp tax from Affordable Housing

Under previous law, the \$1.75 documentary stamp tax revenue was distributed with \$1 to the Affordable Housing Trust Fund, 25 cents to the Homeless Shelter Assistance Trust Fund and 50 cents retained by the counties. LB 3 reduces from \$1 to 50 cents the allocation to the Affordable Housing Trust Fund with the other 50 cents being allocated to the state General Fund for the period January 1, 2002 through December 31, 2003. Starting January 1, 2003 the full \$1 allocation to the Affordable Housing Trust Fund would be reinstated. This reallocation results in additional General Fund revenue of \$1,750,000 in FY01-02; \$3,500,000 in FY02-03; and \$1,750,000 in FY03-04. Because the Affordable Housing Trust Fund had a balance of \$9,000,000 at the time that LB 3 was passed, it is estimated that the two-year reduction in revenue should not impact the amount of state aid funding available from the Affordable Housing Trust Fund.

Medicaid - Nursing Facility Rate Reduction

Nursing facilities are reimbursed on an allowable facility cost basis based on the level of care an individual client needs. There are currently 19 levels of care for Medicaid clients in nursing facilities. During the special session, the Governor proposed changing the rate of reimbursement for the lowest two levels of care, categories 35 and 36, to the assisted living rate. The legislature concurred with the change.

The assisted living rate is fee-based reflecting market conditions. The rate differential between the current payment for levels 35 and 36 and the assisted living rate varies from \$4.81 to \$61.87 a day. The statewide average of the difference is \$21.65 a day. The new rates will be effective January 1, 2002. The General Fund saving is estimated at \$990,000 in FY 2002 and \$2,600,000 in FY 2003. The reduction in federal funds is \$1,485,000 in FY 2002 and \$3,900,000 in FY 2003.

GENERAL FUND APPROPRIATIONS BY AGENCY BEFORE AND AFTER SPECIAL SESSION

	Type	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session		Spec Session % Cut	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY02	FY03
#03 Legislative Council	Oper	15,252,199	15,765,888	(831,164)	(748,655)	13,139	(159,812)	14,434,174	14,857,421	-5.4%	-5.8%
#03 Legislative Council	Total	15,252,199	15,765,888	(831,164)	(748,655)	13,139	(159,812)	14,434,174	14,857,421	-5.4%	-5.8%
#05 Supreme Court	Aid	270,000	270,000	(10,800)	(13,500)	0	0	259,200	256,500	-4.0%	-5.0%
#05 Supreme Court	Oper	55,661,666	58,096,131	(1,195,082)	(1,283,076)	(485,000)	(285,000)	53,981,584	56,528,055	-3.0%	-2.7%
#05 Supreme Court	Total	55,931,666	58,366,131	(1,205,882)	(1,296,576)	(485,000)	(285,000)	54,240,784	56,784,555	-3.0%	-2.7%
#07 Governor	Oper	1,494,572	1,631,501	(79,961)	(76,736)	0	0	1,414,611	1,554,765	-5.4%	-4.7%
#07 Governor	Total	1,494,572	1,631,501	(79,961)	(76,736)	0	0	1,414,611	1,554,765	-5.4%	-4.7%
#08 Lt. Governor	Oper	105,785	114,874	(3,521)	(2,136)	0	0	102,264	112,738	-3.3%	-1.9%
#08 Lt. Governor	Total	105,785	114,874	(3,521)	(2,136)	0	0	102,264	112,738	-3.3%	-1.9%
#09 Secretary of State	Oper	768,117	786,992	(28,057)	(35,609)	0	0	740,060	751,383	-3.7%	-4.5%
#09 Secretary of State	Total	768,117	786,992	(28,057)	(35,609)	0	0	740,060	751,383	-3.7%	-4.5%
#10 State Auditor	Oper	2,149,899	2,225,206	(83,398)	(107,673)	0	0	2,066,501	2,117,533	-3.9%	-4.8%
#10 State Auditor	Total	2,149,899	2,225,206	(83,398)	(107,673)	0	0	2,066,501	2,117,533	-3.9%	-4.8%
#11 Attorney General	Oper	3,927,822	4,066,204	(76,844)	(99,343)	0	0	3,850,978	3,966,861	-2.0%	-2.4%
#11 Attorney General	Total	3,927,822	4,066,204	(76,844)	(99,343)	0	0	3,850,978	3,966,861	-2.0%	-2.4%
#12 State Treasurer	Aid	27,226,446	27,226,446	(1,089,058)	(1,361,322)	0	0	26,137,388	25,865,124	-4.0%	-5.0%
#12 State Treasurer	Oper	2,294,056	2,325,795	(89,213)	(112,771)	0	0	2,204,843	2,213,024	-3.9%	-4.8%
#12 State Treasurer	Total	29,520,502	29,552,241	(1,178,271)	(1,474,094)	0	0	28,342,231	28,078,148	-4.0%	-5.0%
#13 Education	Aid	806,300,966	833,756,340	(130,558)	(4,317,296)	(6,752,237)	(6,763,816)	799,418,171	822,675,228	-0.9%	-1.3%
#13 Education	Oper	15,664,905	16,136,862	(586,331)	(705,019)	0	0	15,078,574	15,431,843	-3.7%	-4.4%
#13 Education	Total	821,965,871	849,893,202	(716,889)	(5,022,314)	(6,752,237)	(6,763,816)	814,496,745	838,107,072	-0.9%	-1.4%
#14 Public Service Comm	Oper	2,392,164	2,507,982	(84,804)	(110,506)	0	0	2,307,360	2,397,476	-3.5%	-4.4%
#14 Public Service Comm	Total	2,392,164	2,507,982	(84,804)	(110,506)	0	0	2,307,360	2,397,476	-3.5%	-4.4%
#15 Parole Board	Oper	659,540	691,208	(11,584)	(15,104)	0	0	647,956	676,104	-1.8%	-2.2%
#15 Parole Board	Total	659,540	691,208	(11,584)	(15,104)	0	0	647,956	676,104	-1.8%	-2.2%

	Type	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session		Spec Session % Cut	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY02	FY03
#16 Revenue	Aid	42,007,165	42,007,165	0	(300,358)	0	(240,287)	42,007,165	41,466,520	0.0%	-1.3%
#16 Revenue	Oper	20,550,579	21,212,703	(408,982)	(527,662)	0	0	20,141,597	20,685,041	-2.0%	-2.5%
#16 Revenue	Total	62,557,744	63,219,868	(408,982)	(828,021)	0	(240,287)	62,148,762	62,151,560	-0.7%	-1.7%
#17 Aeronautics	Aid	0	0	0	0	0	0	0	0	0.0%	0.0%
#17 Aeronautics	Total	0	0	0	0	0	0	0	0	0.0%	0.0%
#18 Agriculture	Aid	1,000,000	1,000,000	(40,000)	(50,000)	0	0	960,000	950,000	-4.0%	-5.0%
#18 Agriculture	Oper	6,325,558	6,810,114	(253,022)	(340,506)	0	0	6,072,536	6,469,608	-4.0%	-5.0%
#18 Agriculture	Total	7,325,558	7,810,114	(293,022)	(390,506)	0	0	7,032,536	7,419,608	-4.0%	-5.0%
#20 HHS-Regulation	Oper	7,194,398	7,706,575	(217,096)	(296,979)	(1,095,000)	(95,000)	5,882,302	7,314,596	-18.2%	-5.1%
#20 HHS-Regulation	Total	7,194,398	7,706,575	(217,096)	(296,979)	(1,095,000)	(95,000)	5,882,302	7,314,596	-18.2%	-5.1%
#21 Fire Marshal	Oper	1,268,005	1,296,568	(30,610)	(39,114)	(300,000)	(614,697)	937,395	642,757	-26.1%	-50.4%
#21 Fire Marshal	Total	1,268,005	1,296,568	(30,610)	(39,114)	(300,000)	(614,697)	937,395	642,757	-26.1%	-50.4%
#23 Labor	Oper	559,784	576,651	0	0	0	0	559,784	576,651	0.0%	0.0%
#23 Labor	Total	559,784	576,651	0	0	0	0	559,784	576,651	0.0%	0.0%
#25 HHS-Services	Oper	146,678,621	156,039,192	(1,950,408)	(2,558,257)	(29,760)	0	144,698,453	153,480,935	-1.4%	-1.6%
#25 HHS-Services	Total	146,678,621	156,039,192	(1,950,408)	(2,558,257)	(29,760)	0	144,698,453	153,480,935	-1.4%	-1.6%
#26 HHS-Finance	Aid	641,711,277	700,631,959	(201,175)	(368,068)	(11,286,593)	(14,975,187)	630,223,509	685,288,704	-1.8%	-2.2%
#26 HHS-Finance	Oper	37,359,902	38,279,358	(1,494,396)	(1,913,968)	0	0	35,865,506	36,365,390	-4.0%	-5.0%
#26 HHS-Finance	Total	679,071,179	738,911,317	(1,695,571)	(2,282,036)	(11,286,593)	(14,975,187)	666,089,015	721,654,094	-1.9%	-2.3%
#27 Roads	Aid	796,000	796,000	(31,840)	(39,800)	0	0	764,160	756,200	-4.0%	-5.0%
#27 Roads	Oper	25,000	20,000	(1,000)	(1,000)	0	0	24,000	19,000	-4.0%	-5.0%
#27 Roads	Total	821,000	816,000	(32,840)	(40,800)	0	0	788,160	775,200	-4.0%	-5.0%
#28 Veterans Affairs	Oper	658,726	693,820	(26,349)	0	0	0	632,377	693,820	-4.0%	0.0%
#28 Veterans Affairs	Total	658,726	693,820	(26,349)	0	0	0	632,377	693,820	-4.0%	0.0%
#29 Natural Resources	Aid	8,224,147	8,324,147	(328,966)	(416,207)	0	0	7,895,181	7,907,940	-4.0%	-5.0%
#29 Natural Resources	Oper	11,069,916	11,813,096	(595,843)	(590,655)	0	0	10,474,073	11,222,441	-5.4%	-5.0%
#29 Natural Resources	Total	19,294,063	20,137,243	(924,809)	(1,006,862)	0	0	18,369,254	19,130,381	-4.8%	-5.0%
#31 Military Dept	Aid	630,622	900,000	(36,000)	(45,000)	0	0	594,622	855,000	-5.7%	-5.0%
#31 Military Dept	Oper	3,065,336	3,152,719	0	0	0	0	3,065,336	3,152,719	0.0%	0.0%
#31 Military Dept	Total	3,695,958	4,052,719	(36,000)	(45,000)	0	0	3,659,958	4,007,719	-1.0%	-1.1%

	Type	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session		Spec Session % Cut	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY02	FY03
#32 Ed Lands & Funds	Oper	421,758	438,633	(16,870)	(21,932)	0	0	404,888	416,701	-4.0%	-5.0%
#32 Ed Lands & Funds	Total	421,758	438,633	(16,870)	(21,932)	0	0	404,888	416,701	-4.0%	-5.0%
#33 Game & Parks	Aid	50,000	50,000	(2,000)	(2,500)	0	0	48,000	47,500	-4.0%	-5.0%
#33 Game & Parks	Oper	10,488,389	10,792,458	(419,536)	(539,623)	0	0	10,068,853	10,252,835	-4.0%	-5.0%
#33 Game & Parks	Total	10,538,389	10,842,458	(421,536)	(542,123)	0	0	10,116,853	10,300,335	-4.0%	-5.0%
#34 Library Commission	Aid	1,499,704	1,513,208	(59,988)	(75,660)	0	0	1,439,716	1,437,548	-4.0%	-5.0%
#34 Library Commission	Oper	2,310,738	2,406,110	(92,430)	(120,306)	0	0	2,218,308	2,285,805	-4.0%	-5.0%
#34 Library Commission	Total	3,810,442	3,919,318	(152,418)	(195,966)	0	0	3,658,024	3,723,352	-4.0%	-5.0%
#35 Liquor Control	Oper	803,575	814,274	(32,143)	(40,714)	0	0	771,432	773,560	-4.0%	-5.0%
#35 Liquor Control	Total	803,575	814,274	(32,143)	(40,714)	0	0	771,432	773,560	-4.0%	-5.0%
#38 Status of Women	Oper	204,477	212,943	(8,179)	(10,647)	0	0	196,298	202,296	-4.0%	-5.0%
#38 Status of Women	Total	204,477	212,943	(8,179)	(10,647)	0	0	196,298	202,296	-4.0%	-5.0%
#46 Correctional Services	Aid	4,250,000	4,250,000	(170,000)	(212,500)	0	0	4,080,000	4,037,500	-4.0%	-5.0%
#46 Correctional Services	Oper	110,716,807	124,029,155	0	0	(2,659,875)	0	108,056,932	124,029,155	-2.4%	0.0%
#46 Correctional Services	Total	114,966,807	128,279,155	(170,000)	(212,500)	(2,659,875)	0	112,136,932	128,066,655	-2.5%	-0.2%
#47 NETC	Oper	8,496,709	9,398,782	(339,868)	(469,939)	0	0	8,156,841	8,928,843	-4.0%	-5.0%
#47 NETC	Total	8,496,709	9,398,782	(339,868)	(469,939)	0	0	8,156,841	8,928,843	-4.0%	-5.0%
#48 Postsecond Coord Comm	Aid	6,949,026	7,106,526	0	(213,197)	0	0	6,949,026	6,893,329	0.0%	-3.0%
#48 Postsecond Coord Comm	Oper	1,088,867	1,129,895	(43,555)	(56,495)	0	0	1,045,312	1,073,400	-4.0%	-5.0%
#48 Postsecond Coord Comm	Total	8,037,893	8,236,421	(43,555)	(269,692)	0	0	7,994,338	7,966,729	-0.5%	-3.3%
#50 State Colleges	Aid	0	0	0	0	0	0	0	0	0.0%	0.0%
#50 State Colleges	Oper	35,935,636	39,217,545	(359,356)	(392,175)	(34,878)	(21,748)	35,541,402	38,803,622	-1.1%	-1.1%
#50 State Colleges	Total	35,935,636	39,217,545	(359,356)	(392,175)	(34,878)	(21,748)	35,541,402	38,803,622	-1.1%	-1.1%
#51 University of Nebraska	Aid	2,547,110	2,585,054	(50,942)	(64,626)	(44,242)	(44,242)	2,451,926	2,476,186	-3.7%	-4.2%
#51 University of Nebraska	Oper	413,169,119	440,972,322	(8,263,383)	(11,024,308)	0	(130,621)	404,905,736	429,817,393	-2.0%	-2.5%
#51 University of Nebraska	Total	415,716,229	443,557,376	(8,314,325)	(11,088,934)	(44,242)	(174,863)	407,357,662	432,293,579	-2.0%	-2.5%
#52 State Fair Board	Oper	318,967	318,967	(12,759)	(15,948)	0	0	306,208	303,019	-4.0%	-5.0%
#52 State Fair Board	Total	318,967	318,967	(12,759)	(15,948)	0	0	306,208	303,019	-4.0%	-5.0%
#54 Historical Society	Oper	4,265,687	4,410,137	(170,628)	(220,507)	0	0	4,095,059	4,189,630	-4.0%	-5.0%
#54 Historical Society	Total	4,265,687	4,410,137	(170,628)	(220,507)	0	0	4,095,059	4,189,630	-4.0%	-5.0%

	Type	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session		Spec Session % Cut	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY02	FY03
#64 State Patrol	Oper	38,152,179	40,068,145	0	0	0	0	38,152,179	40,068,145	0.0%	0.0%
#64 State Patrol	Total	38,152,179	40,068,145	0	0	0	0	38,152,179	40,068,145	0.0%	0.0%
#65 Admin Services (DAS)	Aid	0	0	0	0	0	0	0	0	0.0%	0.0%
#65 Admin Services (DAS)	Oper	10,381,824	10,784,176	(431,781)	(539,208)	(287,583)	(295,666)	9,662,460	9,949,302	-6.9%	-7.7%
#65 Admin Services (DAS)	Total	10,381,824	10,784,176	(431,781)	(539,208)	(287,583)	(295,666)	9,662,460	9,949,302	-6.9%	-7.7%
#67 Equal Opportunity	Oper	1,019,810	1,079,720	(40,792)	(53,986)	(400,000)	0	579,018	1,025,734	-43.2%	-5.0%
#67 Equal Opportunity	Total	1,019,810	1,079,720	(40,792)	(53,986)	(400,000)	0	579,018	1,025,734	-43.2%	-5.0%
#68 Mexican-American	Oper	215,014	220,289	(8,601)	0	0	0	206,413	220,289	-4.0%	0.0%
#68 Mexican-American	Total	215,014	220,289	(8,601)	0	0	0	206,413	220,289	-4.0%	0.0%
#69 Arts Council	Aid	927,013	927,013	(21,020)	(26,274)	0	0	905,993	900,739	-2.3%	-2.8%
#69 Arts Council	Oper	556,836	584,504	(22,273)	(29,225)	0	0	534,563	555,279	-4.0%	-5.0%
#69 Arts Council	Total	1,483,849	1,511,517	(43,293)	(55,499)	0	0	1,440,556	1,456,018	-2.9%	-3.7%
#70 Foster Care Review	Oper	1,213,605	1,262,563	(48,544)	(63,128)	0	0	1,165,061	1,199,435	-4.0%	-5.0%
#70 Foster Care Review	Total	1,213,605	1,262,563	(48,544)	(63,128)	0	0	1,165,061	1,199,435	-4.0%	-5.0%
#72 Economic Development	Aid	2,225,305	2,225,305	(89,012)	(111,265)	(785,988)	(919,985)	1,350,305	1,194,055	-39.3%	-46.3%
#72 Economic Development	Oper	3,936,178	4,146,437	(157,447)	(207,322)	0	0	3,778,731	3,939,115	-4.0%	-5.0%
#72 Economic Development	Total	6,161,483	6,371,742	(246,459)	(318,587)	(785,988)	(919,985)	5,129,036	5,133,170	-16.8%	-19.4%
#76 Indian Commission	Oper	196,096	201,959	(7,844)	(10,098)	0	0	188,252	191,861	-4.0%	-5.0%
#76 Indian Commission	Total	196,096	201,959	(7,844)	(10,098)	0	0	188,252	191,861	-4.0%	-5.0%
#77 Industrial Relations	Oper	247,798	255,125	(9,912)	(12,756)	0	0	237,886	242,369	-4.0%	-5.0%
#77 Industrial Relations	Total	247,798	255,125	(9,912)	(12,756)	0	0	237,886	242,369	-4.0%	-5.0%
#78 Crime Commission	Aid	1,209,725	1,209,725	(48,389)	(60,486)	(23,040)	(25,250)	1,138,296	1,123,989	-5.9%	-7.1%
#78 Crime Commission	Oper	2,885,817	2,977,457	(115,433)	(148,873)	(229,344)	(9,025)	2,541,040	2,819,559	-11.9%	-5.3%
#78 Crime Commission	Total	4,095,542	4,187,182	(163,822)	(209,359)	(252,384)	(34,275)	3,679,336	3,943,548	-10.2%	-5.8%
#81 Blind & Visually Impaired	Aid	156,646	167,005	0	0	0	0	156,646	167,005	0.0%	0.0%
#81 Blind & Visually Impaired	Oper	380,636	399,864	0	0	0	0	380,636	399,864	0.0%	0.0%
#81 Blind & Visually Impaired	Total	537,282	566,869	0	0	0	0	537,282	566,869	0.0%	0.0%
#82 Deaf & Hard of Hearing	Oper	729,360	752,875	(29,174)	0	0	0	700,186	752,875	-4.0%	0.0%
#82 Deaf & Hard of Hearing	Total	729,360	752,875	(29,174)	0	0	0	700,186	752,875	-4.0%	0.0%

	Type	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session		Spec Session % Cut	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY02	FY03
#83 Community Colleges	Aid	65,529,518	68,802,400	(42,094)	(52,757)	0	(1,742,905)	65,487,424	67,006,738	-0.1%	-2.6%
#83 Community Colleges	Total	65,529,518	68,802,400	(42,094)	(52,757)	0	(1,742,905)	65,487,424	67,006,738	-0.1%	-2.6%
#84 Environmental Quality	Aid	273,726	340,000	(10,949)	(17,000)	(141,818)	(203,300)	120,959	119,700	-55.8%	-64.8%
#84 Environmental Quality	Oper	6,842,367	7,415,901	(346,587)	(370,795)	0	0	6,495,780	7,045,106	-5.1%	-5.0%
#84 Environmental Quality	Total	7,116,093	7,755,901	(357,536)	(387,795)	(141,818)	(203,300)	6,616,739	7,164,806	-7.0%	-7.6%
#85 Retirement Board	Oper	14,872,630	14,872,630	0	0	0	0	14,872,630	14,872,630	0.0%	0.0%
#85 Retirement Board	Total	14,872,630	14,872,630	0	0	0	0	14,872,630	14,872,630	0.0%	0.0%
#87 Account/Disclosure	Oper	443,298	459,267	(17,732)	(22,963)	0	0	425,566	436,304	-4.0%	-5.0%
#87 Account/Disclosure	Total	443,298	459,267	(17,732)	(22,963)	0	0	425,566	436,304	-4.0%	-5.0%
#90 Railway Council	Oper	6,651	6,651	(266)	(333)	0	0	6,385	6,318	-4.0%	-5.0%
#90 Railway Council	Total	6,651	6,651	(266)	(333)	0	0	6,385	6,318	-4.0%	-5.0%
#93 Tax Equal/Review Comm	Oper	714,538	764,931	(28,582)	(38,247)	0	0	685,956	726,684	-4.0%	-5.0%
#93 Tax Equal/Review Comm	Total	714,538	764,931	(28,582)	(38,247)	0	0	685,956	726,684	-4.0%	-5.0%
#94 Public Advocacy	Aid	442,500	950,000	(17,700)	(47,500)	0	0	424,800	902,500	-4.0%	-5.0%
#94 Public Advocacy	Oper	682,445	744,141	(27,298)	(37,207)	0	0	655,147	706,934	-4.0%	-5.0%
#94 Public Advocacy	Total	1,124,945	1,694,141	(44,998)	(84,707)	0	0	1,079,947	1,609,434	-4.0%	-5.0%
#95 Rural Development	Oper	365,305	377,580	(14,612)	(18,879)	0	0	350,693	358,701	-4.0%	-5.0%
#95 Rural Development	Total	365,305	377,580	(14,612)	(18,879)	0	0	350,693	358,701	-4.0%	-5.0%
#96 Property Assess/Tax	Oper	4,360,295	4,530,246	(174,412)	(226,512)	0	0	4,185,883	4,303,734	-4.0%	-5.0%
#96 Property Assess/Tax	Total	4,360,295	4,530,246	(174,412)	(226,512)	0	0	4,185,883	4,303,734	-4.0%	-5.0%
Construction-Reaffirm	Const	19,289,864	17,367,190	0	0	0	0	19,289,864	17,367,190	0.0%	0.0%
Construction-New	Const	14,507,577	12,766,166	0	0	(6,449,332)	(7,347,056)	8,058,245	5,419,110	-44.5%	-57.6%
Construction-Total	Total	33,797,441	30,133,356	0	0	(6,449,332)	(7,347,056)	27,348,109	22,786,300	-19.1%	-24.4%
OPERATIONS		1,011,549,961	1,077,995,121	(19,287,660)	(24,256,895)	(5,508,301)	(1,611,569)	986,754,000	1,052,126,657	-2.5%	-2.4%
STATE AID		1,614,226,896	1,705,038,293	(2,380,491)	(7,795,318)	(19,033,918)	(24,914,972)	1,592,812,487	1,672,328,003	-1.3%	-1.9%
CONSTRUCTION		33,797,441	30,133,356	0	0	(6,449,332)	(7,347,056)	27,348,109	22,786,300	-19.1%	-24.4%
TOTAL GEN FUNDS		2,659,574,298	2,813,166,770	(21,668,151)	(32,052,212)	(30,991,551)	(33,873,597)	2,606,914,596	2,747,240,961	-2.0%	-2.3%

GENERAL FUND APPROPRIATIONS BY AID PROGRAM BEFORE AND AFTER SPECIAL SESSION

Agency	Aid Program	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03
Courts	Dispute resolution	270,000	270,000	(10,800)	(13,500)	0	0	259,200	256,500
Treasurer	Aid to NRD's	2,301,138	2,301,138	(92,046)	(115,057)	0	0	2,209,092	2,186,081
Treasurer	Aid to Cities	17,531,500	17,531,500	(701,260)	(876,575)	0	0	16,830,240	16,654,925
Treasurer	Aid to Counties	7,393,808	7,393,808	(295,752)	(369,690)	0	0	7,098,056	7,024,118
Education	State Aid to Education (TEEOSA)	638,580,733	657,263,816	0	0	(6,752,237)	(6,763,816)	631,828,496	650,500,000
Education	Special Education	146,164,827	153,473,068	0	(3,258,241)	0	0	146,164,827	150,214,827
Education	Aid to ESU's	13,094,375	13,421,735	0	(671,087)	0	0	13,094,375	12,750,648
Education	High ability learner programs	3,331,221	3,430,664	0	(171,533)	0	0	3,331,221	3,259,131
Education	Early Childhood program	1,560,000	2,560,000	(62,400)	(128,000)	0	0	1,497,600	2,432,000
Education	School Lunch	492,500	492,500	(19,700)	(24,625)	0	0	472,800	467,875
Education	Textbook loan program	424,225	424,225	(16,969)	(21,211)	0	0	407,256	403,014
Education	School Breakfast reimbursement	317,390	317,390	(12,696)	(15,870)	0	0	304,694	301,521
Education	Adult Education	251,884	251,884	(10,075)	(12,594)	0	0	241,809	239,290
Education	Option Enrollment	197,200	197,200	(7,888)	(9,860)	0	0	189,312	187,340
Education	Economic education program	27,500	27,500	0	(1,375)	0	0	27,500	26,125
Education	School reorganization (LB1050)	20,000	20,000	(800)	(1,000)	0	0	19,200	19,000
Education	Teacher certification reimbursement	750	750	(30)	(38)	0	0	720	713
Education	Teacher World Program	0	37,247	0	(1,862)	0	0	0	35,385
Education	Vocational Rehabilitation	1,838,361	1,838,361	0	0	0	0	1,838,361	1,838,361
Revenue	County Property Tax Relief	6,007,165	6,007,165	0	(300,358)	0	(240,287)	6,007,165	5,466,520
Revenue	Homestead Exemption	36,000,000	36,000,000	0	0	0	0	36,000,000	36,000,000
Aeronautics	Civil Air Patrol	0	0	0	0	0	0	0	0
Agriculture	Ag Opportunities/Value-Added grants	1,000,000	1,000,000	(40,000)	(50,000)	0	0	960,000	950,000
HHS-Finance	Alcohol/Drug programs	5,521,139	5,521,139	0	0	0	0	5,521,139	5,521,139
HHS-Finance	Family practice residency	517,500	517,500	(20,700)	(25,875)	0	0	496,800	491,625
HHS-Finance	Medical student assistance	155,400	155,400	(6,216)	(7,770)	0	0	149,184	147,630
HHS-Finance	Nursing student loans	140,000	280,000	(5,600)	(14,000)	0	0	134,400	266,000
HHS-Finance	Juvenile predisposition detention	420,000	420,000	(16,800)	(21,000)	0	0	403,200	399,000
HHS-Finance	County Juvenile Services aid	1,545,000	3,555,000	(61,800)	(177,750)	0	0	1,483,200	3,377,250
HHS-Finance	Community mental health	22,629,358	26,270,638	0	0	0	0	22,629,358	26,270,638
HHS-Finance	Care Management	1,716,558	1,771,558	0	0	0	0	1,716,558	1,771,558
HHS-Finance	Area agencies on aging	3,530,417	3,725,417	0	0	0	0	3,530,417	3,725,417

Agency	Aid Program	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03
HHS-Finance	Senior Companion Volunteer program	200,000	200,000	0	0	0	0	200,000	200,000
HHS-Finance	Public Assistance	145,816,485	153,127,552	0	0	(1,000,000)	(1,000,000)	144,816,485	152,127,552
HHS-Finance	Medicaid	405,505,932	447,183,458	0	0	(10,286,593)	(13,975,187)	395,219,339	433,208,271
HHS-Finance	Community developmental disabilities	51,012,023	54,870,832	0	0	0	0	51,012,023	54,870,832
HHS-Finance	Renal disease/tuberculosis	854,653	854,653	0	(10,000)	0	0	854,653	844,653
HHS-Finance	Pap/Chlamydia testing	550,000	550,000	(60,059)	(75,673)	0	0	489,941	474,327
HHS-Finance	Native American health services	500,000	500,000	0	0	0	0	500,000	500,000
HHS-Finance	Immunization/vaccinations	320,000	320,000	0	(2,000)	0	0	320,000	318,000
HHS-Finance	Nebr Advocacy Services	204,750	236,750	(10,000)	(12,000)	0	0	194,750	224,750
HHS-Finance	Emergency Medical Services, training	200,000	200,000	(20,000)	(22,000)	0	0	180,000	178,000
HHS-Finance	Metabolic screening, food supplement	42,000	42,000	0	0	0	0	42,000	42,000
HHS-Finance	Ryan White HIV/AIDS treatment	150,000	150,000	0	0	0	0	150,000	150,000
HHS-Finance	Mammography screening	125,000	125,000	0	0	0	0	125,000	125,000
HHS-Finance	Genetic testing	34,369	34,369	0	0	0	0	34,369	34,369
HHS-Finance	Voter regist, WIC/MCH	16,760	16,760	0	0	0	0	16,760	16,760
HHS-Finance	Community health services	3,933	3,933	0	0	0	0	3,933	3,933
Roads	Intercity bus subsidy	121,000	121,000	(4,840)	(6,050)	0	0	116,160	114,950
Roads	Local transit authorities	675,000	675,000	(27,000)	(33,750)	0	0	648,000	641,250
Nat Resources	Small Watershed Fund	100,000	200,000	(4,000)	(10,000)	0	0	96,000	190,000
Nat Resources	Natural Resources Water Quality Fund	250,000	250,000	(10,000)	(12,500)	0	0	240,000	237,500
Nat Resources	Nebr Water Conservation Fund	3,954,147	3,954,147	(158,166)	(197,707)	0	0	3,795,981	3,756,440
Nat Resources	Resources Development Fund	3,920,000	3,920,000	(156,800)	(196,000)	0	0	3,763,200	3,724,000
Military Dept	Governors Emergency Fund	0	0	0	0	0	0	0	0
Military Dept	Guard tuition assistance	630,622	900,000	(36,000)	(45,000)	0	0	594,622	855,000
Game & Parks	Niobrara Council	50,000	50,000	(2,000)	(2,500)	0	0	48,000	47,500
Library Comm	Local libraries	1,499,704	1,513,208	(59,988)	(75,660)	0	0	1,439,716	1,437,548
Corrections	County jail cost reimbursement	4,250,000	4,250,000	(170,000)	(212,500)	0	0	4,080,000	4,037,500
Coord. Comm	SSIG grants	803,965	803,965	0	0	0	0	803,965	803,965
Coord. Comm	Scholarship Award Program (SSAP)	1,241,023	1,293,523	0	(62,925)	0	0	1,241,023	1,230,598
Coord. Comm	Scholarship Assistance Program (SAP)	2,044,988	2,097,488	0	(62,925)	0	0	2,044,988	2,034,563
Coord. Comm	Postsecondary Ed Award Prog (PEAP)	2,859,050	2,911,550	0	(87,347)	0	0	2,859,050	2,824,203
University	Minority student scholarship (LB1379)	0	0	0	0	0	0	0	0
University	Other misc aid (NU)	65,732	65,732	(1,315)	(1,643)	0	0	64,417	64,089
University	Optometry student contracts	585,810	585,810	(11,716)	(14,645)	(44,242)	(44,242)	529,852	526,923
University	Vet student contracts-UNL	1,895,568	1,933,512	(37,911)	(48,338)	0	0	1,857,657	1,885,174

Agency	Aid Program	Total - 2001 Regular Session		Across the Board Cut		Specific Cut		Total - After Spec Session	
		FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03	FY2001-02	FY2002-03
DAS	Local govt technology grants	0	0	0	0	0	0	0	0
Arts Council	Aid to arts programs	803,075	803,075	(16,062)	(20,077)	0	0	787,013	782,998
Arts Council	Council on Humanities	123,938	123,938	(4,958)	(6,197)	0	0	118,980	117,741
Econ Develop	Community redevelop analysis fund	0	0	0	0	0	0	0	0
Econ Develop	Microenterprise Development Act	500,000	500,000	(20,000)	(25,000)	0	0	480,000	475,000
Econ Develop	Managing Mainstreet	125,000	125,000	(5,000)	(6,250)	0	0	120,000	118,750
Econ Develop	Industrial training grants	1,600,305	1,600,305	(64,012)	(80,015)	(785,988)	(919,985)	750,305	600,305
Crime Comm	Juvenile services planning grants	125,000	125,000	(5,000)	(6,250)	0	(6,250)	120,000	112,500
Crime Comm	Juvenile services grants	625,000	625,000	(25,000)	(31,250)	0	0	600,000	593,750
Crime Comm	Law Enforce-Indian affairs	97,820	97,820	(3,913)	(4,891)	0	0	93,907	92,929
Crime Comm	Crimestoppers program	14,775	14,775	(591)	(739)	0	0	14,184	14,036
Crime Comm	Crimes Against Children Fund	80,000	80,000	(3,200)	(4,000)	(23,040)	(19,000)	53,760	57,000
Crime Comm	Byrne Incentive Grant	0	0	0	0	0	0	0	0
Crime Comm	Victim Witness assistance	57,130	57,130	(2,285)	(2,857)	0	0	54,845	54,274
Crime Comm	Crime Victims reparations	210,000	210,000	(8,400)	(10,500)	0	0	201,600	199,500
Blind & Vis Imp	Blind rehabilitation	156,646	167,005	0	0	0	0	156,646	167,005
Comm Colleges	Aid to Community Colleges	65,529,518	68,802,400	(42,094)	(52,757)	0	(1,742,905)	65,487,424	67,006,738
Environ Cntrl	Superfund cleanup	273,726	340,000	(10,949)	(17,000)	(141,818)	(203,300)	120,959	119,700
Public Advocacy	Indigent defense reimbursement	442,500	950,000	(17,700)	(47,500)	0	0	424,800	902,500
	Individuals	574,641,244	624,337,265	(423,180)	(764,582)	(12,116,823)	(15,939,414)	562,101,241	607,633,269
	Local Government	952,952,213	986,326,996	(1,823,712)	(6,862,187)	(6,917,095)	(8,975,558)	944,211,406	970,489,251
	Other entities	86,633,439	94,374,032	(133,599)	(168,548)	0	0	86,499,840	94,205,484
	Total State Aid	1,614,226,896	1,705,038,293	(2,380,491)	(7,795,318)	(19,033,918)	(24,914,972)	1,592,812,487	1,672,328,003