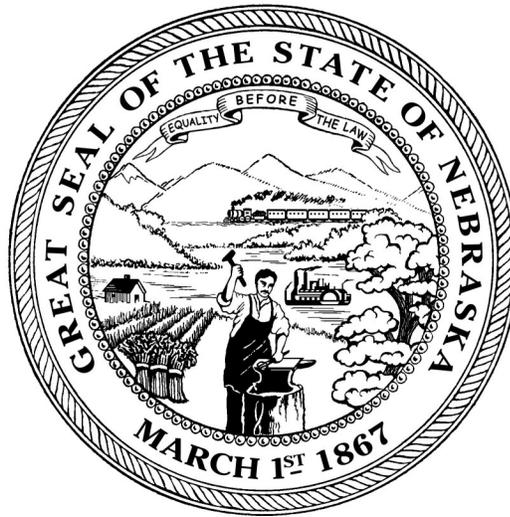


State of Nebraska



**Mid-Biennium
Budget Adjustments
2015-2017 Biennium**



Pete Ricketts
Governor

January 14, 2016

Mid-Biennium Budget Adjustments

2015 - 2017 Biennium

Presented by
Administrative Services – State Budget Division
Room 1320 State Capitol
Lincoln, Nebraska 68509
(402) 471-2526
budget.nebraska.gov

Presented January 14, 2016



STATE OF NEBRASKA

Pete Ricketts
Governor

OFFICE OF THE GOVERNOR
P.O. Box 94848 • Lincoln, Nebraska 68509-4848
Phone: (402) 471-2244 • pete.ricketts@nebraska.gov

January 14, 2016

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol Building
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

Today, I am presenting my recommendations for specific mid-biennium adjustments to the enacted 2015-2017 biennial budget. I am also proposing additional measures to address two very important priorities for Nebraska: the continued need for property tax relief and improvements in our transportation infrastructure to grow Nebraska.

The enacted 2015-2017 biennial budget included \$408 million, a 45 percent increase, in direct property tax relief through the Property Tax Relief Credit Fund for Nebraska property taxpayers. I am proposing that we provide additional property tax relief by slowing the growth of valuations on agricultural property and further restricting the growth in local spending. I recognize this will require increased state funding for the TEEOSA school aid formula beginning in FY 2017-18, our next budget biennium.

I am also proposing transfers of up to \$150 million from the state Cash Reserve Fund and a pledge of \$150 million in ongoing gas tax revenues to a newly created Transportation Infrastructure Bank at the Department of Roads to accelerate projects on the state highway system, support and accelerate county bridge repair and replacement efforts, and provide transportation improvements that promote economic growth by attracting new business or business expansion. Innovative and timely investments of these additional resources are critical to grow Nebraska's economy and provide for safe travel of our citizens.

A large, but important, appropriation priority is to fund capacity needs within the existing prison system. While important reforms to the correctional system are already underway, there remains a need for more capacity.

Since enacting the 2015-2017 biennial budget, the Nebraska Economic Forecasting Advisory Board lowered its estimate of net General Fund tax receipts by \$154 million. As a consequence, the November 2015 Tax Rate Review Committee report identified a budget gap of approximately \$110 million, which includes state agency, board, and commission submitted mid-biennium budget requests of \$43 million.

Mr. President, Mr. Speaker,
and members of the Legislature
January 14, 2016
Page 2

My specific mid-biennium budget recommendations eliminate \$87.5 million in FY 2014-15 reappropriations otherwise available for spending in FY 2015-16. In addition, 2015-2017 biennial appropriations are reduced by \$5.7 million. Transfers to the General Fund from the Securities Act Cash Fund and the Insurance Cash Fund are increased by \$16 million. Cash Reserve Funds are not transferred to the General Fund to address the mid-biennium budget shortfall. This is not necessary. My recommendations provide for a 2015-2017 biennium ending General Fund balance of \$269.4 million and maintain the required minimum three percent General Fund budget reserve.

As you begin your work during this short 60 day session, I again ask you to give priority to providing property tax relief. Accelerating our transportation infrastructure improvements to grow Nebraska and accommodating prudent investment in correctional system capacity needs are also key priorities. I also look forward to working with you to make the necessary adjustments to maintain balance in our state budget.

Sincerely,

Pete Ricketts
Governor

Table of Contents

General Fund Financial Status	2
Cash Reserve Fund Status.....	2
Mid-Biennium Budget Adjustments	5
Introduction.....	7
Agriculture, Environment and Natural Resources	
Energy Office, Nebraska.....	8
Game and Parks Commission	8
Economic Development and Regulatory	
Banking, Department of	8
Engineers and Architects, Board of	8
Insurance, Department of	8
Public Accountancy, Board of	8
Secretary of State	9
Tourism Commission, Nebraska.....	9
Education and Cultural Development	
Colleges, Nebraska State	9
Education, Department of	9
Historical Society, Nebraska	10
University of Nebraska.....	10
Human Resources Development	
Health and Human Services, Department of	11
Law Enforcement and Public Safety	
Attorney General.....	12
Correctional Services, Department of	13
Law Enforcement and Criminal Justice, Commission on.....	13
Public Finance and General Government	
Administrative Services, Department of.....	14
Auditor of Public Accounts	14
Retirement Systems, Nebraska Public Employees	14
Revenue, Department of	14
Tax Equalization and Review Commission.....	15
Transportation	
Motor Vehicles, Department of	15
Roads, Department of.....	15
Summary of Mid-Biennium Budget Adjustments	17
2015-2017 Mid-Biennium Budget Adjustment Requests and Governor’s Recommendations..	19
Appendix	25
Administrative Services - State Budget Division Staff Listing	27

General Fund Financial Status

Cash Reserve Fund Status

General Fund Financial Status

The General Fund Financial Status provides a summary of the State's financial condition including the impact of the Governor's 2015-2017 mid-biennium recommendations. While Nebraska operates with a biennial budget, the version of the Status shown in this document includes an additional two years of estimated revenues and appropriations for planning purposes.

The revenue portion of the Status shows the net General Fund tax receipts for the most recently completed fiscal year, the forecast for the two fiscal years of the 2015-2017 biennium as adopted by the Economic Forecasting Advisory Board at its October 2015 meeting, and the projection for the two fiscal years of the 2017-2019 biennium as presented to the Tax Rate Review Committee in November of 2015 by the Legislative Fiscal Office.

The Governor recommends transferring an additional \$6.0 million from the Securities Act Cash Fund and \$2.0 million from the Insurance Cash Fund to the General Fund in each of FY 2015-16 and FY 2016-17.

The appropriations shown for the 2015-2017 biennium are those adopted during the 2015 regular legislative session. The Governor's mid-biennium recommendations include a net General Fund appropriation reduction of \$3,026,295 for FY 2015-16 and a net General Fund appropriation reduction of \$2,709,558 for FY 2016-17. The Status also reflects a recommended reduction of \$87,581,274 in FY 2014-15 reappropriations.

The ending General Fund balance of \$269.4 million for the 2015-2017 biennium exceeds the statutory minimum requirement of three percent General Fund reserve by \$1.6 million.

The planning estimates for the following 2017-2019 biennium include the tax receipt projections presented to the Tax Rate Review Committee in November of 2015 by the Legislative Fiscal Office using its capped historical average method. These projections represent 4.9 percent (rate and base adjusted) average annual growth in tax receipts necessary to maintain a five-year average growth rate equal to historical average growth of 5.0 percent less .25 percent for current law indexing of income tax brackets.

The amounts shown for General Fund appropriation increases in the following 2017-2019 biennium for planning purposes represent three percent growth. The ending General Fund balance of \$324.2 million for the 2017-2019 biennium exceeds the three percent reserve requirement by \$46.6 million.

Cash Reserve Fund Status

FY 2014-15 actual net General Fund tax receipts exceeded the FY 2014-15 certified forecast by \$84.6 million. That amount was automatically transferred by operation of state law to the Cash Reserve Fund in July 2015.

The Governor is recommending the transfer of \$26.3 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund in FY 2015-16 for building repairs, renovation, and construction by the Department of Correctional Services. In addition, the Governor recommends a transfer of up to \$150.0 million from the Cash Reserve Fund to the Department of Roads to support innovative financing methods to expedite expressway and local bridge projects.

The Cash Reserve Fund balance is estimated to be \$531.9 million.

General Fund Financial Status

	Actual FY2014-15	Current Biennium FY2015-16 FY2016-17		Next Biennium FY2017-18 FY2018-19	
1 <u>Beginning Balance</u>					
2 Beginning Cash Balance	\$673,683,437	\$732,273,130	\$315,998,617	\$269,352,495	\$262,298,815
3 Cash Reserve Fund transfer-Automatic	(96,721,232)	(84,599,532)			
4 FY2014-15 carryover obligations/reappropriations		(343,878,680)			
4a 2016 Session - FY2014-15 reappropriation reductions		87,581,274			
5 Allocation for potential deficits			(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	576,962,205	391,376,192	310,998,617	264,352,495	257,298,815
7 <u>Revenues</u>					
8 Net Receipts (October NEFAB; Next-LFO Hist. Avg.)	4,306,364,121	4,403,000,000	4,562,000,000	4,742,502,000	4,948,411,000
9 General Fund transfers - out	(188,350,000)	(217,600,000)	(217,100,000)	(216,300,000)	(216,300,000)
10 General Fund transfers - in					
11 Cash Reserve Fund transfers	67,701,112				
12 2016 Session - General Fund transfers - in		8,000,000	8,000,000		
13 General Fund Net Revenues	4,185,715,233	4,193,400,000	4,352,900,000	4,526,202,000	4,732,111,000
14 <u>Appropriations</u>					
15 Actual Expend./Appropriations	4,030,404,308	4,271,803,869	4,397,255,680	4,397,255,680	4,397,255,680
16 2016 Session - Claims Bill		358,435			
17 2016 Session - Mid-Biennium Budget Adjustments		(3,384,730)	(2,709,558)		
18 Next Biennium - Overall Budget Increases, excluding Property Tax Relief				114,000,000	243,000,000
19 Property Tax Relief - TEEOSA				17,000,000	25,000,000
20 General Fund Appropriations	4,030,404,308	4,268,777,574	4,394,546,122	4,528,255,680	4,665,255,680
21 <u>Ending Balance</u>					
22 Dollar ending balance	732,273,130	315,998,617	269,352,495	262,298,815	324,154,135
23 Minimum Biennial Reserve Requirement			267,785,639		277,504,820
24 Variance from Minimum Reserve			1,566,856		46,649,315
25 Biennial Reserve (%)			3.0%		3.5%
26 Annual % Change - Appropriations	7.2%	3.7%	2.9%	3.0%	3.0%
27 Two Year Average	6.5%	--	3.3%	--	3.0%
28 Annual % Change - Net Receipts (Nominal)	4.9%	2.4%	3.6%	3.8%	4.3%
29 Two Year Average	3.2%	--	3.0%	--	4.1%
30 Structural Receipts v. Approps.	87,609,813	(75,377,574)	(41,646,122)	(2,053,680)	66,855,320

Cash Reserve Fund Status

	Actual FY2014-15	Current Biennium FY2015-16 FY2016-17		Next Biennium FY2017-18 FY2018-19	
1 <u>Beginning Balance</u>	719,065,306	727,835,426	702,339,649	652,339,649	602,339,649
2 Transfer Amounts Above Forecasts	96,721,232	84,599,532			
3 To/From General Fund	(67,701,112)	0	0		
4 To State Patrol Cash Fund (correction)	(250,000)				
5 To NCCF for Central NE Veterans Home		(43,015,459)			
6 To NCCF for Capitol courtyard fountains and HVAC	(14,500,000)	(7,804,292)			(20,436,714)
7 To Republican River Compact Litigation Contingency Fund	(5,500,000)				
8 To NCCF for Global Center for Advanced Learning		(25,000,000)			
9 To Oral Health Training and Services Fund		(8,000,000)			
10 2016 Session - Transfer to Transportation Infrastructure Bank			(50,000,000)	(50,000,000)	(50,000,000)
11 2016 Session - Transfer to NCCF for DCS capital projects		(26,275,558)			
Ending Balance	727,835,426	702,339,649	652,339,649	602,339,649	531,902,935



Mid-Biennium Budget Adjustments

Summary of Governor's Recommendations

Introduction

Nebraskans have been requesting relief from the growing property tax burden due to increasing valuations and the resulting growth in local government spending for many years, particularly during the past several years of rapidly accelerating growth in agricultural land valuations. The Governor is recommending a property tax relief proposal which will provide sustainable relief to all Nebraskans. The property tax relief proposal will limit the growth in overall statewide valuation on agricultural property to no more than three percent annually. This adjustment is estimated to increase the amount of state funding required within the Tax Equity and Educational Opportunities Support Act (TEEOSA) aid formula beginning in FY 2017-18.

The Governor is proposing legislation to create a Transportation Infrastructure Bank at the Department of Roads to: 1) accelerate projects on the state highway system, 2) assist in the repair and replacement of deficient county bridges, and 3) support economic growth through transportation improvements that attract and support new business or business expansion. The Governor's proposal includes the transfer of up to \$150 million from the state Cash Reserve Fund and a pledge of up to \$150 million from projected motor fuel tax revenue to the Transportation Infrastructure Bank.

The Governor's recommendation includes a transfer of \$26.3 million from the state Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) to finance the design, construction, renovation, and re-purpose of community corrections bed space at the Department of Corrections facilities in Omaha and Lincoln. This will include an increase of beds for community corrections. This additional capacity is needed as reforms to the correctional system are implemented. An appropriation is also recommended for a program statement for potential future design, construction, and renovation at the Lincoln Correctional Center and the Diagnostic and Evaluation Center facilities.

The state budget for the 2015-2017 biennium was enacted during the 2015 legislative session. Since the budget was enacted, the state collected \$84.6 million more in General Fund tax receipts than the certified forecast for FY 2014-15. These excess receipts were transferred to the state Cash Reserve Fund in July 2015 as provided for in state law. In October 2015, the Economic Forecasting Advisory Board revised the 2015-2017 budget biennium net General Fund tax receipt forecast downward by \$154 million. The Forecast Board will meet again in February 2016 to review its revised tax receipt forecasts prior to final consideration of mid-biennium budget adjustments by the Legislature.

As noted in the budget instructions issued to agencies, boards, and commissions in September 2015, a mid-biennium budget request should only be submitted to address the most critical situations that cannot be managed within existing appropriations and other requirements of the enacted appropriation laws. State agencies, boards, and commissions submitted mid-biennium requests for additional General Fund appropriations totaling \$43.4 million for the current 2015-2017 biennium.

The Tax Rate Review Committee, in its November 2015 report, noted an estimated budget biennium gap of approximately \$110 million after considering lapsed 2014-15 appropriations, the downward revision in tax receipt forecasts, and the requests for additional appropriations by state agencies. The Governor's recommendations eliminate \$87.5 million in FY 2014-15 reappropriations (carryover) otherwise available for spending in FY 2015-16. In addition, 2015-2017 biennial appropriations are reduced by \$5.7 million. Transfers to the General Fund from the Securities Act Cash Fund and the Insurance Cash Fund are increased by \$16 million. Cash Reserve Funds are not transferred to the General Fund to address the mid-biennium budget shortfall. This is not necessary.

The Governor's recommendations provide for a 2015-2017 biennium ending General Fund balance of \$269.4 million and maintains the required minimum three percent General Fund budget reserve.

The Governor's recommendations are explained in the following pages. More detailed information on agency mid-biennium budget requests can be found at <https://das-nebs.ne.gov/public/faces/publicIndex.jsp>

Agriculture, Environment and Natural Resources

Energy Office, Nebraska (71)

Clean-burning Motor Fuel Development Act – LB 581 (2015) called for the Nebraska Energy Office to administer rebates related to the Clean-burning Motor Fuel Development Act. The Act did not, however, contain specific language authorizing the agency to offset costs incurred with implementation.

The recommendation includes changes to the current language to allow the Nebraska Energy Office to utilize up to 10 percent of the Nebraska Clean-burning Motor Fuel Development Fund for administrative purposes.

Game and Parks Commission (33)

In the Game and Parks Commission's 2015-2017 biennial request, an issue titled Agency Efficiency and Reorganization was requested. Several positions and activities were identified in existing programs that, for administrative efficiencies, were deemed more appropriate within a different program. The funding was identified as cash funds when it should have been General Funds. To correct this error, the agency is requesting a shift of \$262,912 of General Funds from Parks – Administration and Operation Program to Administration Program in the amount of \$137,703 and to Planning and Trails Coordination Program in the amount \$125,209 and in exchange for like amount of cash funds to Parks - Administration and Operation Program for both fiscal years.

The recommendation supports this request to shift the fund mix between the programs for both fiscal years.

Economic Development and Regulatory

Banking, Department of (19)

Transfers to General Fund – The recommendation includes an additional transfer of \$6,000,000 from the Securities Act Cash Fund to the General Fund in FY 2015-16 and FY 2016-17.

Engineers and Architects, Board of (58)

The recommendation increases the cash fund appropriation by \$75,000 in FY 2015-16 for replacement of licensee database software. The recommendation does not include an appropriation or Personal Service Limitation (PSL) increase of \$11,200 for board per diem payments in FY 2016-17 as requested by the agency. This PSL request resulted from the passage of LB 23 (2015) that did not include an A-bill to address the fiscal impact.

Insurance, Department of (22)

Transfers to General Fund – The recommendation includes an additional transfer of \$2,000,000 from the Insurance Cash Fund to the General Fund in FY 2015-16 and FY 2016-17.

Public Accountancy, Board of (63)

The recommendation includes a Personal Service Limitation increase of \$18,243 in FY 2015-16 as requested by the Board of Public Accountancy for an employee retirement payout and transition costs.

Secretary of State (09)

Records Management – The recommendation includes an increase in the cash fund appropriation of \$396,460 in both FY 2015-16 and FY 2016-17 as requested by the Secretary of State for distributing funds to state agencies which provide on-line services through the web portal and for ensuring that funds exist to award technology grants to state agencies and political subdivisions.

Records Management Cash Fund Transfer for Information Security – The recommendation includes a transfer from the Records Management Cash Fund to the Information Management Revolving Fund in the amount of \$500,000 in FY 2015-16 and \$500,000 in FY 2016-17 for the acquisition of an enterprise Security Information Event Management (SEIM) System for the State of Nebraska. The SEIM system will allow the Office of Chief Information Officer (OCIO) to quickly detect, prevent, and respond to a data breach and protect state agency, board and commission data, including the confidential personal information of citizens.

Tourism Commission, Nebraska (91)

The recommendation does not include the Nebraska Tourism Commission requested \$750,000 increase in cash fund appropriation for either FY 2015-16 or FY 2016-17 for the purpose of an economic impact study model and marketing grants.

Education and Cultural Development

Colleges, Nebraska State (50)

Federal Regulation Change – The Nebraska State Colleges requested a General Fund appropriation of \$295,000 and Personal Service Limitation (PSL) of \$224,521 in FY 2015-16 and a General Fund appropriation of \$590,125 and PSL of \$449,041 in FY 2016-17 for the anticipated impact of possible regulation changes under the Fair Labor Standards Act (FLSA). The federal regulation changes are still being reviewed and the finalized regulations are not known.

The recommendation does not include the requested General Funds and PSL.

Education, Department of (13)

ADVISER Student Data System – Technical Support Services – The Department of Education requested a General Fund appropriation of \$300,000 in FY 2016-17 to provide technical services.

The recommendation does not include the requested General Funds.

ADVISER Student Data System – Data Hosting Services – The agency requested a General Fund appropriation of \$250,000 in FY 2016-17 to provide data and web hosting services.

The recommendation does not include the requested General Funds.

Coordinated School Health Institutes & Training – The agency requested a General Fund appropriation of \$25,000 in FY 2015-16 and a General Fund appropriation of \$25,000 in FY 2016-17 to provide funding for additional trainings. This program is currently funded with grant dollars.

The recommendation does not include the requested General Funds.

Coordinated School Health Specialist – The agency requested a General Fund appropriation of \$30,502 and Personal Service Limitation (PSL) of \$26,253 in FY 2015-16 and a General Fund appropriation of \$31,234 and PSL of \$26,833 in FY 2016-17. This program is currently funded with grant dollars.

The recommendation does not include the requested General Funds.

Medicaid in Public Schools Expansion – The agency requested a General Fund appropriation of \$177,124 and PSL of \$111,424 in FY 2015-16 and a General Fund appropriation of \$201,267 and PSL of \$111,700 in FY 2016-17 to implement LB 276 (2014). LB 276A provided an additional FTE and fiscal resources to execute the legislation within the Department of Health and Human Services.

The recommendation does not include the requested General Funds and PSL.

Statewide Assessment – The agency requested a General Fund appropriation of \$2,430,651 in FY 2016-17 for additional funding for statewide assessment. The agency received additional \$1,600,000 General Fund appropriations in FY 2015-16 and \$1,600,000 General Fund appropriations in FY 2016-17 for statewide assessment in the 2015-2017 Biennial Budget.

The recommendation does not include the requested General Funds.

Insurance Premium Tax Adjustment within TEEOSA – The agency requested a reduction of General Fund appropriation of \$4,111,963 in FY 2015-16 within TEEOSA to offset the higher than projected revenue from the Insurance Premium Tax.

The recommendation includes the reduction of General Funds.

November Certified TEEOSA Estimate – The Department of Education's November 2015 TEEOSA estimate for FY 2016-17 was \$965,000,000. The Insurance Premium Tax is estimated to be approximately \$27,000,000. Total General Funds necessary to fund FY 2016-17 is approximately \$938,000,000, which is less than the current General Fund appropriation of \$956,243,013 in FY 2016-17.

The recommendation decreases the General Fund appropriation by \$18,243,013 in FY 2016-17.

ACT Study – The agency requested a cash fund appropriation of \$22,616 in FY 2015-16 to pay for the remaining balance of a contract with the Nebraska Coordinating Commission for Postsecondary Education.

The recommendation includes the increase of cash funds.

Excellence in Teaching Act Funds – The agency requested a cash fund appropriation of \$375,000 in FY 2015-16 and a cash fund appropriation of \$375,000 in FY 2016-17 to be used for increased funding for the Excellence in Teaching Act.

The recommendation includes the increase of cash funds.

Professional Practices Compensation – The agency requested a cash fund appropriation of \$44,418 and PSL of \$35,360 in FY 2015-16 and cash fund appropriation of \$2,410 and PSL of \$2,075 in FY 2016-17 for retiree accrued vacation and sick leave payout and for transitional employee training.

The recommendation includes the increase of cash funds and PSL.

Historical Society, Nebraska (54)

Relocation of SpaceSaver Storage Equipment – The Nebraska Historical Society requested a General Fund appropriation of \$85,000 in FY 2015-16 to move storage equipment.

The recommendation does not include the requested General Funds.

Leased Purpose-Built Storage Equipment – The agency requested a General Fund appropriation of \$59,000 in FY 2015-16 to pay for an unforeseen building cost.

The recommendation does not include the requested General Funds as the costs are currently not an obligation to the State of Nebraska.

University of Nebraska (51)

Veterinary Diagnostic Center – The University of Nebraska reported favorable construction bids, which allows for a reduction in future year General Fund appropriation of \$17,670,400.

The recommendation includes the reduction of future year General Funds.

Bonds Used for Building Deferred Maintenance Repair, Renovation and Replacement – LB 605 (2006) provided the University appropriations to support its bonding for building deferred maintenance repair, renovation, and replacement. The University has reported the ability to pay off the bonds earlier than originally anticipated allowing for a reduction in future year General Fund appropriation of \$22,000,000 and future year cash appropriation of \$22,000,000.

The recommendation includes the reduction of future year General Funds and future year cash funds.

Human Resources Development

Health and Human Services, Department of (25)

FMAP Percent Increase – The federal FY 2017 Federal Medicaid Assistance Percentage (FMAP) increases from 51.16 to 51.85 percent, effective October 1, 2016. The federal FY 2017 enhanced match that applies to the Children’s Health Insurance Program (CHIP) increases from 88.81 to 89.30 percent, also on October 1, 2016. The change in FMAP from the rates used in the calculation of the 2015-2017 biennial budget results in a \$4,674,690 reduction in General Funds needed to support programs affected by a change in FMAP for the last nine months of state FY 2016-17.

The recommendation for FY 2016-17 includes the \$4,674,690 General Fund reduction and \$4,674,690 federal fund increase to account for the change in FMAP.

Behavioral Health Maintenance-of-Effort (MOE) Earmark – LB 657 (2015) earmarked a \$3,000,000 General Fund reappropriation from FY 2014-15 to FY 2015-16 to finance potential maintenance-of-effort penalty by the federal Substance Abuse and Mental Health Services Administration (SAMHSA). SAMHSA subsequently determined that the State complied with statutory and regulatory requirements regarding MOE and no penalty has been imposed.

The recommendation eliminates the \$3,000,000 reappropriation as it is not needed for the contingent use designated by the Legislature.

Rural Health Provider Incentive Program Match – The Department requests \$100,000 cash fund appropriation for FY 2015-16 and FY 2016-17 to allow for local match of \$100,000 federal grant funds available to the State Loan Repayment Program. The program provides loan repayment to health professionals serving in designated shortage areas.

The recommendation includes the \$100,000 cash fund appropriation for FY 2015-16 and FY 2016-17 as requested by the department.

Professional Licensure Unit Database Software – The recommendation for FY 2016-17 includes \$500,000 cash fund appropriation to purchase a licensure database as requested by the agency. The new software will allow the department to offer updated services including: online application, payment by credit card, ability to attach documentation, online application status check, and ability to process licensure related transactions by smartphone.

AccessNE Call Center Funding – The recommendation for FY 2016-17 includes an increase of \$600,000 General Funds and a reduction of \$600,000 federal funds for the AccessNE call centers. Federal funds received as bonus funds from the Food Stamp program, now known as Supplemental Nutrition Assistance Program (SNAP), have been used to supplement the financing of the call centers. It is projected the balance of federal bonus funds will be exhausted by the end of FY 2015-16.

Medicaid Managed Care Enrollment Broker – The recommendation includes \$3,445,925 General Funds and \$3,445,925 federal funds for FY 2016-17 to finance a contract relating to Medicaid managed care enrollment broker services. The enrollment broker will provide for web-based application, assistance in Medicaid plan selection, assistance with primary care provider selection, and assistance with disenrollment or changing of plans.

Behavioral Health System of Care – The recommendation includes \$42,546 General Funds, along with \$14,759 Personal Service Limitation (PSL) for FY 2015-16 and \$125,912 General Funds, along with \$60,453 PSL for FY 2016-17 to finance one full-time position tasked with implementing behavioral health System of Care. The System of Care provides a framework, or way of doing business, for the design of mental health services and supports for children and youth who have serious emotional disturbances, along with their families, through a collaboration across public and private agencies.

Alleviate Court Ordered Wait List at Lincoln Regional Center – The recommendation includes \$265,308 General Funds with \$120,489 PSL for FY 2015-16 and \$1,061,232 General Funds with \$481,954 PSL for FY 2016-17 in order to hire sufficient staff to make available an additional ten to twelve beds at the Lincoln Regional Center for court ordered treatment.

State Ward Permanency Pilot Project Cost – The recommendation includes \$1,373,812 General Funds for FY 2015-16 and \$500,000 General Funds for FY 2016-17 for the State Ward Permanency Pilot Project which is financed through the Developmentally Disabled Aid program. The recommendation for FY 2015-16 provides for the reimbursement of federal funds expended to support individuals administratively enrolled into the Medicaid children's waiver for the developmentally disabled that created a prioritized class not in compliance with the waiver. The recommendation also provides for the continuation of the pilot as a state-only program. The \$500,000 General Fund recommendation for FY 2016-17 increases the annual base appropriation for the state ward permanency pilot project to \$2,000,000.

Beatrice State Developmental Center Base Adjustment – The recommendation reduces the General Fund appropriation for the Beatrice State Developmental Center (BSDC) by \$300,000 for FY 2015-16 and FY 2016-17 based on ongoing analysis of program financing requirements. This General Fund base adjustment allows the redirection of \$300,000 General Funds to partially offset the increased General Fund costs associated with the state ward permanency pilot project.

Children's Health Insurance Program (CHIP) Reappropriation and One-Time Appropriation Reduction – The recommendation includes an \$11,146,819 General Fund reduction to the June 30, 2015 unexpended appropriation balance that was reappropriated for CHIP as well as a \$4,500,000 reduction to the General Fund FY 2015-16 appropriation. Ongoing agency analysis indicates the recommended General Funds available to the program for FY 2015-16 and FY 2016-17 are sufficient to finance CHIP for the 2015-2017 biennium and a reasonable contingency allowance. The recommendation does not reduce the General Fund CHIP appropriation for FY 2016-17.

Medical Assistance (Medicaid) Reappropriation Redirection and Reduction – The recommendation redirects \$11,340,542 of the June 30, 2015 General Fund reappropriation balance from the Medical Assistance program to the Developmental Disability Aid program. The additional funding for Developmental Disability Aid is needed due to delays in federal approval for the new provider payment rate methodology for providers of services for the developmentally disabled. While federal approval was pending, all increased costs associated with the new rate methodology were financed with state General Funds. Federal matching funds have been available since federal approval was received in July 2015.

In addition to the redirection of Medicaid reappropriation to Developmental Disability Aid, the recommendation reduces the unexpended June 30, 2015 General Fund appropriation balance reappropriated to Medicaid by \$73,434,455. Agency analysis indicates that recommended General Funds available to the Medicaid program after the \$84,774,997 reduction to General Fund reappropriation are sufficient to finance the program for FY 2015-16 and FY 2016-17 as well as provide a reasonable allowance for contingencies. The recommendation does not reduce the FY 2016-17 General Fund program appropriation.

Law Enforcement and Public Safety

Attorney General (11)

Interstate Water Litigation – The Attorney General's Office continues an ongoing defense of the State of Nebraska in class action lawsuits, involving over 150 plaintiffs, who have alleged the taking of their surface water use, and are demanding damages of over \$219 million. These claims are currently being litigated in State District Court. Nebraska and Colorado have also initiated arbitrations pursuant to the Final Settlement Stipulation regarding augmentation plans developed to ensure Republican River Compact Compliance. Kansas rejected the augmentation plans, and the Arbitrator's decisions, and the states are now involved in ongoing settlement negotiations regarding the plans. The Attorney General's mid-biennium budget adjustment request includes an additional \$507,900 General Funds in FY 2015-16 and an additional \$721,500 General Funds in FY 2016-17 for ongoing costs related to this suit and other potential Interstate Water Litigation.

The recommendations include an additional \$307,900 General Fund appropriation in FY 2015-16 and an additional \$721,500 General Fund appropriation in FY 2016-17 to continue any additional litigation costs.

Correctional Services, Department of (46)

FY 2015-16 Mid-Biennium Budget Adjustment Request – The Department of Correctional Services submitted a mid-biennium budget adjustment request for Adult Operations and capital construction appropriations in FY 2015-16. The recommendations for the Department of Correctional Services' appropriations for Adult Operations, total a net increase of \$2,937,667 General Funds in FY 2015-16 and of \$11,950,337 General Funds in FY 2016-17. The recommendations also include increases in capital construction appropriations totaling \$1,245,215 Nebraska Capital Construction Funds (NCCF) in FY 2015-16 and \$7,398,022 NCCF in FY 2016-17. The specific recommendations are outlined below:

Adult Operations – The recommendations for the agency's Adult Operations programs include the following:

- Increase in General Funds for inmate costs for medical care (as a result of increasing inmate population and continuing increases in the cost of medical care and services) of \$2,058,700 in FY 2015-16 and of \$2,525,012 in FY 2016-17;
- Increase in General Funds for the inmate costs for food and other non-medical per diem expenses of \$1,878,000 in FY 2015-16 and of \$2,278,000 in FY 2016-17;
- Increase in General Funds to continue to provide services to parolees with substance abuse disorder needs, provided through the Office of Probation's Day Reporting Centers, of \$600,000 in FY 2016-17;
- Increase in General Funds for enhancements to and expansions of communications and information services systems, security and computer equipment maintenance and replacement, and Justice Reinvestment training, of \$1,774,997 in FY 2015-16 and of \$2,939,925 in FY 2016-17;
- Increase of General Funds for rising utility costs and facility maintenance of \$1,161,507 in FY 2015-16 and of \$1,207,968 in FY 2016-17;
- Increase in General Funds for the cost of continuing agreements to house approximately 200 inmates in county jail facilities (including case worker and transport staffing) of \$479,892 in FY 2015-16 and of \$4,607,147 in FY 2016-17; and,
- Decrease in General Funds to recognize anticipated vacancy savings by the agency from normal turnover as well as retirement vacancies being filled at lower starting salaries than those of retiring employees, of \$4,415,429 in FY 2015-16 and of \$2,207,715 in FY 2016-17.

Capital Construction – The recommendations for the agency's capital construction programs include the following:

- Increase in Nebraska Capital Construction Funds (NCCF) appropriations in Infrastructure and Maintenance for needed repairs and renovations to the Tecumseh State Correctional Institution, as a result of damages incurred during the May 10, 2015 disturbance, of \$1,192,215 in FY 2015-16 and of \$2,022,503 in FY 2016-17;
- Additional NCCF appropriations to plan, design, construct, renovate, and re-purpose community corrections bed space at the agency's Community Corrections Center facilities in Lincoln and Omaha, with a net increase of 148 beds, totaling \$53,000 in FY 2015-16, \$5,306,519 in FY 2016-17, and \$20,847,039 in the following biennium. In addition, \$69,000 NCCF appropriation is recommended in FY 2016-17 to prepare a program statement on the potential future design, renovation, and consolidation of the agency's Lincoln Correctional Center and the Diagnostic and Evaluation Center facilities, as well as the construction of 300 new beds for behavioral health, geriatric, and long-term medical needs inmates.

Transfer of Funds – The recommendations include a transfer from the Cash Reserve Fund to the Nebraska Capital Construction Fund by June 30, 2016, of \$26,275,558 in order to provide NCCF funding for the agency's capital construction programs outlined above.

Law Enforcement and Criminal Justice, Commission on (78)

Personal Service Limitation Increases – The recommendations include Personal Service Limitation (PSL) only increases for the Crime Commission's Law Enforcement Training Center (LETC) program and other programs, as follows:

- 1) A PSL-only increase of \$15,473 in FY 2015-16 and \$21,125 in FY 2016-17 for retention and recruitment of instructors at the LETC;
- 2) A PSL-only, one-time increase of \$17,372 in FY 2015-16 for retiree accrual of vacation and sick leave payout;

- 3) A PSL-only increase of \$5,445 in FY 2015-16 and \$5,575 in FY 2016-17, in both the Central Administration Program and the Criminal Justice Information System Program for an adjustment of the Information Technology Manager class salary resulting from IT class adjustments.

Public Finance and General Government

Administrative Services, Department of (65)

Provide authorization to purchase real property for the Capitol HVAC System Replacement project – The recommendation includes enabling language for the State Building Division of the Department of Administrative Services to purchase real property related to the geothermal well field that will be used to provide heating and cooling to the Capitol once the HVAC project is completed. The program statement for the project calls for the purchase of real property and the cost of acquiring the property is included in the total project cost.

Auditor of Public Accounts (10)

Employee Retirement Accrued Leave Payout – A long-time state employee of over 39 years has indicated their retirement will occur late in FY 2015-16. The Auditor's Office has requested \$46,100 General Funds and \$40,000 Personal Service Limitation (PSL) for FY 2015-16 for the payout of accrued vacation and sick leave earned by the employee. A review of payroll information for the retiring employee over the course of the past several years indicates that the employee's time has been recorded against both General Funds and cash funds. Further, the Auditor's Office's payout calculations have assumed the employee will not use any vacation leave during the final six months of employment leading up to their retirement, which is not consistent with the employee's past use of vacation leave.

The recommendations include \$21,000 General Funds, \$21,000 cash funds, and \$36,000 PSL for FY 2015-16. Further, as an offset to the General Fund portion of the retiree leave payout, the recommendation includes a one-time reduction of \$21,000 General Funds in FY 2015-16 from savings in the employer share of the cost of health insurance due to the Auditor not opting to participate in the state plan during the current fiscal year.

Retirement Systems, Nebraska Public Employees (85)

Defined Benefit Plans Estimated Unfunded Liability – The Retirement System's consulting actuary has estimated a decrease in the additional contribution required for the State Patrol Plan of \$474,262. This reduction is included in the recommendation.

School Employee's Retirement Plan Match – Using the information provided in the consulting actuary's 2015 valuation reports, the recommendation includes a General Fund base increase of \$1,377,501 in FY 2016-17 to finance the State's 2% match of salary under the School Employees Retirement System, the Class V School Employees Retirement plan, and the Class V Service Annuity.

Revenue, Department of (16)

Homestead Exemption Reimbursement to Political Subdivisions – The Homestead Exemption program provides direct relief from property taxes to eligible persons by exempting all or a portion of the valuation of the homestead from taxation. The State reimburses local governments for the taxes lost due to homestead exemptions. The Department of Revenue has indicated that the homestead exemption tax loss experienced by local governments to be reimbursed by the State during FY 2015-16 is \$71,600,000, which is \$600,000 more than was appropriated. Due to a recent acceleration in the growth of residential valuations and an increase in the eligible population, the Department estimates that the program will require \$74,200,000 General Funds in FY 2016-17, an increase of \$1,200,000 over the current appropriation in FY 2016-17.

The Governor recommends appropriations consistent with the Department's estimates.

Commission on Problem Gambling – The Commission on Problem Gambling, which is located in the Department of Revenue’s Charitable Gaming Division for administrative purposes, requested an increase of \$100,000 cash funds each year to continue their expansion of access to treatment services in the State for individuals suffering from a gambling disorder and for public education and outreach messages regarding the risks of gambling addiction.

The recommendations do not include funding the request. The current estimated level of revenue available to the Commission cannot sustain the increased spending authority level. Further, the Governor encourages the Commission to establish objectives and benchmarks related to outcomes to allow an evaluation of the Commission’s performance at the current level of available revenue, which could then potentially establish justification for additional revenue in the future.

Tax Equalization and Review Commission (93)

Attorney Position Salary Adjustments – The Tax Equalization and Review Commission (TERC) requested \$23,030 General Funds and \$20,000 Personal Service Limitation for FY 2016-17 to allow for a salary increase for each of the Commission’s two Attorney positions. The Commission expressed a concern at the time of submission that the increases were believed necessary to retain the current incumbents in those positions. Since that time, one attorney accepted a position with the Attorney General’s Office for slightly higher pay while the other was appointed by the Governor to the vacant TERC Commissioner position. These actions mitigate the urgency of the Commission’s concern and will allow the Commission to engage in a thorough salary comparability analysis. Therefore, the recommendation does not include funding the Commission’s request.

Transportation

Motor Vehicles, Department of (24)

Vehicle Title and Registration System Funding – Legislation is being proposed that would finance part of the Vehicle Title and Registration Replacement and Maintenance Fund by allowing the Department of Motor Vehicles to receive additional revenue.

The recommendation includes \$5,325,000 cash fund transfer from the Department of Motor Vehicles Cash Fund to the Vehicle Title and Registration Replacement and Maintenance Cash Fund in FY 2016-17.

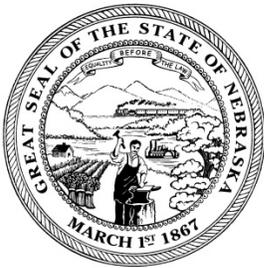
The recommendation includes \$175,000 cash funds transfer for FY 2016-17 from the Indigent Interlock Fund to the Vehicle Title and Registration Replacement and Maintenance Cash Fund.

Roads, Department of (27)

Transportation Infrastructure Bank – The recommendation includes the transfer of up to \$150,000,000 from the Cash Reserve Fund to the Transportation Infrastructure Bank proposed for the Department of Roads. This transfer will be used to accelerate projects on the state highway system, support repair and replacement of deficient county bridges, and promote economic growth through transportation improvements.

Radio Expenditures – LB 657 (2015) placed a limit on all Department of Roads expenditures related to radios on the Nebraska Statewide Radio System of \$781,377 in each fiscal year. In the mid-biennium budget request, the Department requested an increase to the current language or removal of the limitation language completely. The per user fee rate for radios was established with the Department having a specific number of radio users on the system. The limit on radio expenditures prevents the Department from adding additional radio users to the system. This reduced number of radio users would likely cause a per user fee increase to all other users of the system.

The recommendation includes changing the current language of LB 657 (2015) to increase the limit for purchase and maintenance of additional radios from \$781,377 to \$1,495,420 in each fiscal year.



Summary of Mid-Biennium Budget Adjustments

2015-2017 Mid-Biennium Budget Adjustment Requests and Governor's Recommendations

Agy#	Agency	Prog#	Program	Issue Name	Type	Fund Type	FY 2015-16 Request	FY 2015-16 Governor	FY 2016-17 Request	FY 2016-17 Governor
009	SECRETARY OF STATE									
		086	ENF. OF STANDARDS-RECORDS MGMT	Increase in on-line revenue and reinstate Government Technology Grants	Operations	Cash	396,460	396,460	396,460	396,460
				Transfer from Records Management Cash Fund to IMServices Revolving Fund for enterprise security information event management system	Transfer	Cash	N/A	Yes	N/A	Yes
010	STATE AUDITOR									
		010	SALARY-AUDITOR	Transfer appropriation originally budgeted for unused health insurance to fund employee retirement	Operations	General	0	(21,000)	0	0
		506	STATE AGENCY & COUNTY POST AUDITS	Retiree leave payout	Operations	General	46,100	21,000	0	0
				Retiree leave payout	Operations	PSL	40,000	18,000	0	0
		525	COOPERATIVE AUDITS	Retiree leave payout	Operations	Cash	0	21,000	0	0
				Retiree leave payout	Operations	PSL	0	18,000	0	0
011	ATTORNEY GENERAL									
		496	INTERSTATE WATER LITIGATION	Ongoing Water Litigation costs	Operations	General	507,900	307,900	721,500	721,500
013	EDUCATION									
		025	EDUCATION ADMINISTRATION	ADVISER Student Data System - Data Hosting Services	Operations	General	0	0	250,000	0
				ADVISER Student Data System - Technical Support Services	Operations	General	0	0	300,000	0
				Coordinated School Health (CSH) Institutes & Training	Operations	General	25,000	0	25,000	0
				Coordinated School Health Specialist	Operations	General	30,502	0	31,234	0
				Coordinated School Health Specialist	Operations	PSL	26,253	0	26,883	0
				Implement LB 276 Medicaid in Public Schools (MIPS) Expansion	Operations	General	177,124	0	201,267	0
				Implement LB 276 Medicaid in Public Schools (MIPS) Expansion	Operations	PSL	111,424	0	111,700	0
				NeSA-English Language Arts & Text Dependent Analysis	Operations	General	0	0	2,430,651	0
		158	EDUCATION AID	November NDE certified TEEOSA estimate	Aid	General	0	0	0	(18,243,013)
				TEEOSA Insurance Premium Tax Adjustment	Aid	General	(4,111,963)	(4,111,963)	0	0
		161	EDUCATION INNOVATION	ACT Study by Coord. Comm. for Postsecondary Education	Operations	Cash	22,616	22,616	0	0
				Use of Additional Excellence in Teaching Act funds	Aid	Cash	375,000	375,000	375,000	375,000
		614	PROFESSIONAL PRACTICES COMM	Retiree leave payout; earmark	Operations	Cash	42,067	42,067	0	0
				Retiree leave payout; earmark	Operations	PSL	35,360	35,360	0	0
				Staff transition cost; earmark	Operations	Cash	2,351	2,351	2,410	2,410
				Staff transition cost; earmark	Operations	PSL	2,024	2,024	2,075	2,075
016	REVENUE									
		108	HOMESTEAD EXEMPTION	Adjust Homestead Exemption appropriation based on 2015 actual tax loss	Aid	General	600,000	600,000	1,200,000	1,200,000
016-164	COMM. ON PROBLEM GAMBLING									
		164	GAMBLERS ASSISTANCE PROGRAM	Increase for counseling services	Aid	Cash	50,000	0	50,000	0
				Increase for outreach messages	Operations	Cash	50,000	0	50,000	0

2015-2017 Mid-Biennium Budget Adjustment Requests and Governor's Recommendations

Agy#	Agency	Prog#	Program	Issue Name	Type	Fund Type	FY 2015-16 Request	FY 2015-16 Governor	FY 2016-17 Request	FY 2016-17 Governor
019	BANKING									
		066	ENF. OF STANDARDS-SECURITIES	Transfer additional \$6 million annually from Securities Act Cash Fund to General Fund	Transfer	General	N/A	Yes	N/A	Yes
022	INSURANCE									
		069	ENF. OF STANDARDS-INSURANCE	Transfer additional \$2 million annually from Insurance Cash Fund to General Fund	Transfer	General	N/A	Yes	N/A	Yes
024	MOTOR VEHICLES									
		070	ENF. OF STANDARDS-MOTOR VEHICLES	Transfers from DMV Cash Fund and Ignition Interlock Cash Fund to VTR Replacement Cash Fund	Transfer	Cash	N/A	N/A	N/A	Yes
025	HEALTH AND HUMAN SERVICES									
		033	ADMINISTRATION	AccessNebraska Call Center Funding	Operations	General	0	0	600,000	600,000
				AccessNebraska Call Center Funding	Operations	Federal	0	0	0	(600,000)
				Behavioral health "System of Care"	Operations	General	0	42,546	0	125,912
				Behavioral health "System of Care"	Operations	PSL	0	14,759	0	60,453
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	General	0	0	(27,953)	(27,953)
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	Federal	0	0	27,953	27,953
				Medicaid Managed Care Enrollment Broker contract	Operations	General	0	0	3,445,925	3,445,925
				Medicaid Managed Care Enrollment Broker contract	Operations	Federal	0	0	3,445,925	3,445,925
		038	BEHAVIORAL HEALTH AID	Reduce reappropriation for unnecessary maintenance of effort earmark	Reappropri.	General	0	(3,000,000)	0	0
		175	MEDICAL STUDENT ASSISTANCE	Medical Student Assistance Program increase	Operations	Cash	100,000	100,000	100,000	100,000
		178	PROFESSIONAL LICENSURE	New database software for Professional Licensure Unit	Operations	Cash	0	0	500,000	500,000
		344	CHILDRENS HEALTH INSURANCE	Increase in Federal Medical Assistance Percentage (FMAP)	Aid	General	0	0	(206,368)	(206,368)
				Increase in Federal Medical Assistance Percentage (FMAP)	Aid	Federal	0	0	206,368	206,368
				One-time reduction based on assessment of FY 2015-16 spending estimate	Aid	General	0	(4,500,000)	0	0
				Reappropriation reduction	Reappropri.	General	0	(11,146,819)	0	0
		348	MEDICAL ASSISTANCE	Increase in Federal Medical Assistance Percentage (FMAP)	Aid	General	0	0	(3,823,431)	(3,823,431)
				Increase in Federal Medical Assistance Percentage (FMAP)	Aid	Federal	0	0	3,823,431	3,823,431
				Reappropriation reduction	Reappropri.	General	0	(84,774,997)	0	0
		354	CHILD WELFARE AID	Increase in Federal Medical Assistance Percentage (FMAP)	Aid	General	0	0	(54,813)	(54,813)
				Increase in Federal Medical Assistance Percentage (FMAP)	Aid	Federal	0	0	54,813	54,813
		365	BEHAVIORAL HEALTH/REGIONAL CNTRS	Alleviate court ordered wait list at Lincoln Regional Center	Operations	General	530,616	265,308	1,061,232	1,061,232
				Alleviate court ordered wait list at Lincoln Regional Center	Operations	PSL	240,978	120,489	481,954	481,954
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	General	0	0	(6,506)	(6,506)
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	Federal	0	0	6,506	6,506
		421	BEATRICE STATE DEVELOPMENTAL CTR	Base adjustment	Operations	General	0	(300,000)	0	(300,000)
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	General	0	0	(62,695)	(62,695)
				Increase in Federal Medical Assistance Percentage (FMAP)	Operations	Federal	0	0	62,695	62,695

2015-2017 Mid-Biennium Budget Adjustment Requests and Governor's Recommendations

Agy#	Agency	Prog#	Program	Issue Name	Type	Fund Type	FY 2015-16 Request	FY 2015-16 Governor	FY 2016-17 Request	FY 2016-17 Governor
DHHS continued		424	DEVELOPMENTAL DISABILITIES AID	Increase in Federal Medical Assistance Percentage (FMAP)	Aid	General	0	0	(492,924)	(492,924)
				Increase in Federal Medical Assistance Percentage (FMAP)	Aid	Federal	0	0	492,924	492,924
				Redirect Medicaid reappropriation to DD provider rate methodology - federal approval delay	Reapprop.	General	0	11,340,542	0	0
				State Ward Permanency Pilot Project cost	Aid	General	1,415,928	1,373,812	0	500,000
027	ROADS	574	HIGHWAY MAINTENANCE	Revise earmark language for radio purchases	Operations	Cash	Yes	Yes	Yes	Yes
				Transfer from CRF for Transportation Infrastructure Bank - Up to \$150 million	Transfer	Cash	N/A	N/A	N/A	Yes
033	GAME AND PARKS COMM.	337	ADMINISTRATION	Transfer appropriation among programs	Operations	General	137,703	137,703	137,703	137,703
				Transfer appropriation among programs	Operations	Cash	(137,703)	(137,703)	(137,703)	(137,703)
		549	PARKS - ADMIN. & OPERATIONS	Transfer appropriation among programs	Operations	General	(262,912)	(262,912)	(262,912)	(262,912)
				Transfer appropriation among programs	Operations	Cash	262,912	262,912	262,912	262,912
		550	PLANNING & TRAILS COORDINATION	Transfer appropriation among programs	Operations	General	125,209	125,209	125,209	125,209
				Transfer appropriation among programs	Operations	Cash	(125,209)	(125,209)	(125,209)	(125,209)
046	CORRECTIONS	200	ADULT OPERATIONS	Continuation of Inmate County Jail Program	Operations	General	479,892	479,892	4,607,147	4,607,147
				Inmate Health Services costs	Operations	General	2,058,700	2,058,700	2,525,012	2,525,012
				Non-medical inmate per diem costs	Operations	General	1,878,000	1,878,000	2,278,000	2,278,000
				Operations equipment replacement costs	Operations	General	1,774,997	1,774,997	2,939,925	2,939,925
				Program treatment costs for parolees	Operations	General	0	0	600,000	600,000
				Reductions for vacancy savings	Operations	General	(4,415,429)	(4,415,429)	(2,207,715)	(2,207,715)
				Utility costs and Facility Maintenance Increase (Maintenance)	Operations	General	631,507	631,507	624,968	624,968
				Utility costs and Facility Maintenance Increase (Utilities)	Operations	General	530,000	530,000	583,000	583,000
		914	INFRASTRUCTURE AND MAINTENANCE	Tecumseh State Correctional Institution repair and restoration	Operations	General	1,192,215	0	2,022,503	0
				Tecumseh State Correctional Institution repair and restoration	Construction	NCCF	0	1,192,215	0	2,022,503
		927	COMMUNITY CORRECTIONS RENOVATIO	Community Corrections renovation and expansion	Construction	General	53,000	0	5,306,519	0
				Community Corrections renovation and expansion	Construction	NCCF	0	53,000	0	5,306,519
		928	RECEPTION & TREATMENT CENTER	Program Statement - Reception and Treatment Center	Construction	General	0	0	69,000	0
				Program Statement - Reception and Treatment Center	Construction	NCCF	0	0	0	69,000
050	STATE COLLEGE SYSTEM	048	STATE COLLEGES	Impact of proposed Fair Labor Standards Act (FLSA) regulation changes	Operations	General	295,063	0	590,125	0
				Impact of proposed Fair Labor Standards Act (FLSA) regulation changes	Operations	PSL	224,521	0	449,041	0

2015-2017 Mid-Biennium Budget Adjustment Requests and Governor's Recommendations

Agy#	Agency	Prog#	Program	Issue Name	Type	Fund Type	FY 2015-16 Request	FY 2015-16 Governor	FY 2016-17 Request	FY 2016-17 Governor
051	UNIVERSITY SYSTEM									
		920	LB605 PROJECTS	Reduce FUTURE amount by \$22,000,000	Construction	General	N/A	N/A	N/A	Yes
				Reduce FUTURE amount by \$22,000,000	Construction	Cash	N/A	N/A	N/A	Yes
		939	VETERINARY DIAGNOSTIC CENTER	Reduce FUTURE amount by \$17,670,400	Construction	General	N/A	N/A	N/A	Yes
054	HISTORICAL SOCIETY									
		648	HISTORICAL SOCIETY	Leased purpose-built storage unforeseen costs	Operations	General	59,000	0	0	0
				Relocation of SpaceSaver storage equipment	Operations	General	85,000	0	0	0
058	ENGINEERS & ARCHITECTS BD.									
		082	ENF. OF STANDARDS-ENG & ARCHITECTS	Increase in per diem for board members	Operations	Cash	0	0	11,200	0
				Increase in per diem for board members	Operations	PSL	0	0	11,200	0
				Replace Licensee Database Software	Operations	Cash	0	75,000	75,000	0
063	PUBLIC ACCOUNTANCY BD.									
		084	ENF. OF STANDARDS-ACCOUNTANTS	Retiree leave payout	Operations	PSL	15,043	15,043	0	0
				Staff transition cost	Operations	PSL	6,000	3,200	0	0
065	ADMINISTRATIVE SERVICES									
		172	INFORMATION MANAGEMENT SERVICES	Transfers from Records Management Cash Fund to IMServices Revolving Fund for enterprise security information event management system	Transfer	Revolving	N/A	Yes	N/A	Yes
		172	INFORMATION MANAGEMENT SERVICES	Earmark appropriation for acquisition of enterprise security information event management system	Operations	Revolving	N/A	Yes	N/A	Yes
		922	CAPITOL HVAC PROJECT	Authorize acquisition of real property for the Capitol HVAC project	Construction	NCCF	Yes	Yes	Yes	Yes
071	ENERGY OFFICE									
		106	ENERGY OFFICE ADMINISTRATION	Authorize use of Clean-burning Motor Fuel Development Fund for administrative costs	Fund	Cash	N/A	Yes	N/A	Yes
078	CRIME COMMISSION									
		198	CENTRAL ADMINISTRATION	IT Manager salary adjustment	Operations	PSL	5,445	5,445	5,575	5,575
		199	LAW ENFORCEMENT TRAINING CTR	Law Enforcement Training Center Employee Retirement	Operations	PSL	17,372	17,372	0	0
				Law Enforcement Training Center instructor salary adjustment	Operations	PSL	15,473	15,473	21,125	21,125
		215	CRIMINAL JUSTICE INFO SYSTEM	IT Manager salary adjustment	Operations	PSL	5,445	5,445	5,575	5,575
085	RETIREMENT									
		515	PUBLIC EMPLOYEES RETIREMENT	Omaha School Employees Plan - Service Annuity and 2% of salary contribution	Aid	General	0	0	257,901	257,901
				School Employees Plan - 2% of salary contribution	Aid	General	0	0	1,119,600	1,119,600
				State Patrol Plan - Contribution	Aid	General	0	0	(474,262)	(474,262)

2015-2017 Mid-Biennium Budget Adjustment Requests and Governor's Recommendations

Agy#	Agency	Prog#	Program	Issue Name	Type	Fund Type	FY 2015-16 Request	FY 2015-16 Governor	FY 2016-17 Request	FY 2016-17 Governor
091	TOURISM COMMISSION									
		618	TOURISM PROMOTION	Economic Impact Research Study	Operations	Cash	750,000	0	750,000	0
093	TAX EQUALIZATION & REVIEW									
		115	OPERATIONS	Salary adjustment for Attorney positions	Operations	General	0	0	23,030	0
				Salary adjustment for Attorney positions	Operations	PSL	0	0	20,000	0
New Appropriation Totals						General	7,742,854	(3,384,730)	35,666,309	(2,709,558)
						Cash	1,788,494	1,034,494	2,310,070	1,373,870
						NCCF	0	1,245,215	0	7,398,022
						Federal	0	0	8,120,615	7,520,615
						Revolving	0	0	0	0
						Total	9,531,348	(1,105,021)	46,096,994	13,582,949
						PSL	745,338	270,610	1,135,128	576,757
Reappropriation Total						General	0	(87,581,274)	0	0

New General Fund Transfers In

From Fund	To Fund	FY 2015-16	FY 2016-17
Securities Act Cash Fund	General Fund	6,000,000	6,000,000
Insurance Cash Fund	General Fund	2,000,000	2,000,000

New Non-General Fund Transfers

From Fund	To Fund	FY 2015-16	FY 2016-17
Motor Vehicles Cash Fund	VTR System Replacement and Maintenance Cash Fund	0	5,325,000
Ignition Interlock Fund	VTR System Replacement and Maintenance Cash Fund	0	175,000
Records Management Cash Fund	Information Management Revolving Fund	500,000	500,000

New Cash Reserve Fund Transfers Out

From Fund	To Fund	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
Cash Reserve Fund	Nebraska Capital Construction Fund (for DCS capital projects)	26,275,558	0	0	0
Cash Reserve Fund	Transportation Infrastructure Bank Fund	0	50,000,000	50,000,000	50,000,000



Appendix

Administrative Services – State Budget Division

Staff Listing

Gerry A. Oligmueller, State Budget Administrator

Lyn Heaton, Deputy Budget Administrator

Budget Analysts and Their Agency Assignments

Gary Bush – Administrative Services, Blind & Visually Impaired, Deaf and Hard of Hearing, Health & Human Services (analytics), Investment Council, Retirement Systems

Lyn Heaton, Deputy Budget Administrator – Auditor of Public Accounts, Governor, Legislative Council, Lieutenant Governor, Revenue, Tax Equalization & Review, Treasurer

Robin Kilgore – Abstracters Board of Examiners, Accountability & Disclosure, Banking, Barber Examiners, Economic Development, Electrical Division, Engineers & Architects, Geologists, Insurance, Labor, Land Surveyors, Landscape Architects, Public Accountancy, Public Service Commission, Racing Commission, Real Estate Commission, Real Property Appraiser Board, Secretary of State, Tourism Commission

Elton Larson – Foster Care Review Office, Health & Human Services, Industrial Relations, Veterans' Affairs

Claire Oglesby – Agriculture, Brand Committee, Corn Board, Dairy Industry Development Board, Dry Bean Commission, Environmental Quality, Ethanol Board, Fair Board, Game & Parks, Grain Sorghum Board, Natural Resources, Wheat Board

James Van Bruggen – Arts Council, Community College Aid, Coordinating Commission for Postsecondary Education, Education, Educational Lands & Funds, Educational Telecommunications, Historical Society, Library Commission, State College System, University System

Joe Wilcox – Attorney General, Correctional Services, Criminal Justice, Equal Opportunity, Fire Marshal, Liquor Control, Military Department, Parole, Public Advocacy, State Patrol, Supreme Court, Workers' Compensation Court

Lee Will – Aeronautics, Energy Office, Indian Affairs Commission, Latino American Commission, Motor Vehicle Licensing Board, Motor Vehicles, Oil & Gas Commission, Power Review Board, Roads

Support Staff

Betty Hladky, Business Manager