



STATE OF NEBRASKA WORKERS' COMPENSATION COURT

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January 15, 2010

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JAN 15 2010

Senator Lavon Heidemann
Appropriations Committee
State Capitol, Room 1004
Lincoln, NE 68509

STATE BUDGET DIVISION

Re: LB 1, Section 10, Special Session Report

Dear Senator Heidemann:

In response to your memorandum of December 4, 2009, please accept this letter as our court's report in compliance with LB 1, Section 10, from the recently completed special legislative session. None of the special session bills included any reduction in the amount of the reappropriation or the new appropriations for our court. Instead, LB 1 provided for a \$2,000,000 transfer from the Compensation Court Cash Fund to the General Fund in FY 2009-10 and an additional \$2,000,000 transfer in FY 2010-11. Despite those transfers, a sufficient balance will remain in this fund to cover the amounts appropriated for the current operations of the court in this biennium. As a result, there is no expected impact on the staffing of our court or the services we provide to the public. Likewise, there is no expected impact on the receipt of federal funds or fees collected.

While there is no immediate impact on the operations of the court from the special legislative session, we nevertheless continue to monitor our expenditures very closely in light of the current economic and budgetary conditions. There are also potential unexpected expenses that may require substantial belt tightening by the court. Our appropriations for this biennium include amounts to cover the cost of rent for a new facility for our judges and court staff currently located on the 12th and 13th floors of the Capitol Building. Those amounts were based on the expected rent for commercial space elsewhere in Lincoln, and it was expected that the cost of initial build out for the new facility would be factored into the rent over the expected 10 year lease period.

However, it has since come to our attention that space may be available to the court in the Assurity Building just north of the Capitol Building, which is in the process of being purchased by the State of Nebraska. Should that space prove acceptable, the costs in the long term would be substantially lower than for comparable commercial space. Unfortunately, the entire cost of the build out would then have to be paid up front, and it is unlikely that the amounts currently appropriated for rent would be sufficient to cover those costs. A program statement is currently

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being prepared regarding the expected project costs and the suitability of the space for the court's needs. That statement is projected to be completed in February or March, and at that time the court will be in a position to determine whether the project is feasible, whether the costs can be covered by existing appropriations, and whether any corresponding adjustments would need to be made in the court's operations.

We would be happy to respond to any questions you or other members of the Committee may have.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn Morton", with a long horizontal flourish extending to the right.

Glenn Morton
Court Administrator

Cc: Sen. Danielle Conrad
Sen. Tony Fulton
Sen. Thomas Hansen
Sen. John Harms
Sen. Heath Mello
Sen. John Nelson
Sen. Jeremy Nordquist
Sen. John Wightman
Doug Nichols
Joe Wilcox ✓