



**State of Nebraska
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Dave Heineman
Governor

February 5, 2010

Senator Lavon Heidemann, Chairperson
Appropriations Committee
State Capitol
PO Box 94604
Lincoln, NE 68509-4604

RE: Budget Action Plan for Board of Geologists

Dear Chairperson Heidemann and Appropriations Committee:

Thank you for the additional time to reply to your December 4, 2009 memorandum, allowing the Board to discuss the budget plan at their quarterly meeting on January 14. The following report is being submitted to detail specific actions to implement a Budget Plan pursuant to Legislative Bill 1, Legislative Bill 2 and Legislative Bill 3, First Special Session, 2009.

PLAN FOR FISCAL YEAR 2009/2010

LB 1 provided for a 2 1/2% ATB reduction in the base appropriation for FY2009/2010 of \$812 with a specific Cash Fund transfer of \$812 to the General Fund.

2 1/2% ATB Budget Reduction of \$812: Reduction of the base appropriation will be accomplished by reducing Other Contractual Services by \$812.

Re-appropriation Reduction of \$4,955: The re-appropriation reduction will be accomplished by reducing Other Operating Expenses by \$4,955. The Board had budgeted for legislative aid to help remove an unwanted exemption and monitor legislative activity that might be in conflict with the Act. Since the bill successfully passed in the previous biennium and no conflict arose, re-appropriation was larger than anticipated.

IMPACT FOR FISCAL YEAR 2009/2010

Impact on staffing: There is no impact since the Board has no staff. A Memorandum of Understanding with the Board of Engineers and Architects covers administrative services, equipment and office space.

Impact on services provided to the public and/or agency functions: The reduction will be borne primarily by discontinuing the monitoring of legislation that could affect the safety, health and welfare of the public in relation to the practice of geology.

Impact on receipt of federal funds: The Board operates totally from their Cash Fund, funded by application and licensing fees. No state or federal funds are involved.

Anticipated fee increase: The Board did not increase fees during FY2009/2010 to offset the cash fund transfer to the General Fund. The majority of revenue collected comes from renewal fees which must be set during the first part of the fiscal year. Notices for license renewals are mailed the first part of October. The Board has adequate funds to sustain the reduction during FY2009/2010.

PLAN FOR FISCAL YEAR 2010/2011

LB 1 provided for the 5% ATB reduction in the base appropriation for FY2010/2011 of \$1,650 with a specific Cash Fund transfer of \$1,650 to the General Fund.

In 2009, the Board of Engineers and Architects raised the Memorandum of Understanding for administrative services, office space and equipment from \$17,860 in FY 2009/2010 to \$30,681 for FY 2010/2011, amounting to 98% of the base appropriation after the reduction. In 2008, the Board was appropriated their total budget request for FY 2010/2011 which only included \$18,396 for the Memorandum of Understanding. The Board of Geologists does not have enough appropriation to pay the increased MOU and essential operating expenses for FY 2010/2011. After discussions at the January Board meeting, negotiations are underway with the Board of Engineers and Architects to reduce the Memorandum of Understanding for FY 2010/2011, allowing the Board of Geologists to stay within the total appropriation. The following reduction plan can only take place if the Board is successful in their attempt to reduce the MOU.

5% ATB Budget Reduction of \$1,650: Reduction of the base appropriation will be accomplished by reducing Other Contractual Expenses by 1,650.

IMPACT FOR FISCAL YEAR 2010/2011

Impact on staffing: There is no impact since the Board has no staff. A Memorandum of Understanding with the Board of Engineers and Architects covers administrative services, equipment and office space.

Impact on services provided to the public and/or agency functions: The reduction will be borne primarily by discontinuing the contract for monitoring legislation that could affect the safety, health and welfare of the public in relation to the practice of geology.

Impact on receipt of federal funds: The Board operates totally from their Cash Fund, funded by application and licensing fees. No state or federal funds are involved.

Anticipated fee increase: The Board is exploring contracting with another agency or combining with another board to reduce administrative fees. If this is not successful, the Board will be forced to increase fees during FY 2010/2011 to offset the cash fund transfer to the General Fund and the increased cost of the MOU. The amount of fees raised will be dependent on the negotiated price of the MOU. The Board of Geologists has approximately 290 licensees.

Sincerely,



Dr. John (Jack) Shroder
Board Chairperson

cc: Gary Bush, DAS Budget Analyst
Doug Gibbs, Legislative Fiscal Analyst