



Dave Heineman
Governor

January 15, 2010

STATE OF NEBRASKA

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

The Honorable Lavon Heidemann
Chairman, Appropriations Committee
Nebraska State Legislature
1004 State Capitol
Lincoln, NE 68509

Dear Senator Heidemann,

This report is submitted in accordance with LB1, Section 10, enacted in the 2009 Special Session, and reflects the specific budget related actions and plans of the Governor's Office, the Lt. Governor's Office, and the Governor's Policy Research Office.

The general fund appropriations adopted in the 2009 regular session for Agency 7 and Agency 8 were \$1,640,835 for FY 2009-10 and \$1,640,998 for FY 2010-11. Except for a one-time adjustment to account for the transfer of the Nebraska Energy Office from the Governor's Office, these appropriation amounts essentially were no increase over the FY 2008-09 appropriation. To have a "no increase" budget required the elimination of the funding for board and lodging and commercial transportation, reductions in printing costs and state-owned transportation, and the use of reappropriations in lieu of new appropriations.

REDUCTION TO APPROPRIATIONS & REAPPROPRIATIONS

	<u>Reappropriation Reduction</u>	<u>FY 09/10 Reduction</u>	<u>FY 10/11 Reduction</u>
Governor's Office (Agency 7 Program 21)	\$95,199	\$26,030	\$52,067
Governor's Policy Research Office (Agency 7 Program 18)	\$206,153	\$14,063	\$28,126
Governor Total (Agency 7)	\$301,352	\$40,093	\$80,193
Lt. Governor's Office (Agency 8)	\$7,896	\$928	\$1,857

GOVERNOR'S OFFICE (PROGRAM 21) & LT. GOVERNOR'S OFFICE (AGENCY 8) ACTIONS:

In mid-November 2009, the Staff Assistant for Constituent Services accepted another job. That position was not replaced. Instead, the duties of, and cost-sharing arrangement for, the Administrative Assistant to the Lt. Governor were realigned. Prior to November 30, 2009, the salary and benefit costs were split 50/50 between the Governor's Office and the Lt. Governor's Office. As of December 1, 2009, the share of the Lt. Governor's Office cost was reduced to 25% and the share of the Governor's Office was increased to 75% to reflect the realignment of the constituent service duties.

The Honorable Lavon Heidemann
January 15, 2010
Page 2

The FY 2009-10 and FY 2010-11 special session reductions to the Lt. Governor's Office are accomplished by the reduction in its share of salary and benefits for the Administrative Assistant position. The Governor's Office special session reductions are met with the elimination of one full-time position.

These specific actions reduce the combined staffing for the Governor's Office and the Lt. Governor's Office from 12 to 11, an 8.3% staff reduction. Additional savings will be achieved by the elimination of one fax machine and the associated phone line and reductions in the subscriptions to the Omaha World Herald and Lincoln Journal Star.

GOVERNOR'S POLICY RESEARCH OFFICE (PROGRAM 18) ACTIONS:

Prior to the reduction in appropriations enacted during the 2009 Special Session, this office exercised spending restraint in that planned technology upgrades were deferred and other operating expenditures were minimized. Reductions in General Fund expenditures to Program 18 were \$14,063 in FY 2009-10 and \$28,126 in FY 2010-11.

The Governor's Policy Research Office will not replace one policy advisor position which had been vacant due to an active-duty military assignment. This action constituted an 11% staffing reduction for the Governor's Policy Research Office. The agency will also reduce expenditures for postage, publication & print, dues & subscription, conference registration, office supplies, and software expenses. Additional reductions in spending on board and lodging, commercial transportation, and state-owned transportation are being reviewed.

The reappropriation for Program 18 was reduced by \$206,153. The agency had no specified use of that amount; therefore, this reduction will have no impact on our office operations. The office will utilize the remaining reappropriation amount to absorb increases in health insurance premium costs, equipment repairs, and in lieu of new appropriations.

Sincerely,

The Honorable Rick Sheehy
Lt. Governor

Larry Bare
Chief of Staff
Governor Dave Heineman

Lauren L. Kintner
Director and General Counsel
Governor's Policy Research Office

cc: Appropriation Committee Members
Scott Danigole, Legislative Fiscal Office
Dave Spatz, Department of Administrative Services – Budget Division