



**Dave Heineman**  
Governor

# STATE OF NEBRASKA

DEPARTMENT OF MOTOR VEHICLES  
**Beverly Neth**  
Director

January 15, 2010

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

Re: Report to the Nebraska Legislature pursuant to LB 1, 2, and 3, 101<sup>st</sup> Legislature,  
First Special Session 2009

Dear Senator Heidemann:

Enclosed please find the above referenced report submitted by the Department of Motor Vehicles.

Please feel free to contact me if you have any questions regarding this report.

Sincerely,

Beverly Neth  
Director

Enclosure

C: Senator John Harms  
Senator Tony Fulton  
Senator Tom Hansen  
Senator Heath Mello  
Senator Danielle Conrad  
Senator John Nelson  
Senator Jeremy Nordquist  
Senator John Wightman  
Sandy Sostad, Legislative Fiscal Office  
Dave Spatz, DAS Budget Office



REPORT TO THE NEBRASKA  
LEGISLATURE PURSUANT TO LB1,  
LB2 AND LB3, 101<sup>st</sup> LEGISLATURE,  
FIRST SPECIAL SESSION, 2009

JANUARY 15, 2010

# Summary of Affect of LB1, LB2 and LB3 of the 101<sup>st</sup> Legislature, 2009 Special Session to the Department of Motor Vehicles

## APPROPRIATION REDUCTIONS

		<u>FY 2009-10</u>	<u>FY2010-11</u>
<b><i>Reappropriation Reduction</i></b>			
Program 70 Operations	Cash	\$2,027,930	
<b><i>New Appropriation Reduction</i></b>			
Program 70	Operations Cash	\$ 174,344	\$ 328,407
Program 644	Operations Cash	583	1,650
Program 644	Aid Cash	4,000	8,000
<b><i>Cash Fund Transfers to General Fund</i></b>			
DMV Operations Cash Fund	22450	\$1,174,344	\$ 328,407
Motorcycle Education Cash Fund	21340	4,583	9,650

## APPROPRIATION REDUCTION STRATEGIES

### ***Reappropriation Reduction Strategies***

#### DMV Operations - Program 70

The Department of Motor Vehicles does not anticipate that the reduction in reappropriation will adversely affect the ongoing operations in either fiscal year of the biennium. The remaining reappropriation balance will not be used to offset appropriation reductions and will be used only as an emergency contingency on a one-time basis.

### ***Appropriation Reduction Strategies***

#### DMV Operations Cash Fund - Program 70

The Department of Motor Vehicles does not anticipate that the elimination of either budgeted vacant or occupied positions will be necessary to meet the statutory appropriation reductions. The reductions will be accomplished through the development of an in-house driver license public information campaign (relating to the secure driver licensing systems and process changes implemented in 2009) rather than contracting with an outside vendor as was originally proposed and appropriated.

#### DMV Motorcycle Safety Education Cash Fund - Program 644

The appropriation reductions to Program 644 all relate to the Motorcycle Safety Education Fund. The reductions in operations of \$583 in FY09-10 and \$1,650 in FY10-11 will be realized through a reduction in printing, postage and outside instructor training costs. The printing and postage reductions can be realized through increased use of email

and deferring the purchase of new training materials. The outside training costs will be lowered by reducing the number of instructors to be trained in FY10 and in FY11 utilizing Section 2010 federal highway safety grant funding to expand the numbers of instructors with two additional prep course offerings.

The reduction in Aid will be met by reducing the number of motorcycle trainee subsidies by 53 in FY09-10 and 106 in FY10-11. Approved training course providers will be notified of the possibility of reduced funding available for the \$75 per student subsidy so they can adjust the registration fees if necessary.

#### Federal Funds

The appropriation reductions will have no impact on the receipt of federal funds as a result of matching, maintenance of effort or other requirements.

## CASH FUND TRANSFERS TO GENERAL FUND

The cash fund transfers to the general fund from the DMV Operations Cash Fund 22450 and the Motorcycle Education Fund 21340 will not adversely affect the operations of either fund. Both funds will have adequate cash flow to provide the necessary funding to meet their obligations for the remainder of the biennium. DMV's Operations Cash Fund revenues are down compared to last year due to recession pressure; however, a positive cash flow can be maintained through reduced spending. Revenues flowing to the Motorcycle Education Fund are expected to be slightly down from previous years due to a reduction in investment revenue. The number of motorcycle riders continues to grow providing a small increase in licensing revenue.