

Form Number 500

Agency Adjustment Summary

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER
	CODE & DESCRIPTION
AGENCY	
013	Dept. of Education

EXPENDITURE ACCOUNT	ADJUSTMENTS	
	2007-2008	2008-2009
Permanent F.T.E. Positions		
511100 Permanent Salaries - Wages	673,070	1,438,820
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries	96,539	
Sub-Total Salaries	769,609	1,438,820
515100 Retirement Plans Expense	52,156	107,673
515200 OASDI Expense	58,859	110,582
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense	31,241	93,721
All Other Personal Services	8,808	16,468
Sub-Total Benefits	151,064	328,444
510000 Personal Services	920,673	1,767,264
520000 Operating Expenses		
554900 Other Contracts Serv	30,000	
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid	3,765,530	7,250,055
Total Expense	4,716,203	9,017,319
Means of Financing		
General Fund	4,157,696	7,876,439
Cash Fund	38,669	18,265
Federal Fund	519,838	1,122,615
Revolving Fund		
Total Funding	4,716,203	9,017,319

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

		Page Number
	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request would fund a market salary adjustment for Department of Education employees similar to the market salary adjustment provided to employees represented by NAPE/AFSCME in the rest of State government.

- B) Rationale: In 2006, NDE conducted a market survey to evaluate the extent to which NDE salaries are keeping pace with the market. The survey results informed two important compensation issues: (1) potential adjustments to NDE’s pay structure (i.e., series of pay grades and their minimum and maximums); and (2) the identification of any job classifications that were below market, as measured by the midpoint of the corresponding pay range.

In response to the market survey results, the NDE pay structure was adjusted upward by 4% on 7/1/07. Market salary adjustments (MSAs) were negotiated into the 2007-09 collective bargaining agreement and incorporated into the NDE Personnel Rules, contingent upon the Legislature’s appropriation of funding for the MSAs along with a corresponding increase in the personal service limitation (PSL). As the Legislature did not appropriate funding or grant the PSL for the MSAs, they were not enacted.

This year’s wage dispute between the State and eight unions represented by NAPE/AFSCME underscore the need to make market salary adjustments on a regular basis. Lack of funding for the market salary adjustments puts the agency in a vulnerable position, especially given the CIR’s ruling in favor of the union. As the gap between the market and NDE salaries grows, it becomes more difficult to recruit highly qualified candidates. This is especially problematic when recruiting experienced teachers who earn higher salaries working for schools or educational service units and only have to work ten months instead of twelve for the state. Each year the salary disparity with the market is not addressed, creates the potential that the salary disparities will grow larger.

This request includes all NDE classifications that were determined to be below market, regardless of the percentage. The business rules for administration of the MSAs are listed below. Cost estimates are summarized in the following tables.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

c) Impact - Agency

NDE MSA COST PROJECTIONS BY SALARY/BENEFITS SPLIT			
	Salary (PSL)	Benefits	Total
2007-2008	673,070	109,563	782,633
2008-2009	1,438,820	234,723	1,673,543
Biennium Totals	2,111,890	344,286	2,456,176

NDE MSA COST PROJECTIONS BY FUNDING SOURCE				
	State	Cash	Federal	Total
2007-2008	254,126	8,669	519,838	782,633
2008-2009	532,663	18,265	1,122,615	1,673,543
Biennium Totals	786,789	26,934	1,642,453	2,456,176

NDE MSA COST PROJECTIONS BY BARGAINING/PERSONNEL RULES			
	Bargaining	Rules	Total
2007-2008	592,456	190,177	782,633
2008-2009	1,277,147	396,396	1,673,543
Biennium Totals	1,869,603	586,573	2,456,176

NDE MSA COST PROJECTIONS BY NDE DIVISION				
	Education (025, 161, 401,402)	VR (351)	DDS (352)	Total
2007-2008	382,269	324,281	76,083	782,633
2008-2009	827,868	691,560	154,115	1,673,543
Biennium Totals	1,210,137	1,015,841	230,198	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Market Salary Adjustment (MSA) Budget Deficit Request Business Rules October 16, 2007

- Salary adjustment percentages are based on the NDE Labor Market Survey Results (10/6/06).
- For some classifications not surveyed, the consultant recommended imputed amounts.
- The total percentage below market (surveyed or imputed) was divided equally across both years of the current biennium, with the first MSA to be retroactive to 7/1/07 (no interest payable) and the second effective as of 7/1/09.
- The total cost of the Market Salary Adjustments does not include the 2.5% annual salary increase on 7/1/08 for both bargaining and Rules personnel. The 2.5% annual salary increase anticipated on 7/1/08 is not considered part of the market salary correction.
- The cost of each position included reflects the budgeted distribution of FTE across the position's funding sources.
- No limits are imposed for:
 - Minimum period of employment
 - Minimum amount below market
 - Maximum MSA increase percentage per year (e.g., up to 7.5%)
- The Market Salary Adjustments will be applied without regard to position in pay grade.
- The Market Salary Adjustment cost projections include all budgeted positions.
- MSAs will be based on the most recent (current) salary in NIS as of the date the MSA increases are entered into NIS.

Form Number 510

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	EDUCATION
PROGRAM	025	Educ, Admin, & Support
REQUEST	01	Market Salary Adjstmnt

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	202.5	202.5		
511100 Permanent Salaries - Wages	10,340,594	10,599,109	326,710	707,165
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	10,340,594	10,599,109	326,710	707,165
515100 Retirement Plans Expense	773,652	793,661	24,437	52,889
515200 OASDI Expense	748,272	805,515	24,993	54,609
515400 Life and Accident Insurance Expense	3,401	3,401		
515500 Health Insurance Expense	1,766,671	1,766,671		
All Other Personal Services	121,587	124,546	3,739	8,093
Sub-Total Benefits	3,413,583	3,493,794	53,169	115,591
510000 Personal Services	13,754,177	14,092,903	379,879	822,756
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	13,754,177	14,092,903	379,879	822,756
Means of Financing				
General Fund	6,797,316	6,964,713	183,842	382,746
Cash Fund	365,572	374,871	8,669	18,265
Federal Fund	6,591,289	6,753,319	187,368	421,745
Revolving Fund				
Total Funding	13,754,177	14,092,903	379,879	822,756

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	02	Leave Payoff on Term.

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

A) Description: This request would provide funding and PSL for the payoff of unused vacation and sick leave (retirement) for staff who have terminated since July 1, 2007.

B) Rationale: The \$650,000 General Fund and \$253,855 PSL reductions in Program 025 for FY2007-08 eliminate the program’s capacity to fund the payoff of unused vacation and sick leave of terminated/ing staff. Through December 31, 2007, six staff members have or will have retired requiring the payoff of unused vacation and sick leave. Two of the six positions are included in position reductions to meet the budget and PSL reductions. One position is Cash funded and requires PSL only.

The amount of PSL included in this request has been adjusted downward by \$82,917 for the extra PSL available from the vacant positions not filled to meet this year’s budget reductions.

PSL for Leave Payoffs	\$129,942
Total PSL identified for budget reduction	\$436,526
PSL to be retained for filling two positions still under consideration	- \$ 99,754
Required reduction	- <u>\$253,855</u>
Balance to be applied	\$ 82,917
Net PSL Required	\$47,025

General funded Payoff	Vacation Leave	\$38,085
	Sick Leave	\$58,454
	FICA/Retirement/WorkComp	\$10,260
	Total	\$106,799

The FY2007-08 General Fund budget reductions in Program 025 eliminated the capacity to address these shortfalls with existing program resources.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	025	Educ, Admin & Support
REQUEST	02	Leave Payoff on Term

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	202.5	202.5		
511100 Permanent Salaries - Wages	10,340,594	10,599,109		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries			96,539	
Sub-Total Salaries	10,340,594	10,599,109	96,539	0
515100 Retirement Plans Expense	773,652	793,661	1,794	
515200 OASDI Expense	748,272	805,515	7,361	
515400 Life and Accident Insurance Expense	3,401	3,401		
515500 Health Insurance Expense	1,766,671	1,766,671		
All Other Personal Services	121,587	124,546	1,105	
Sub-Total Benefits	3,413,583	3,493,794	10,260	0
510000 Personal Services	13,754,177	14,092,903	106,799	0
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	13,754,177	14,092,903	106,799	0
Means of Financing				
General Fund	6,797,316	6,964,713	106,799	
Cash Fund	365,572	374,871		
Federal Fund	6,591,289	6,753,319		
Revolving Fund				
Total Funding	13,754,177	14,092,903	106,799	0

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept. of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	03	Health Insurance Incr

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request is for the additional General funding above the specific amount included in the original FY2007-08 and FY2008-09 appropriations to fully fund the increased State cost of employee health insurance for all of calendar 2008 and the first six months of calendar 2009.

- B) Rationale: Health insurance costs for calendar 2008 and calendar 2009 increased approximately 15% each year. The FY2007-08 appropriation provided for a 10% increase for the last six months of FY2007-08 and a 10% for FY2008-09. This is equivalent to a 5.0% increase for each of the six month periods of Jan – June 2008, July – Dec 2008, and Jan – Jun 2009. This request is for funding of the additional 2.5% required in each period. The FY2007-08 General Fund budget reductions in Program 025 eliminated the capacity to address these shortfalls with existing program resources.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	025	Educ, Admin, & Support
REQUEST	03	Health Insurance

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	202.5	202.5		
511100 Permanent Salaries - Wages	10,340,594	10,599,109		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	10,340,594	10,599,109	0	0
515100 Retirement Plans Expense	773,652	793,661		
515200 OASDI Expense	748,272	805,515		
515400 Life and Accident Insurance Expense	3,401	3,401		
515500 Health Insurance Expense	1,766,671	1,766,671	23,123	69,368
All Other Personal Services	121,587	124,546		
Sub-Total Benefits	3,413,583	3,493,794	23,123	69,368
510000 Personal Services	13,754,177	14,092,903	23,123	69,368
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	13,754,177	14,092,903	23,123	69,368
Means of Financing				
General Fund	6,797,316	6,964,713	23,123	69,368
Cash Fund	365,572	374,871		
Federal Fund	6,591,289	6,753,319		
Revolving Fund				
Total Funding	13,754,177	14,092,903	23,123	69,368

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	13	Dept. of Education
PROGRAM	158	Education Aid
REQUEST	01	Special Education

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This is a request to increase Special Education (SPED) appropriation to the authorized maximum amount as allowed per statute—“shall not exceed a 5% increase over the previous fiscal year appropriation.” The appropriation for 2007-08 and 2008-09 provides a 3% increase each year.

- B) Rationale: District Special Education (SPED) costs continue to increase and even with the annual increases in the SPED general fund appropriation as per statute, the percentage of state reimbursement for school age services continues to decline (i.e., **approximately 61% of allowable excess costs in 2006-07**). Following passage of the comprehensive state SPED law in 1976-77 and for numerous years thereafter, general fund reimbursement was 90% of allowable excess costs. District requirements for serving children/youth with disabilities have not decreased over the years but rather have increased, most recently with the reauthorized federal special education law (Individuals with Disabilities Education Act—IDEA – 2004). As per state statute (79-1132), Federal IDEA funding is used primarily by districts for assisting with the costs of providing Below Age Five SPED services. The State General funds support the special education programs for children age five and above.

- C) Impact: The share of Special Education costs borne by schools continues to increase generally reducing the amount of other school resources available for other local costs or increasing property tax.

This budget request was previously submitted and not funded in the 2007 legislative session.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	13	Dept of Education
PROGRAM	158	Education Aid
REQUEST	01	Special Education

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages				
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	0	0	0	0
515100 Retirement Plans Expense				
515200 OASDI Expense				
515400 Life and Accident Insurance Expense				
515500 Health Insurance Expense				
All Other Personal Services				
Sub-Total Benefits	0	0	0	0
510000 Personal Services	0	0	0	0
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid	952,305,690	1,041,896,787	3,485,604	7,250,055
Total Expense	952,305,690	1,041,896,787	3,485,604	7,250,055
Means of Financing				
General Fund	952,305,690	1,041,896,787	3,485,604	7,250,055
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	952,305,690	1,041,896,787	3,485,604	7,250,055

Note: The Special Education component of the appropriation is \$179,508,584 in FY2007-08 and \$184,893,842 in FY2008-09.

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	13	Dept. of Education
PROGRAM	158	Education Aid
REQUEST	02	Enrollment Option Trans

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This budget request would fund the Enrollment Option Transportation costs borne by schools in FY2006-07.

- B) Rationale: State statute 79-241 provides that NDE shall reimburse the option school district for the transportation expenses of qualifying option students. Option districts fund these costs out of other school district revenue sources either taking funding away from other needs or increasing property tax requirements.

- C) Possible Statutory Change: Consider repealing this statutory provision, if the intent is to continue not to fund this program activity.

This request was previously submitted and not funded in the 2007 legislative session.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	13	Dept. of Education
PROGRAM	158	Education Aid
REQUEST	02	Enrollment Option Trans

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions				
511100 Permanent Salaries - Wages				
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	0	0	0	0
515100 Retirement Plans Expense				
515200 OASDI Expense				
515400 Life and Accident Insurance Expense				
515500 Health Insurance Expense				
All Other Personal Services				
Sub-Total Benefits	0	0	0	0
510000 Personal Services	0	0	0	0
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid	952,305,690	1,041,896,787	279,926	
Total Expense	952,305,690	1,041,896,787	279,926	0
Means of Financing				
General Fund	952,305,690	1,041,896,787	279,926	
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	952,305,690	1,041,896,787	279,926	0

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	351	Vocational Rehab
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request would fund a market salary adjustment for Department of Education employees similar to the market salary adjustment provided to employees represented by NAPE/AFSCME in the rest of State government.
- B) Rationale: In 2006, NDE conducted a market survey to evaluate the extent to which NDE salaries are keeping pace with the market. The survey results informed two important compensation issues: (1) potential adjustments to NDE’s pay structure (i.e., series of pay grades and their minimum and maximums); and (2) the identification of any job classifications that were below market, as measured by the midpoint of the corresponding pay range.

In response to the market survey results, the NDE pay structure was adjusted upward by 4% on 7/1/07. Market salary adjustments (MSAs) were negotiated into the 2007-09 collective bargaining agreement and incorporated into the NDE Personnel Rules, contingent upon the Legislature’s appropriation of funding for the MSAs along with a corresponding increase in the personal service limitation (PSL). As the Legislature did not appropriate funding or grant the PSL for the MSAs, they were not enacted.

This year’s wage dispute between the State and eight unions represented by NAPE/AFSCME underscore the need to make market salary adjustments on a regular basis. Lack of funding for the market salary adjustments puts the agency in a vulnerable position, especially given the CIR’s ruling in favor of the union. As the gap between the market and NDE salaries grows, it becomes more difficult to recruit highly qualified candidates. This is especially problematic when recruiting experienced teachers who earn higher salaries working for schools or educational service units and only have to work ten months instead of twelve for the state. Each year the salary disparity with the market is not addressed, creates the potential that the salary disparities will grow larger.

This request includes all NDE classifications that were determined to be below market, regardless of the percentage. The business rules for administration of the MSAs are listed below. Cost estimates are summarized in the following tables.

c) Impact - Agency

NDE MSA COST PROJECTIONS BY SALARY/BENEFITS SPLIT			
	Salary (PSL)	Benefits	Total
2007-2008	673,070	109,563	782,633
2008-2009	1,438,820	234,723	1,673,543
Biennium Totals	2,111,890	344,286	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	351	Vocational Rehab
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

NDE MSA COST PROJECTIONS BY FUNDING SOURCE				
	State	Cash	Federal	Total
2007-2008	254,126	8,669	519,838	782,633
2008-2009	532,663	18,265	1,122,615	1,673,543
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NDE MSA COST PROJECTIONS BY BARGAINING/PERSONNEL RULES			
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Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	351	Vocational Rehab
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Market Salary Adjustment (MSA) Budget Deficit Request Business Rules October 16, 2007

- Salary adjustment percentages are based on the NDE Labor Market Survey Results (10/6/06).
- For some classifications not surveyed, the consultant recommended imputed amounts.
- The total percentage below market (surveyed or imputed) was divided equally across both years of the current biennium, with the first MSA to be retroactive to 7/1/07 (no interest payable) and the second effective as of 7/1/09.
- The total cost of the Market Salary Adjustments does not include the 2.5% annual salary increase on 7/1/08 for both bargaining and Rules personnel. The 2.5% annual salary increase anticipated on 7/1/08 is not considered part of the market salary correction.
- The cost of each position included reflects the budgeted distribution of FTE across the position’s funding sources.
- No limits are imposed for:
 - Minimum period of employment
 - Minimum amount below market
 - Maximum MSA increase percentage per year (e.g., up to 7.5%)
- The Market Salary Adjustments will be applied without regard to position in pay grade.
- The Market Salary Adjustment cost projections include all budgeted positions.
- MSAs will be based on the most recent (current) salary in NIS as of the date the MSA increases are entered into NIS.

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	351	Vocational Rehab
REQUEST	01	Market Salary Adjstmnt

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	221.9	221.9		
511100 Permanent Salaries - Wages	9,591,742	9,831,536	278,874	594,723
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	9,591,742	9,831,536	278,874	594,723
515100 Retirement Plans Expense	708,627	736,185	20,882	44,533
515200 OASDI Expense	698,818	752,112	21,334	45,496
515400 Life and Accident Insurance Expense	3,710	3,710		
515500 Health Insurance Expense	1,800,029	1,800,029		
All Other Personal Services	113,311	116,056	3,191	6,808
Sub-Total Benefits	3,324,495	3,408,093	45,407	96,837
510000 Personal Services	12,916,237	13,239,628	324,281	691,560
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	12,916,237	13,239,628	324,281	691,560
Means of Financing				
General Fund	1,037,028	1,063,142	67,894	144,805
Cash Fund	168,931	173,439		
Federal Fund	11,710,278	12,003,047	256,387	546,755
Revolving Fund				
Total Funding	12,916,237	13,239,628	324,281	691,560

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	351	Vocational Rehab
REQUEST	02	Health Insurance Incr

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request is for the additional General funding above the amount included in the original FY2007-08 appropriation to fully fund the increased State cost of employee health insurance for all of calendar 2008 and the first six months of calendar 2009.

- B) Rationale: Health insurance costs for calendar 2008 and calendar 09 increased approximately 15% each year. The FY2007-08 and FY2008-09 appropriations provided for a 10% increase for the last six months of FY2007-08 and a 10% for FY2008-09. This is equivalent to a 5.0% increase for each of the six month periods of Jan – June 2008, July – Dec 2008, and Jan – Jun 2009. This request is for funding of the additional 2.5% required in each period.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	351	Vocational Rehab
REQUEST	02	Health Insurance Incr.

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	221.9	221.9		
511100 Permanent Salaries - Wages	9,591,742	9,831,536		
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	9,591,742	9,831,536	0	0
515100 Retirement Plans Expense	708,627	736,185		
515200 OASDI Expense	698,818	752,112		
515400 Life and Accident Insurance Expense	3,710	3,710		
515500 Health Insurance Expense	1,800,029	1,800,029	8,118	24,353
All Other Personal Services	113,311	116,056		
Sub-Total Benefits	3,324,495	3,408,093	8,118	24,353
510000 Personal Services	12,916,237	13,239,628	8,118	24,353
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	12,916,237	13,239,628	8,118	24,353
Means of Financing				
General Fund	1,037,028	1,063,142	8,118	24,353
Cash Fund	168,931	173,439		
Federal Fund	11,710,278	12,003,047		
Revolving Fund				
Total Funding	12,916,237	13,239,628	8,118	24,353

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	352	Disability Determination
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request would fund a market salary adjustment for Department of Education employees similar to the market salary adjustment provided to employees represented by NAPE/AFSCME in the rest of State government.
- B) Rationale: In 2006, NDE conducted a market survey to evaluate the extent to which NDE salaries are keeping pace with the market. The survey results informed two important compensation issues: (1) potential adjustments to NDE’s pay structure (i.e., series of pay grades and their minimum and maximums); and (2) the identification of any job classifications that were below market, as measured by the midpoint of the corresponding pay range.

In response to the market survey results, the NDE pay structure was adjusted upward by 4% on 7/1/07. Market salary adjustments (MSAs) were negotiated into the 2007-09 collective bargaining agreement and incorporated into the NDE Personnel Rules, contingent upon the Legislature’s appropriation of funding for the MSAs along with a corresponding increase in the personal service limitation (PSL). As the Legislature did not appropriate funding or grant the PSL for the MSAs, they were not enacted.

This year’s wage dispute between the State and eight unions represented by NAPE/AFSCME underscore the need to make market salary adjustments on a regular basis. Lack of funding for the market salary adjustments puts the agency in a vulnerable position, especially given the CIR’s ruling in favor of the union. As the gap between the market and NDE salaries grows, it becomes more difficult to recruit highly qualified candidates. This is especially problematic when recruiting experienced teachers who earn higher salaries working for schools or educational service units and only have to work ten months instead of twelve for the state. Each year the salary disparity with the market is not addressed, creates the potential that the salary disparities will grow larger.

This request includes all NDE classifications that were determined to be below market, regardless of the percentage. The business rules for administration of the MSAs are listed below. Cost estimates are summarized in the following tables.

c) Impact - Agency

NDE MSA COST PROJECTIONS BY SALARY/BENEFITS SPLIT			
	Salary (PSL)	Benefits	Total
2007-2008	673,070	109,563	782,633
2008-2009	1,438,820	234,723	1,673,543
Biennium Totals	2,111,890	344,286	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	352	Disability Determination
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

NDE MSA COST PROJECTIONS BY FUNDING SOURCE				
	State	Cash	Federal	Total
2007-2008	254,126	8,669	519,838	782,633
2008-2009	532,663	18,265	1,122,615	1,673,543
Biennium Totals	786,789	26,934	1,642,453	2,456,176

NDE MSA COST PROJECTIONS BY BARGAINING/PERSONNEL RULES			
	Bargaining	Rules	Total
2007-2008	592,456	190,177	782,633
2008-2009	1,277,147	396,396	1,673,543
Biennium Totals	1,869,603	586,573	2,456,176

NDE MSA COST PROJECTIONS BY NDE DIVISION				
	Education (025, 161, 401,402)	VR (351)	DDS (352)	Total
2007-2008	382,269	324,281	76,083	782,633
2008-2009	827,868	691,560	154,115	1,673,543
Biennium Totals	1,210,137	1,015,841	230,198	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	352	Disability Determination
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Market Salary Adjustment (MSA) Budget Deficit Request Business Rules October 16, 2007

- Salary adjustment percentages are based on the NDE Labor Market Survey Results (10/6/06).
- For some classifications not surveyed, the consultant recommended imputed amounts.
- The total percentage below market (surveyed or imputed) was divided equally across both years of the current biennium, with the first MSA to be retroactive to 7/1/07 (no interest payable) and the second effective as of 7/1/09.
- The total cost of the Market Salary Adjustments does not include the 2.5% annual salary increase on 7/1/08 for both bargaining and Rules personnel. The 2.5% annual salary increase anticipated on 7/1/08 is not considered part of the market salary correction.
- The cost of each position included reflects the budgeted distribution of FTE across the position’s funding sources.
- No limits are imposed for:
 - Minimum period of employment
 - Minimum amount below market
 - Maximum MSA increase percentage per year (e.g., up to 7.5%)
- The Market Salary Adjustments will be applied without regard to position in pay grade.
- The Market Salary Adjustment cost projections include all budgeted positions.
- MSAs will be based on the most recent (current) salary in NIS as of the date the MSA increases are entered into NIS.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	352	Disability Determination
REQUEST	01	Market Salary Adjstmnt

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	78.9	78.9		
511100 Permanent Salaries - Wages	3,415,715	3,501,108	65,430	132,536
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	3,415,715	3,501,108	65,430	132,536
515100 Retirement Plans Expense	255,746	262,163	4,889	9,923
515200 OASDI Expense	250,142	267,835	5,015	10,139
515400 Life and Accident Insurance Expense	1,325	1,325		
515500 Health Insurance Expense	631,235	631,235		
All Other Personal Services	40,355	41,332	749	1,517
Sub-Total Benefits	1,178,803	1,203,890	10,653	21,579
510000 Personal Services	4,594,518	4,704,998	76,083	154,115
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	4,594,518	4,704,998	76,083	154,115
Means of Financing				
General Fund				
Cash Fund				
Federal Fund	4,594,518	4,704,998	76,083	154,115
Revolving Fund				
Total Funding	4,594,518	4,704,998	76,083	154,115

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	401	Deaf & Hard of Hearing
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request would fund a market salary adjustment for Department of Education employees similar to the market salary adjustment provided to employees represented by NAPE/AFSCME in the rest of State government.
- B) Rationale: In 2006, NDE conducted a market survey to evaluate the extent to which NDE salaries are keeping pace with the market. The survey results informed two important compensation issues: (1) potential adjustments to NDE’s pay structure (i.e., series of pay grades and their minimum and maximums); and (2) the identification of any job classifications that were below market, as measured by the midpoint of the corresponding pay range.

In response to the market survey results, the NDE pay structure was adjusted upward by 4% on 7/1/07. Market salary adjustments (MSAs) were negotiated into the 2007-09 collective bargaining agreement and incorporated into the NDE Personnel Rules, contingent upon the Legislature’s appropriation of funding for the MSAs along with a corresponding increase in the personal service limitation (PSL). As the Legislature did not appropriate funding or grant the PSL for the MSAs, they were not enacted.

This year’s wage dispute between the State and eight unions represented by NAPE/AFSCME underscore the need to make market salary adjustments on a regular basis. Lack of funding for the market salary adjustments puts the agency in a vulnerable position, especially given the CIR’s ruling in favor of the union. As the gap between the market and NDE salaries grows, it becomes more difficult to recruit highly qualified candidates. This is especially problematic when recruiting experienced teachers who earn higher salaries working for schools or educational service units and only have to work ten months instead of twelve for the state. Each year the salary disparity with the market is not addressed, creates the potential that the salary disparities will grow larger.

This request includes all NDE classifications that were determined to be below market, regardless of the percentage. The business rules for administration of the MSAs are listed below. Cost estimates are summarized in the following tables.

c) Impact - Agency

NDE MSA COST PROJECTIONS BY SALARY/BENEFITS SPLIT			
	Salary (PSL)	Benefits	Total
2007-2008	673,070	109,563	782,633
2008-2009	1,438,820	234,723	1,673,543
Biennium Totals	2,111,890	344,286	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	401	Deaf & Hard of Hearing
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

NDE MSA COST PROJECTIONS BY FUNDING SOURCE				
	State	Cash	Federal	Total
2007-2008	254,126	8,669	519,838	782,633
2008-2009	532,663	18,265	1,122,615	1,673,543
Biennium Totals	786,789	26,934	1,642,453	2,456,176

NDE MSA COST PROJECTIONS BY BARGAINING/PERSONNEL RULES			
	Bargaining	Rules	Total
2007-2008	592,456	190,177	782,633
2008-2009	1,277,147	396,396	1,673,543
Biennium Totals	1,869,603	586,573	2,456,176

NDE MSA COST PROJECTIONS BY NDE DIVISION				
	Education (025, 161, 401,402)	VR (351)	DDS (352)	Total
2007-2008	382,269	324,281	76,083	782,633
2008-2009	827,868	691,560	154,115	1,673,543
Biennium Totals	1,210,137	1,015,841	230,198	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	401	Deaf & Hard of Hearing
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Market Salary Adjustment (MSA) Budget Deficit Request Business Rules October 16, 2007

- Salary adjustment percentages are based on the NDE Labor Market Survey Results (10/6/06).
- For some classifications not surveyed, the consultant recommended imputed amounts.
- The total percentage below market (surveyed or imputed) was divided equally across both years of the current biennium, with the first MSA to be retroactive to 7/1/07 (no interest payable) and the second effective as of 7/1/09.
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 - Minimum period of employment
 - Minimum amount below market
 - Maximum MSA increase percentage per year (e.g., up to 7.5%)
- The Market Salary Adjustments will be applied without regard to position in pay grade.
- The Market Salary Adjustment cost projections include all budgeted positions.
- MSAs will be based on the most recent (current) salary in NIS as of the date the MSA increases are entered into NIS.

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept. of Education
PROGRAM	401	Deaf and Hard of Hearing
REQUEST	01	Market Salary Adjstment

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	0.2	0.2		
511100 Permanent Salaries - Wages	11,954	12,253	1,028	2,198
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	11,954	12,253	1,028	2,198
515100 Retirement Plans Expense	890	917	77	164
515200 OASDI Expense	897	937	78	169
515400 Life and Accident Insurance Expense	3	3		
515500 Health Insurance Expense	879	879		
All Other Personal Services	140	143	12	25
Sub-Total Benefits	2,809	2,880	167	358
510000 Personal Services	14,763	15,133	1,195	2,556
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	14,763	15,133	1,195	2,556
Means of Financing				
General Fund	14,763	15,133	1,195	2,556
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	14,763	15,133	1,195	2,556

Note: Permanent Salaries and Wages for 08-09 is estimated based 2.5% increase

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	402	Blind & Visually Impaired
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request would fund a market salary adjustment for Department of Education employees similar to the market salary adjustment provided to employees represented by NAPE/AFSCME in the rest of State government.
- B) Rationale: In 2006, NDE conducted a market survey to evaluate the extent to which NDE salaries are keeping pace with the market. The survey results informed two important compensation issues: (1) potential adjustments to NDE’s pay structure (i.e., series of pay grades and their minimum and maximums); and (2) the identification of any job classifications that were below market, as measured by the midpoint of the corresponding pay range.

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c) Impact - Agency

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Biennium Totals	2,111,890	344,286	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	402	Blind & Visually Impaired
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

NDE MSA COST PROJECTIONS BY FUNDING SOURCE				
	State	Cash	Federal	Total
2007-2008	254,126	8,669	519,838	782,633
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Biennium Totals	1,869,603	586,573	2,456,176

NDE MSA COST PROJECTIONS BY NDE DIVISION				
	Education (025, 161, 401,402)	VR (351)	DDS (352)	Total
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2008-2009	827,868	691,560	154,115	1,673,543
Biennium Totals	1,210,137	1,015,841	230,198	2,456,176

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	402	Blind & Visually Impaired
REQUEST	01	Market Salary Adjstmnt

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

Market Salary Adjustment (MSA) Budget Deficit Request Business Rules October 16, 2007

- Salary adjustment percentages are based on the NDE Labor Market Survey Results (10/6/06).
- For some classifications not surveyed, the consultant recommended imputed amounts.
- The total percentage below market (surveyed or imputed) was divided equally across both years of the current biennium, with the first MSA to be retroactive to 7/1/07 (no interest payable) and the second effective as of 7/1/09.
- The total cost of the Market Salary Adjustments does not include the 2.5% annual salary increase on 7/1/08 for both bargaining and Rules personnel. The 2.5% annual salary increase anticipated on 7/1/08 is not considered part of the market salary correction.
- The cost of each position included reflects the budgeted distribution of FTE across the position's funding sources.
- No limits are imposed for:
 - Minimum period of employment
 - Minimum amount below market
 - Maximum MSA increase percentage per year (e.g., up to 7.5%)
- The Market Salary Adjustments will be applied without regard to position in pay grade.
- The Market Salary Adjustment cost projections include all budgeted positions.
- MSAs will be based on the most recent (current) salary in NIS as of the date the MSA increases are entered into NIS.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	013	Dept of Education
PROGRAM	402	Blind and Visually Impaired
REQUEST	01	Market Salary Adjstment

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	0.2	0.2		
511100 Permanent Salaries - Wages	11,954	12,253	1,028	2,198
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	11,954	12,253	1,028	2,198
515100 Retirement Plans Expense	890	917	77	164
515200 OASDI Expense	897	937	78	169
515400 Life and Accident Insurance Expense	3	3		
515500 Health Insurance Expense	879	879		
All Other Personal Services	140	143	12	25
Sub-Total Benefits	2,809	2,880	167	358
510000 Personal Services	14,763	15,133	1,195	2,556
520000 Operating Expenses				
570000 Travel Expenses				
580000 Capital Outlay				
590000 Government Aid				
Total Expense	14,763	15,133	1,195	2,556
Means of Financing				
General Fund	14,763	15,133	1,195	2,556
Cash Fund				
Federal Fund				
Revolving Fund				
Total Funding	14,763	15,133	1,195	2,556

Note: In the blank lines under Operating Expenses, itemize individual line items that comprise a significant portion of the Total Operating Expenses.

Form Number 510

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	13	Dept. of Education
PROGRAM	614	Prof Practices Comm
REQUEST	01	DVD Production

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A. Description: This is a request for \$30,000 of Cash Fund appropriation to pay for a contract to produce DVD on ethical issues in the teaching profession to be streamed from the PPC website.
- B. Rationale: The PPC has contracted with the University of Nebraska – Lincoln Television to produce a DVD and teaching guide modeling common ethical issues the Commission hears. The contract cost of the project is \$35,000. The PPC budget is inadequate to fully fund the project Phase 2 contract cost of \$30,000. The project Phase 1 contract cost of \$5,000 will come out of the existing 07-08 Program appropriation.
- C. Impact: The PPC will be unable to produce materials for the instruction of Nebraska teachers on ethical issues most commonly heard before the Commission.

A copy of the contract between the PPC and the University of Nebraska – Lincoln is attached in subsequent pages.

MEMORANDUM OF UNDERSTANDING

Date: October 4, 2007

To: Kathy Vontz
Clerk of the Commission
Nebraska Professional Practice Commission
P. O. Box 94941 Lincoln, NE 68509-4987

From: Ron Kallhoff
NET
1800 N. 33rd Street Lincoln, NE 68583

Re: DVD Development

INTRODUCTION

This agreement is made this 4th day of October, 2007, by and between The University of Nebraska-Lincoln Television Department, hereinafter referred to as UNL-TV and the Nebraska Professional Practice Commission, hereinafter referred to as "Client".

WITNESSETH:

WHEREAS, Client desires to have UNL-TV produce content and/or provide services, as listed in Attachment A, hereinafter referred to as "Product"; and,

WHEREAS, UNL-TV is capable of producing the Product;

NOW THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the parties hereto agree as follows:

PROPOSAL SUMMARY

Scope of Work

UNL-TV will produce for Client the Product as defined in Attachment A.

TERMS and CONDITIONS

Duties and responsibilities of UNL-TV

1. UNL-TV duties and responsibilities shall include, without limitation, the production elements and rights as defined in Attachment A.
2. From the signing of this Agreement UNL-TV shall be responsible for adhering to the following production and delivery timelines as defined in Section A of the Guarantee, below. (Except as modified by paragraph 9 of this agreement.)

Duties and Responsibilities of Client

1. Client shall provide content or materials as defined in Attachment A. Materials delivered late to UNL-TV may impact delivery timelines. If UNL-TV facilities and personnel are available such delivery timelines shall be extended in accordance with the agreed upon timelines, from the receipt date of delivered late content or materials, i.e., if late delivered content or materials are 15 days late, the timelines following shall be extended by 15 days, provided UNL-TV has the necessary personnel and facilities to accommodate the late request.
2. From the signing of this Agreement Client shall be responsible for adhering to the approval and delivery timelines as defined in Attachment A.
3. Guarantee: UNL-TV will deliver product prior to August 15, 2008, pending availability of Phase 2 funding.
4. Indemnification: UNL-TV and Client each agree to indemnify and hold the other, including its Board of Trustees, officers, employees and agents, harmless from and against any and all costs, losses or expenses, including reasonable attorney's fees, that either party may incur by reason of any claim or suit arising out of or in connection with the other party's performance or failure to perform pursuant to this Agreement, or due to the breach of any representations and warranties contained herein.
5. Relationship of Parties: Nothing contained herein shall be construed to place the parties in the relationship of partners, joint ventures, principal-agent, or employer-employee, and neither partner shall have any power to obligate or bind the other whatsoever except as specifically provided in the terms of this Agreement.
6. Invalid or Unenforceable Terms: If any part of this Agreement shall for any reason be found or held invalid or unenforceable by a court or governmental agency of competent jurisdiction, such invalidity or unenforceability shall not affect the remainder of this Agreement which shall survive and be construed as if such invalid or unenforceable part had not been contained herein.
7. Rights Granted: UNL-TV hereby grants to Client all and exclusive rights in and to the Product developed under this Agreement, with the exception of original software code or pre-existing programming elements developed by UNL-TV in accordance with the terms specified in Attachment A.
8. Use of copyrighted material: Client has obtained all necessary waivers and written approvals for any and all copyrighted material provided to UNL-TV by Client.
9. Change to terms and conditions: If changes are requested after this Agreement has been signed by both parties, UNL-TV and Client will negotiate a change to the scope of work and, if applicable, any change in the overall budget and timeline of the project. All such changes must be in writing, signed by both UNL-TV and Client as an addendum and attached to this Agreement.
10. Compensation: Client shall be responsible for payment of \$5,000 for Phase 1 work upon execution of this Memorandum of Understanding. An additional payment of \$30,000 will be due upon completion of Phase 2 of the project, pending availability of funds. Changes in the scope of the deliverables requested by the client, as listed in Attachment A, will result in additional time and expenses billable to the client.
11. Payment Schedule: Client shall make payments to UNL-TV within 30 days from the date of invoice by UNL-TV.

IN WITNESS WHEREOF, the undersigned have caused this Agreement and all attachments to be executed as of the date hereof.

Dated: 10/4/07

Dated: 10/5/07

**THE UNIVERSITY OF NEBRASKA
NEBRASKA-LINCOLN TELEVISION
DEPARTMENT**

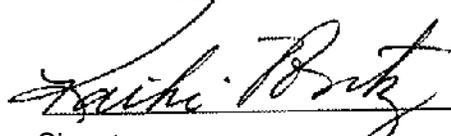
**NEBRASKA PROFESSIONAL
PRACTICES COMMISSION**

By:
Michael Winkle
Asst. GM
Marketing & Business Development

By:
Kathi Vontz
Clerk of the Commission
Nebraska Professional Practices
Commission



Signature



Signature

Attachment A

Scope of Project

Create a DVD for the Nebraska Professional Practices Commission modeling common ethical issues facing teachers.

Up to 6 video vignettes will be created, approximately 5:00 in length. The vignettes will be mastered to DVD and also provided in a format suitable for streaming from the NPPC website.

The DVD will also contain discussion starter questions and can contain a folder with documents relevant to the content. The end user would be able to print these documents.

The project includes creation of a DVD label and graphic for a DVD case. The project does not include duplication or distribution of the DVD. UNL-TV can provide duplication and shipping services for an additional fee should the client wish.

UNL-TV Deliverables

Phase 1 - Consultation, pre-planning, and content development

1. UNL-TV will work with client to define specific elements of the DVD and outline content for those elements.
2. Phase 1 cost = \$5,000
3. Phase 1 completion deadline -- April 1, 2008

Phase 2 - Video production and authoring of final DVD

1. UNL-TV will work with client to script and produce the video vignettes and master them to a DVD along with additional features noted above.
2. Phase 2 cost - \$30,000
3. Phase 2 completion deadline - August 15, 2008

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	13	Dept. of Education
PROGRAM	614	Prof Practices Comm
REQUEST	01	DVD Production

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	1.0			
511100 Permanent Salaries - Wages	60,000			
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	60,000	0	0	0
515100 Retirement Plans Expense	4,493			
515200 OASDI Expense	4,374			
515400 Life and Accident Insurance Expense	17			
515500 Health Insurance Expense	10,631			
All Other Personal Services	703			
Sub-Total Benefits	20,218	0	0	0
510000 Personal Services	80,218	0	0	0
520000 Operating Expenses	32,477			
554900 Other Contracts Serv			30,000	
570000 Travel Expenses	12,650			
580000 Capital Outlay	3,400			
590000 Government Aid				
Total Expense	128,745	0	30,000	0
Means of Financing				
General Fund				
Cash Fund	128,745		30,000	
Federal Fund				
Revolving Fund				
Total Funding	128,745	0	30,000	0

Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	013	Dept of Education
PROGRAM	614	Prof Practices Comm
REQUEST	02	PSL per Agreement

Provide the following information: A) Description of Request; B) Rationale for Request; C) Impact of Request; and, D) Statutory Change if Required.

- A) Description: This request is for additional Personal Services Limit in the amount of \$915.
- B) Rationale: The employment contract between the Professional Practices Commission and the Clerk of the commission provides for a salary that is \$915 more than the PSL provided in the 07-08 appropriation. The Clerk is the only staff member for this agency and the Program lacks opportunity to meet this need from existing resources.
- C) Impact: Without this appropriation, the PPC is unable to meet its contractual requirements with the Clerk of the commission.

Form Number 520

Program Adjustment Request

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	
	CODE & DESCRIPTION	
AGENCY	13	Dept. of Education
PROGRAM	614	Prof. Practices Comm
REQUEST	02	PSL Increase

EXPENDITURE ACCOUNT	APPROPRIATIONS		ADJUSTMENTS	
	2007-2008	2008-2009	2007-2008	2008-2009
Permanent F.T.E. Positions	1.0			
511100 Permanent Salaries - Wages	60,000		915	
511200 Temporary Salaries - Wages				
511600 Per Diem Payments				
511900 Supplemental (One-time payments)				
All Other Salaries				
Sub-Total Salaries	60,000	0	915	0
515100 Retirement Plans Expense	4,493			
515200 OASDI Expense	4,374			
515400 Life and Accident Insurance Expense	17			
515500 Health Insurance Expense	10,631			
All Other Personal Services	703			
Sub-Total Benefits	20,218	0	0	0
510000 Personal Services	80,218	0	915	0
520000 Operating Expenses	32,477			
570000 Travel Expenses	12,650			
580000 Capital Outlay	3,400			
590000 Government Aid				
Total Expense	128,745	0	915	0
Means of Financing				
General Fund				
Cash Fund	128,745			
Federal Fund				
Revolving Fund				
Total Funding	128,745	0	ERR	0

Note: This request is for PSL only. FY2007-08 appropriated PSL is \$59,085.