

**Form Number 500**

**Agency Adjustment Summary**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	1 of 15
	CODE & DESCRIPTION	
AGENCY	46	Dept of Correctional Services
Pgm	200	Summary Approp Pgm
		7 requests -- summary

EXPENDITURE ACCOUNT	ADJUSTMENTS
	2008-2009
Permanent F.T.E. Positions	
511100 Permanent Salaries - Wages	134,000
511200 Temporary Salaries - Wages	
511600 Per Diem Payments	
511900 Supplemental (One-time payments)	
All Other Salaries	
<b>Sub-Total Salaries</b>	<b>134,000</b>
515100 Retirement Plans Expense	10,050
515200 OASDI Expense	10,250
515400 Life and Accident Insurance Expense	
515500 Health Insurance Expense	
All Other Personal Services	
<b>Sub-Total Benefits</b>	<b>20,300</b>
510000 Personal Services	154,300
520000 Operating Expenses	
Medical Per Diems	3,984,290
Inmate Food & Per Diem Costs	1,584,102
Utility costs	1,175,043
Equipment, R&M	592,242
Other Contractual Costs	63,000
570000 Travel Expenses	149,775
580000 Capital Outlay	
590000 Government Aid	
<b>Total Expense</b>	<b>7,702,752</b>
Means of Financing	
General Fund	7,702,752
Cash Fund	
Federal Fund	
Revolving Fund	
<b>Total Funding</b>	<b>7,702,752</b>
Personal Services Limitation (PSL)	134,000

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

# Program Adjustment Narrative

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	01	Medical Per Diem Pgm 370 subp 35

State of Nebraska – Administrative Services – Budget Division

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

## A) Description of Request

The Department of Correctional Services (DCS) is requesting additional Medical Per Diem in the amount of \$3,984,290. This increase is mostly in the area of the hospital and medical services provided outside of the institutions, but also includes the Tecumseh State Correctional Institution medical contract, medical supplies, medical lab services, and contract nurses.

## B) Rationale for Request

The shortfall in the Medical per-diem in FY08 was \$1,214,679. The shortfall in FY09 is anticipated to be \$2,769,611.

Total inmate medical costs have increased from \$4,322,710 in FY99 (3548 inmates) to \$15,184,091 in FY08 (4390 inmates), an average per year increase of 15%, while the inmate population has increased an average of 2.4% per year.

The total increase over the last 10 years has been \$10.8 million dollars, but it would have been significantly larger except for two initiatives which DCS put in place in FY04; the use of Medicaid funding and the fact that we have secured Preferred Provider Organization (PPO) rates for medical services provided outside DCS facilities. Inmate medical costs reached \$13.4 million dollars in FY03. In FY04, with these 2 initiatives in place, they decreased both years to under \$12.5 million per year.

## C) Impact of Request

In FY01 LB152 passed which mandated community standard of care for inmates. DCS must pay the costs incurred.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	3 of 15
	CODE & DESCRIPTION	
AGENCY	46 Department of Correctional Services	
PROGRAM	200- Overall Appropriations Program	
REQUEST	01 Medical Per Diem- Pgm 370 subp 35	

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions	104.5	
511100 Permanent Salaries - Wages	5,625,827	
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries	88,336	
<b>Sub-Total Salaries</b>	<b>5,714,163</b>	
515100 Retirement Plans Expense	416,190	
515200 OASDI Expense	424,514	
515400 Life and Accident Insurance Expense	1,747	
515500 Health Insurance Expense	680,000	
All Other Personal Services	81,660	
<b>Sub-Total Benefits</b>	<b>1,604,111</b>	
510000 Personal Services	7,318,274	
520000 Operating Expenses		
544904 & 544905 Payments to Medical Providers through Blue Cross	4,325,000	1,968,456
545000 & 545001 Lab & Radiological Services	410,000	169,537
544200 & 544500 Temp Nursing & Pharmacist Services	870,000	451,109
554901 Contract Medical CCS	2,873,371	654,858
535100-103 Medical Supplies	2,596,000	670,013
544400 Medicaid & Misc Hospital Services	300,000	63,332
Other Medical Contracts	652,199	6,985
all other operating	408,387	
570000 Travel Expenses	15,725	
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	<b>19,768,956</b>	<b>3,984,290</b>
Means of Financing		
General Fund	18,012,692	3,984,290
Cash Fund	1,756,264	
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	<b>19,768,956</b>	<b>3,984,290</b>
Personal Services Limitation (PSL)	5,714,163	

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

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	02	Inmate Food Costs & Other Per Diems Pgms 260-386 subp 30

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

## A) Description of Request

The Department of Correctional Services (DCS) is requesting \$1,584,102 in deficit funding for Inmate Food and Other Per-diem costs.

## B) Rationale for Request

The shortfall in the Inmate per-diem in FY08 was \$824,550 and is anticipated to be \$759,552 in FY09.

The base food budget in FY08-09 is \$4,099,441. With 4408 inmates and 55 probationers (WEC) the current food budget per inmate per day is \$2.52, and facilities are unable to keep the food costs at that level. Funding would allow a more realistic \$2.64 per day, which is \$0.88 per meal, and a total budget of \$4,310,916 in FY09.

Food prices, and fuel surcharges on delivery of food, have increased dramatically over the last year. The 'all item' CPI for food has increased 5.6% July 2008 over July 2007. Eggs are up 16.1% during the same period, and cereals and bakery are up 12.1%.

The Department of Administrative Services (DAS) has just finalized a staples/cereal canned items contract with a vendor, and for most of the high usage items for DCS the price is up an average of 30%

DCS follows a 5 week menu plan, that has been designed by a nutritionist, to supply the required nutrients and calories.

DCS also utilizes 'opportunity buys' as the occasion arises to keep food costs down.

The average yearly percent increase in food over the past 10 years has been 3.9%

Other Inmate Per Diem categories include the law library, inmate clothing, cleaning supplies, inmate payroll, laundry, etc. and are currently budgeted at \$4,971,297, with expenses in FY09 anticipated to be \$5,519,374.

The average yearly percent increase in other inmate per diem over the past 10 years has been 5.5%

## C) Impact of Request

Facility Staff and Food Service Directors already have taken steps to keep these costs as low as possible, including continual re-use of many issued items (clothing, towels, bedding, etc); revising the 5 week menu to substitute lower cost items, etc.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	5 of 15
	CODE & DESCRIPTION	
AGENCY	46 Department of Correctional Services	
PROGRAM	200- Overall Appropriations Program	
REQUEST	02 Inmate Food Costs. Pgm 260-386 subp 30	

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions		0.0
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
<b>Sub-Total Salaries</b>	0	0
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		0
515500 Health Insurance Expense		0
All Other Personal Services		0
<b>Sub-Total Benefits</b>	0	0
510000 Personal Services	0	0
520000 Operating Expenses		
533900-905 Inmate Food Costs	4,099,441	461,516
Other Inmate per diem costs - clothing, cleaning, cell supplies, household supplies, wages, etc	4,927,176	1,122,586
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	9,026,617	1,584,102
Means of Financing		
General Fund	9,026,617	1,584,102
Cash Fund		0
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	9,026,617	1,584,102
Personal Services Limitation (PSL)	0	0

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

# Program Adjustment Narrative

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	03	Utility Cost Increases

State of Nebraska – Administrative Services – Budget Division

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

## A) Description of Request

The Department of Correctional Services (DCS) is requesting Utility increases of \$1,175,043. The shortfall in the utility budget in FY08 was \$496,940. The deficit amount for FY09 is estimated at \$678,103.

## B) Rationale for Request

DCS operates ten 24 hour facilities (made up of 122 individual buildings) housing inmates, and a central office building.

Total gross square footage is approximately 1.9 million square feet.

For the 2008-09 heating season, the Energy Information Agency (EIA- a US Govt site) projects that prices are expected to average 52% more this year than last year, or more than \$11 per decatherm. Electricity rates for LES increased 5.2% in April 2008, and are increasing an average of another 10.1% in September. Additionally, the Western Area Power Association (WAPA) (which also affects some Lincoln facilities) is increasing its rates over 20% this year.

Omaha's OPPD electric rates are scheduled to go up an average of 14.1%, and Tecumseh's water and sewer rates have more than doubled.

DCS utility costs have increased an average of 8% per year over the last 10 years, and include the opening of 2 new facilities (TSCI & WEC)

## C) Impact of Request

DCS has taken numerous steps over the years to make buildings more energy efficient. The agency also was able to contract for coal for FY08 and FY09 at a significant savings over the FY06 & FY07 years. Other energy savings-initiatives have been put in place where appropriate and cost effective, such as motion-activated lights in certain buildings and offices, set thermostat temperatures, etc. DCS continually works with the 309 Task Force on energy-efficiency building projects, such as replacement windows.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

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	CODE & DESCRIPTION	
AGENCY	46 Department of Correctional Services	
PROGRAM	200- Overall Appropriations Program	
REQUEST	03 DCS all facilities Utility Costs Request	
EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions		0.0
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
<b>Sub-Total Salaries</b>	0	0
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		0
515500 Health Insurance Expense		0
All Other Personal Services		0
<b>Sub-Total Benefits</b>	0	0
510000 Personal Services	0	0
520000 Operating Expenses		
523101 Fuel (Including Coal )	1,784,275	489,462
523102 Electricity	1,426,152	575,866
523103 Water	703,417	109,715
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	3,913,844	1,175,043
Means of Financing		
General Fund	3,913,844	1,175,043
Cash Fund		0
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	3,913,844	1,175,043
Personal Services Limitation (PSL)	0	0

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

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	04	Capital Outlay, Safety & Security, and 309 matching funds

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

## A) Description of Request

The Department of Correctional Services (DCS) is requesting \$592,242 in deficit funding for the following purposes:

- 1) finish co-funding a number of 309 projects that were started in the previous biennium. The unfunded cost for carryover Special Projects in FY07-08 was \$288,459. The cost in FY09 for these projects is estimated at \$182,098
  
- 2) provide funding through the Equipment fund for such things as kitchen equipment, replacement of computers, radios, security equipment, etc, throughout all of the facilities and the central office.

## B) Rationale for Request

DCS has cut back significantly the last two years on equipment items, but the need is becoming critical. DCS normally budgets approximately \$1,250,000 per year in its equipment fund. In FY08, DCS spent \$601,748 in this area. Special Projects have historically been funded through one-time carryover dollars. DCS has not had any carryover funding to allocate to these projects this biennium.

## C) Impact of Request

Security and infrastructure needs are on-going. Inmate populations are projected to continue to increase, and with initiatives in place and under consideration to find options other than prison for certain non-violent offenders, the prison population will continue to experience a higher proportion of violent offenders incarcerated.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER 9 of 15
	CODE & DESCRIPTION
AGENCY	46 Department of Correctional Services
PROGRAM	200- Overall Appropriations Program
REQUEST	4 - Capital Outlay, Safety/security projects; 309 match

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions		0.0
511100 Permanent Salaries - Wages		
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
<b>Sub-Total Salaries</b>	0	0
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		0
515500 Health Insurance Expense		0
All Other Personal Services		0
<b>Sub-Total Benefits</b>	0	0
510000 Personal Services	0	0
520000 Operating Expenses		
526106, 554900 & 581500 Special Project & 309 other Equip Fund Accounts		470,557
586000 Equipment - Radios, Household equip, medical equip, computer replacements etc	522,315	121,685
570000 Travel Expenses		
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	522,315	592,242
Means of Financing		
General Fund	522,315	592,242
Cash Fund		0
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	522,315	592,242
Personal Services Limitation (PSL)	0	0

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

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	05	Teachers Salaries – subp 40 all facilities

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

## A) Description of Request

The Department of Correctional Services (DCS) is requesting funding of \$154,300 and PSL of \$134,000 in FY08-09 to completely fund teachers' salaries and benefits.

## B) Rationale for Request

DCS was approved to self-fund its inmate education program in FY07-08, and began to do so in January 2008.

The agency underestimated the interest that experienced and highly educated teachers would have in teaching for the Department. Teachers' salaries are based strictly on the SCATA contract, and are based on years of teaching experience and level of education.

The dollar amount shown is the amount needed in FY08-09 to fully fund all of the authorized and hired teachers in the facilities.

DCS had \$76,551 in teacher vacancy savings in FY07-08 due to the timing of hirings, since 26 Teachers paid with General Funds and 2 teachers paid with Federal Funds were hired beginning in January 2008.

Further, total costs are still less than they would have been otherwise under the previous contractual agreement.

## C) Impact of Request

Funding of this request will allow DCS to continue to provide Adult Basic Education (ABE), General Education instruction and Diplomas (GEDs), English as a Second Language (ESL) instruction and life skills classes to inmates in all facilities and High School classes to inmates at the Nebraska Correctional Youth Facility (NCYF).

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER	11 of 15
	CODE & DESCRIPTION	
AGENCY	46 Department of Correctional Services	
PROGRAM	200- Overall Appropriations Program	
REQUEST	05 Teachers' salaries - subp 40 all facilities	

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions	21.0	
511100 Permanent Salaries - Wages	852,260	134,000
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries		
<b>Sub-Total Salaries</b>	<b>852,260</b>	<b>134,000</b>
515100 Retirement Plans Expense	64,332	10,050
515200 OASDI Expense	65,619	10,250
515400 Life and Accident Insurance Expense	353	
515500 Health Insurance Expense	181,865	
All Other Personal Services	715	
<b>Sub-Total Benefits</b>	<b>312,884</b>	<b>20,300</b>
510000 Personal Services	1,165,144	154,300
520000 Operating Expenses		
534601 Educational Supplies	66,169	
521200 Comm Expense	3,800	
all other operating	3,400	
570000 Travel Expenses	500	
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	<b>1,239,013</b>	<b>154,300</b>
Means of Financing		
General Fund	1,239,013	154,300
Cash Fund		
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	<b>1,239,013</b>	<b>154,300</b>
Personal Services Limitation (PSL)	852,260	134,000

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

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	06	Pgm 389 Lifetime Sex Offenders Electronic Monitoring

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

**A) Description of Request**

The Department of Correctional Services (DCS) is requesting deficit funding of \$63,000 in FY08-09 to pay for electronic monitoring of lifetime sex offenders.

**B) Rationale for Request**

Lifetime Sex Offenders are currently required by Adult Parole to be on active GPS electronic monitoring. The cost of electronic monitoring is \$8 per day per offender, and DCS has between 35 and 45 such offenders at any one time on electronic monitoring, for a yearly cost of approximately \$120,000. LB1199 provided additional funding of \$48,000 for yearly reviews and other offender costs in FY09. Adult Parole has reallocated \$9,000 from other operating categories to partially fund the cost in FY08-09 (\$57,000 budgeted). Adult Parole spent \$79,000 in FY08 on electronic monitoring.

**C) Impact of Request**

Adult Parole does not have the flexibility in its budget to absorb this additional yearly cost of electronic monitoring.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	CODE & DESCRIPTION
AGENCY	46 Department of Correctional Services
PROGRAM	200- Overall Appropriations Program
REQUEST	6- Lifetime Sex Offender Electronic Monitoring- Adult Parole

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	2008-2009
Permanent F.T.E. Positions	43.0	
511100 Permanent Salaries - Wages	1,620,014	
511200 Temporary Salaries - Wages		
511600 Per Diem Payments		
511900 Supplemental (One-time payments)		
All Other Salaries	8,976	
<b>Sub-Total Salaries</b>	<b>1,628,990</b>	
515100 Retirement Plans Expense	122,174	
515200 OASDI Expense	124,618	
515400 Life and Accident Insurance Expense	980	
515500 Health Insurance Expense	372,540	
All Other Personal Services	19,585	
<b>Sub-Total Benefits</b>	<b>639,897</b>	
510000 Personal Services	2,268,887	
520000 Operating Expenses	260,169	
554900 Other contractual Services	57,000	63,000
570000 Travel Expenses	101,905	
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	<b>2,687,961</b>	<b>63,000</b>
Means of Financing		
General Fund	2,687,961	63,000
Cash Fund		
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	<b>2,687,961</b>	<b>63,000</b>
Personal Services Limitation (PSL)	1,628,990	

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

# Program Adjustment Narrative

State of Nebraska – Administrative Services – Budget Division

	CODE	DESCRIPTION
AGENCY	046	Dept of Correctional Services
PROGRAM	200	Overall Appropriations Program
REQUEST	07	Vehicle Usage- TSB costs

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

**A) Description of Request**

The Department of Correctional Services (DCS) is requesting funding of \$149,775 to help cover additional TSB transportation costs of inmates, especially travel order costs.

The shortfall in the state vehicle cost area in FY08 was \$299,788 as of June 30<sup>th</sup>, 2008.

**B) Rationale for Request**

Inmates are transported in agency vehicles for a number of reasons, the most common being medical travel orders, where the inmate has to be transported by the Department to a hospital or clinic or outside specialist for medical services.

DCS also transports inmates to court for court hearings, and between facilities in case of transfers.

**C) Impact of Request**

DCS has initiated pilot projects in telehealth and telecourt at Tecumseh State Correctional Institution, which is reducing the costs in the current year and will continue to help reduce costs in this area in future years.

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**Program Adjustment Request**

State of Nebraska - Administrative Services - Budget Division

	PAGE NUMBER 15 of 15
	CODE & DESCRIPTION
AGENCY	46 Department of Correctional Services
PROGRAM	200- Overall Appropriations Program - facility wide
REQUEST	7 Vehicle Usage -TSB Travel Order costs

EXPENDITURE ACCOUNT	APPROPRIATIONS	ADJUSTMENTS
	2008-2009	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		
<b>Sub-Total Salaries</b>		
515100 Retirement Plans Expense		
515200 OASDI Expense		
515400 Life and Accident Insurance Expense		
515500 Health Insurance Expense		
All Other Personal Services		
<b>Sub-Total Benefits</b>		0
510000 Personal Services		0
520000 Operating Expenses		
554900 Other contractual Services		
573100 TSB Travel Expenses	606,535	149,775
580000 Capital Outlay		
590000 Government Aid		
<b>Total Expense</b>	<b>606,535</b>	<b>149,775</b>
Means of Financing		
General Fund	606,535	149,775
Cash Fund		0
Federal Fund		
Revolving Fund		
<b>Total Funding</b>	<b>606,535</b>	<b>149,775</b>
Personal Services Limitation (PSL)	0	0

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