

# Nebraska Bankers Association Presentation

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Nebraska State Budget Director

February 9, 2011

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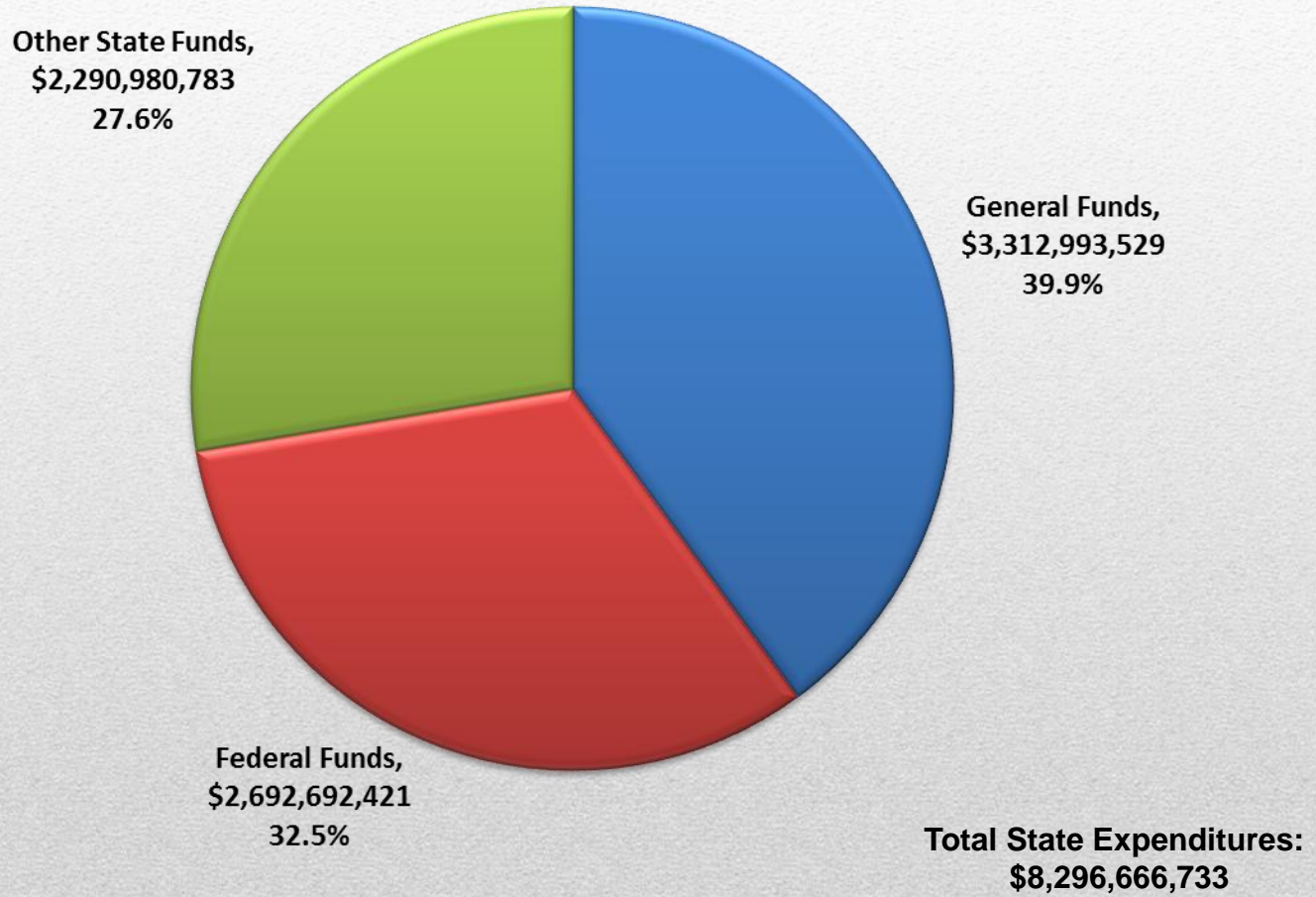
# State Budget Process in Nebraska

- Biennial Budgeting
  - Consensus Revenue Forecasting
  - Governor Goes First
  - Legislature Appropriates and Taxes
  - Minimum Reserve Requirement
  - Cash Reserve Fund
  - Balanced Budget – No G.O. Debt
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# State of Nebraska

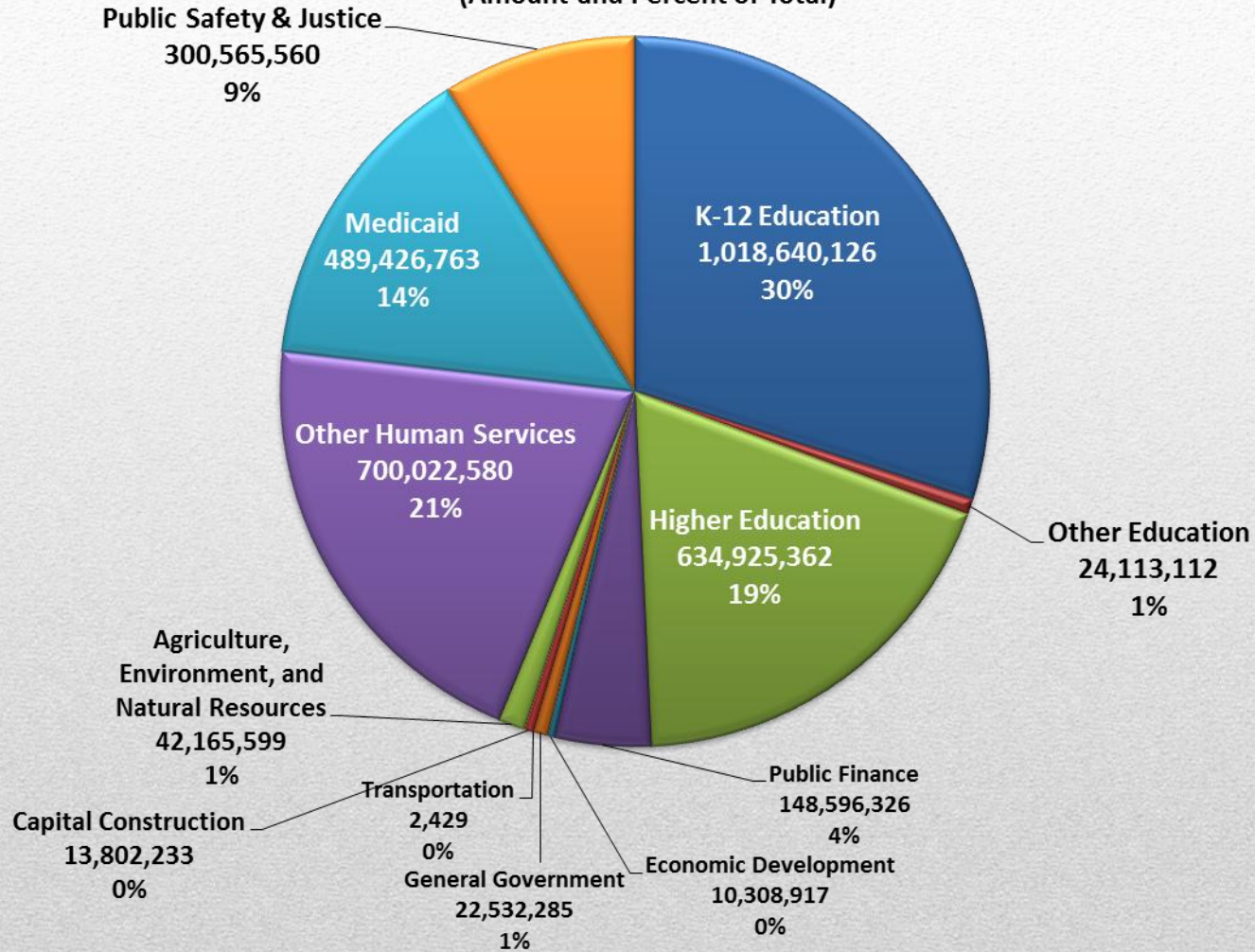
## State Expenditures By Funding Source, FY 2010



# State of Nebraska

## FY2010-11 General Fund Appropriations

(Amount and Percent of Total)





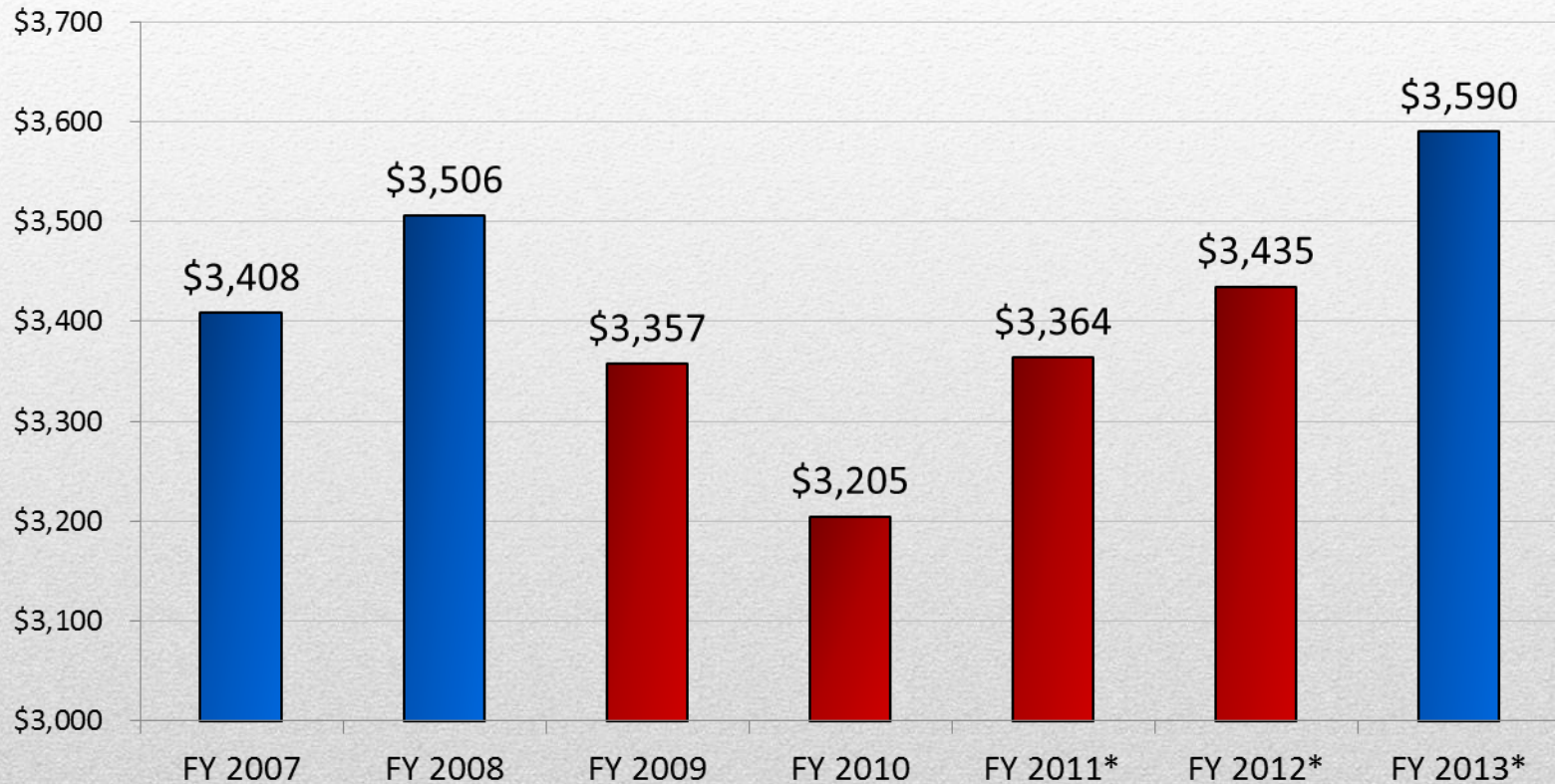
**State of Nebraska**  
**FY 2011 General Fund Appropriations by Category**

<u>Aid Category</u>	<u>FY2010-11</u>	<u>% of Total</u>
Aid to Local Governments	1,210,048,306	35.5%
Aid for Individuals	770,592,812	22.6%
Aid to Other	186,494,569	5.5%
<b>State Aid Total</b>	<b>2,167,135,687</b>	<b>63.6%</b>
<b>Operations</b>	<b>1,224,163,372</b>	<b>36.0%</b>
<b>Capital Construction</b>	<b>13,802,233</b>	<b>0.4%</b>
<b>Total General Fund Appropriations</b>	<b>3,405,101,292</b>	

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# State of Nebraska

## General Fund Revenue: FY 2007 - FY 2011 (in millions)

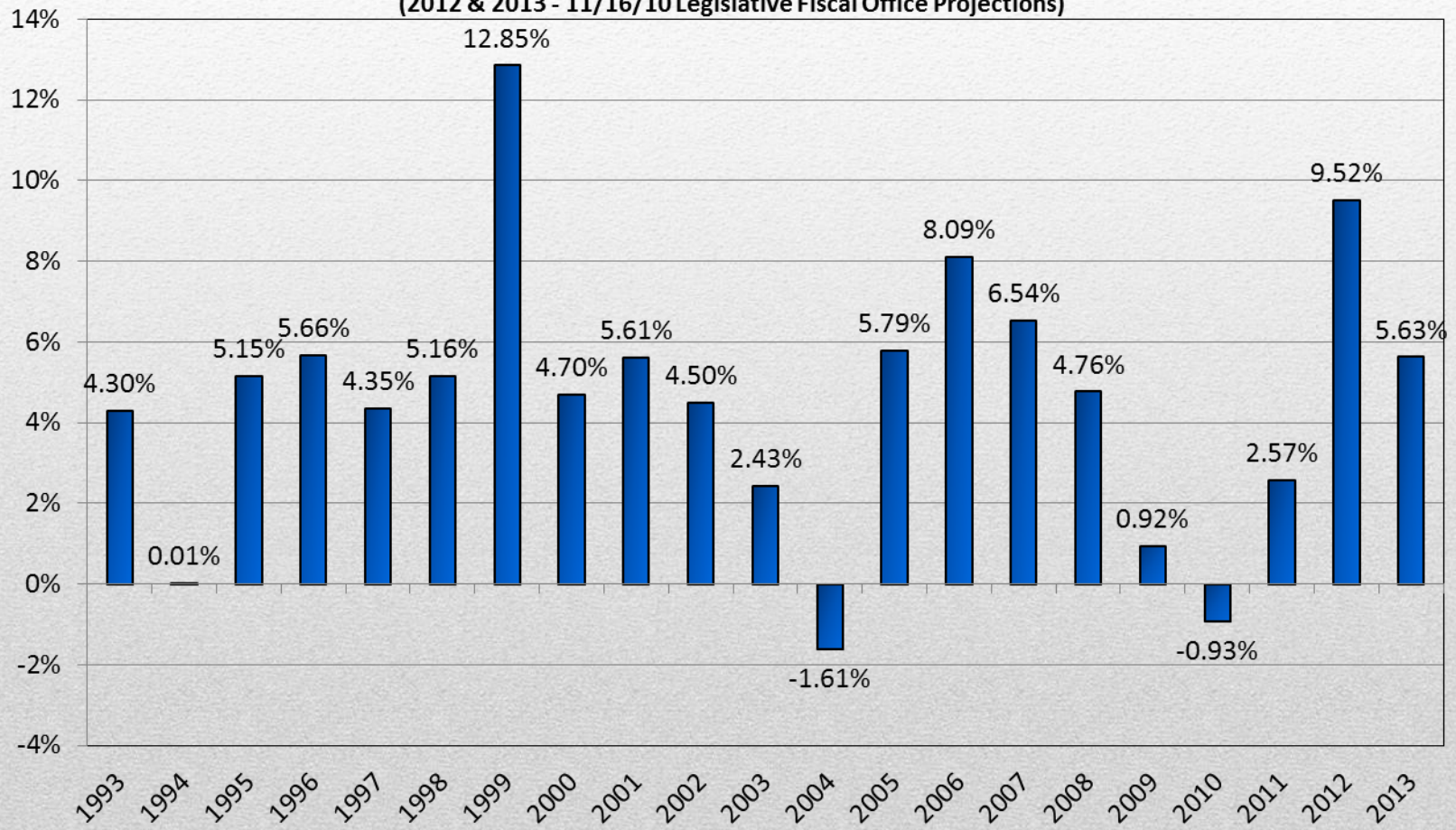


\* FY 2007 through FY 2010 are actual. FY 2011 through FY 2013 are projected.



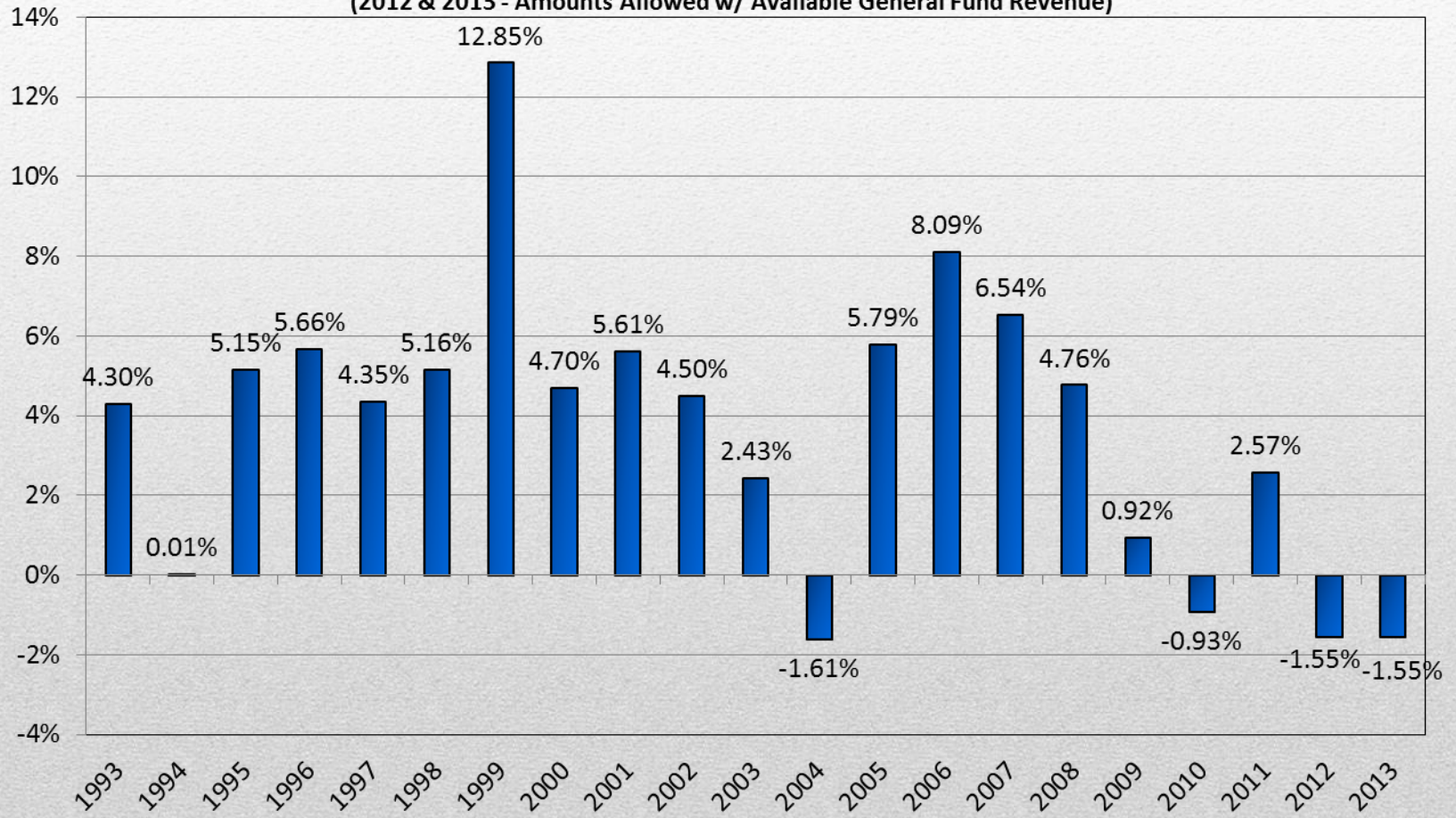
# State of Nebraska General Fund Appropriations Annual % Change

(2012 & 2013 - 11/16/10 Legislative Fiscal Office Projections)



# State of Nebraska General Fund Appropriations Annual % Change

(2012 & 2013 - Amounts Allowed w/ Available General Fund Revenue)



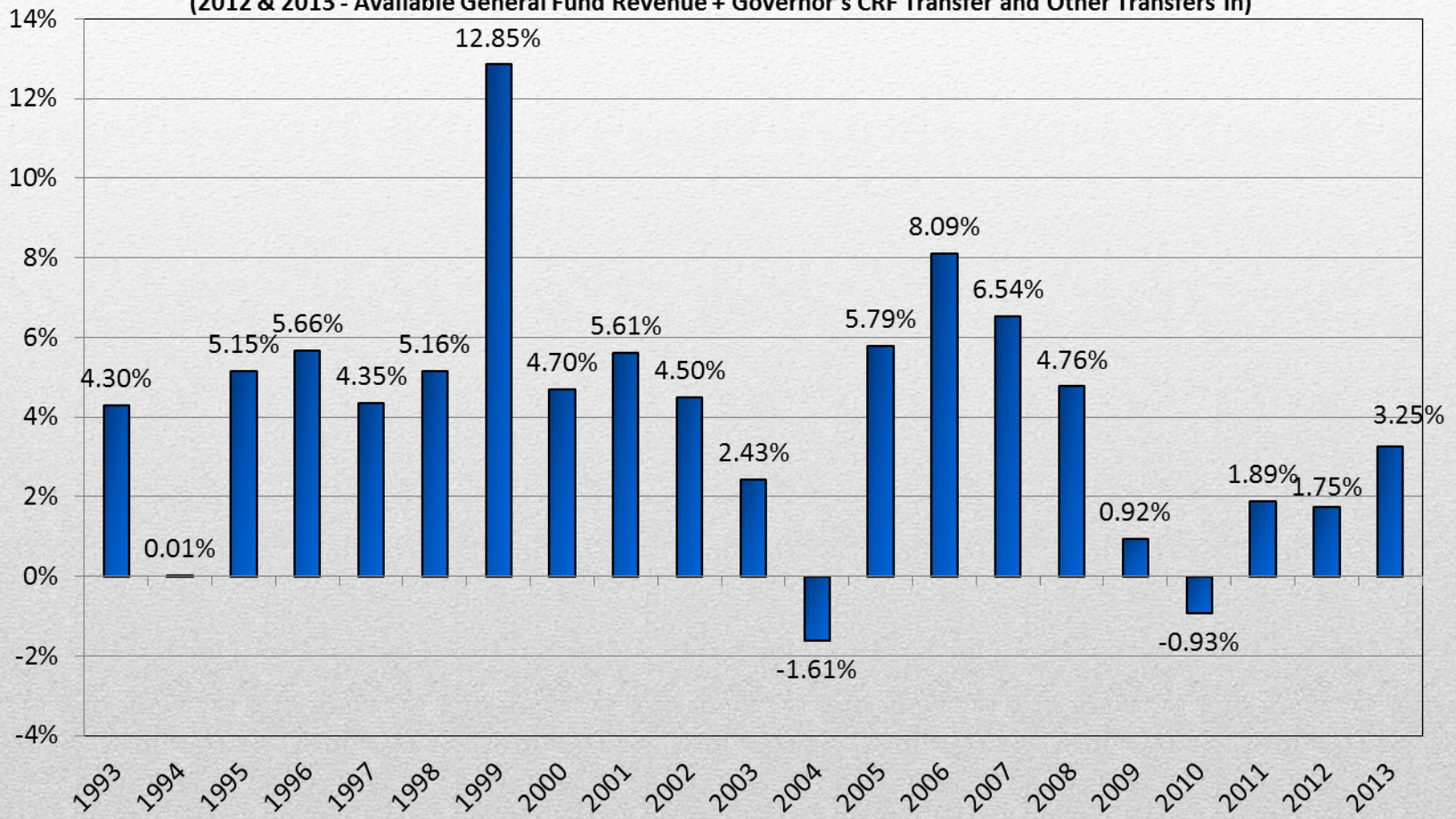


# State of Nebraska

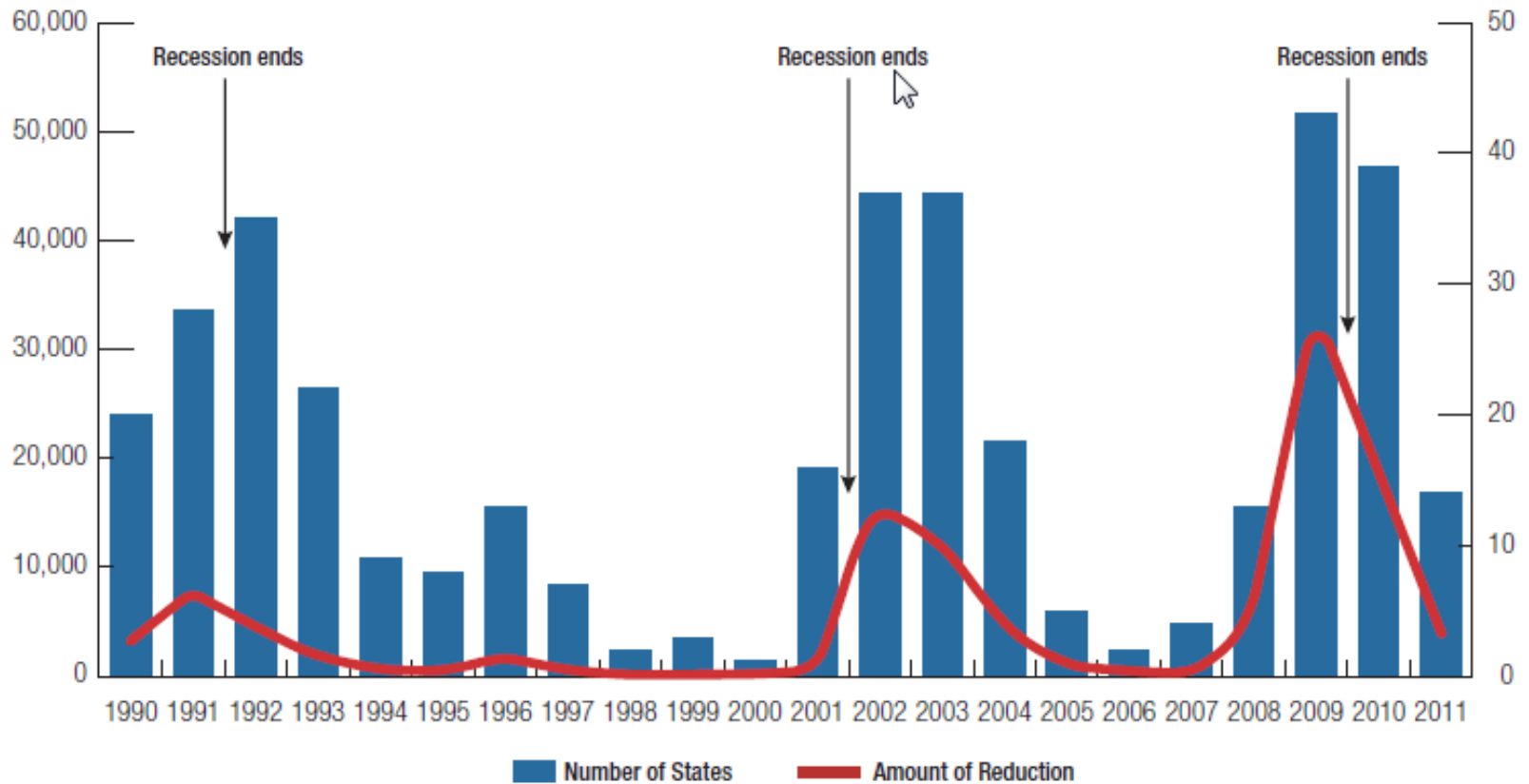
## General Fund Appropriations

### Annual % Change

(2012 & 2013 - Available General Fund Revenue + Governor's CRF Transfer and Other Transfers In)



## Budget Cuts Made After the Budget Passed, Fiscal 1990 to Fiscal 2011 (\$ millions)



SOURCE: National Association of State Budget Officers June 2010 Fiscal Survey of States



## General Fund Expenditure Change Nebraska, Bordering States, and U.S. Average

State	Fiscal 2010	Fiscal 2011
Colorado	-9.2	6.9
Iowa	-10.7	-0.4
Kansas	-10.8	4.0
Missouri	-11.0	3.0
Nebraska	-0.5	2.8
South Dakota	-1.9	2.9
Wyoming	0.0	-18.1
U.S. Average	-7.30%	5.30%

NOTES: \*\*Fiscal 2010 reflects changes from fiscal 2009 expenditures (actual) to fiscal 2010 expenditures (preliminary actual). Fiscal 2011 reflects changes from fiscal 2010 expenditures (preliminary actual) to fiscal 2011 expenditures (appropriated).

SOURCE: National Association of State Budget Officers.

## Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2010 and 2011

Strategies	FY 2010	FY 2011
User Fees	13	19
Higher Education Related Fees	14	13
Court Related Fees	11	9
Transportation/Motor Vehicle Related Fees	11	10
Business Related Fees	9	11
Layoffs	25	24
Furloughs	22	16
Early Retirement	7	6
Salary Reductions	7	9
Cuts to State Employee Benefits	10	13
Across-the-Board % Cuts	26	25
Targeted Cuts	33	35
Reduce Local Aid	20	19
Reorganize Agencies	11	14
Privatization	2	4
Rainy Day Fund	23	13
Lottery Expansion	2	5
Gaming/Gambling Expansion	2	3
Other (Specify)	23	21
Tax and Fee Increases (Net Positive)	?	23

Source: "The Fiscal Survey of States: Fall 2010," National Association of State Budget Officers.



# Key Principles for 2011-2013 Budget

- No tax increases
  - Innovative investments
  - Education & jobs are top priorities
  - Strategic reductions
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# Innovative Investments – Jobs

- **Talent & Innovation Initiative**

4-part plan to continue positive economic momentum

- Nebraska Internship Program
  - Business Innovation Act – leverage entrepreneurship, increase private research & innovation, and expand small business outreach efforts
  - Site & Building Development Fund
  - Angel Investment Tax Credit Program
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# Innovative Investments – Education

- \$8.5 million for development of Nebraska Virtual High School (lottery funds).
  - \$25 million investment in Innovation Campus.
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# Education & Jobs – Top Priorities

- State aid to education is \$810 million in FY 12 and increases to \$860 million in FY 13.
  - No reductions in higher education funding.
  - Flat is good in this challenging financial environment.
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**Governor's Recommended Budget Adjustments:**  
**Major Categories**  
 General Fund Only

Type	FY 2011-12 over FY 2010-11	Annual % Chg.	FY 2012-13 over FY 2011-12	Annual % Chg.	FY 2012-13 over FY 2010-11
<b>Agency Operations</b>	<b>(32,375,183)</b>	<b>-2.6%</b>	<b>12,527,396</b>	<b>1.1%</b>	<b>(19,847,787)</b>
<b>State Aid</b>	<b>68,854,828</b>	<b>3.2%</b>	<b>98,460,869</b>	<b>4.4%</b>	<b>167,315,697</b>
State Aid to Local Governments	(16,277,223)	-1.3%	56,521,887	4.7%	40,244,664
State Aid to Individuals	81,351,162	10.6%	40,837,825	4.8%	122,188,987
Other State Aid	3,780,889	2.0%	1,101,157	0.6%	4,882,046
<b>Capital Construction</b>	<b>(150,000)</b>	<b>-1.1%</b>	<b>800,000</b>	<b>5.9%</b>	<b>650,000</b>
<b>Grand Total</b>	<b>36,329,645</b>	<b>1.1%</b>	<b>111,788,265</b>	<b>3.2%</b>	<b>148,117,910</b>



# State Budget Division – State of Nebraska

On the web: [www.budget.ne.gov](http://www.budget.ne.gov)

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