

MEMORANDUM

DATE: January 18, 2013
TO: Agency Finance Officers
FROM: Gerry A. Oligmueller, State Budget Administrator
RE: FY 2012-13 employee health premium abatement savings

State agency (employer) and individual state employee health benefit premiums were not charged during two months of the current fiscal year, FY 2012-13. A communication on this subject was distributed to agency Human Resources contacts by the Department of Administrative Services in early November (attached). As first outlined in the HR memo, the Governor's recommended appropriation changes contained in LB 194 reduce state agency (employer) appropriations in FY 2012-13 by \$18.5 million as a result of the elimination of this budgeted cost. This is a one-time reduction. In other words, no reduction is made in the base appropriation going forward for FY 2013-14 and FY 2014-15 so that full annualized funding for health benefits continues in the 2013-2015 biennium.

In order for agencies to be fully aware of the impact of this appropriation reduction and to plan accordingly for the remainder of the budget year, the attached document showing the impact by program and fund type for each agency is provided.

Contact your assigned State Budget Division budget analyst if you have questions. Thank you.