



S t a t e o f N e b r a s k a

**Executive Budget
In Brief**

2013-2015 B i e n n i u m

Dave Heineman
Governor

Presented January 15, 2013

Executive Budget in Brief

2013 - 2015 Biennium

Presented by
Administrative Services – State Budget Division
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Lincoln, Nebraska 68509
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Presented January 15, 2013

A complete copy of State agencies, boards and commissions' FY 2012-13 supplemental appropriation requests and 2013-2015 biennial budget requests are available on the State Budget Division website at budget.nebraska.gov.

This Executive Budget in Brief, 2013-2015 Biennium and the Executive Budget, 2013-2015 Biennium are available on the State Budget Division website at budget.nebraska.gov. The Executive Budget, 2013-2015 Biennium provides a summary report at the agency and program level of agency vision, mission, goals, historical appropriation/spending, and requested amounts for the 2013-2015 biennium. This publication also includes the Governor's appropriation recommendation for each program for the 2013-2015 biennium.

Additional summary tables regarding the current and recommended appropriations for State agencies, boards and commissions are also available at budget.nebraska.gov.



Dave Heineman
Governor

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January 15, 2013

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol Building
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

I am presenting my budget recommendations for your consideration for the 2013-2015 biennium. The resilience of the Nebraska economy during our most recent national recession and now its steady improvement will allow us to address important needs and interests of our citizens.

As we prepared the past two biennial budgets, it was necessary to use our cash reserve funds to craft a budget to support the general operations and aid programs of state government. In addition we made many difficult and strategic decisions to restrain and prioritize spending by state government. We did not increase taxes to avoid the difficult decisions required to prioritize the use of our limited resources and balance the state budget. It is especially important as our economy improves that we demonstrate the same discipline in the development of the state budget for the 2013-2015 biennium.

The Nebraska Economic Forecasting Advisory Board estimates tax receipt growth of 4.5 percent for this upcoming budget biennium. The historical average growth in General Fund revenue is 5.0 percent. It is not necessary to increase taxes to enact a state budget for the 2013-2015 biennium. Our cash reserve fund should be replenished to address any future adverse economic or special circumstances.

Education must continue to be a top priority. My budget recommendations include an increase of \$125 million in state aid through the state's primary K-12 school aid funding formula which represents a 5 percent increase each year. I am also recommending an additional \$29.6 million, or 5 percent each year for special education aid to local school districts.

My recommendations for higher education place a special focus on the importance of accessing and obtaining a college education to continue to grow Nebraska's economy. I am recommending an increase of \$62.1 million to the University of Nebraska, \$6.2 million to the Nebraska State College system, and \$10.7 million to the community college system. At my recommended funding level the University of Nebraska and the State Colleges have committed to a freeze of resident student tuition rates for the next two years. I encourage the governing boards of our community colleges to do the same.

Mr. President, Mr. Speaker,
and Members of the Legislature
January 15, 2013
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The most significant challenge in enacting a biennial budget for 2013-2015 will be the financing of the Medicaid program in Nebraska. I have placed the highest priority on financing education, but the requirements presented by the current Medicaid program and the implications of new federal mandates cause an explosive demand for state resources. My recommendation includes \$176.0 million additional General Fund appropriations for Medicaid, Children's Health, and other medical providers to address increases in service utilization, provider rates, and federal requirements for increased state funds (versus federal funds) to finance services. In addition, another \$72.3 million is added to the budget for new costs to our existing Medicaid program that result from the implementation of the federal Affordable Care Act. I am specifically recommending \$22.4 million to finance improved assessment and payments for services to people with developmental disabilities served throughout our communities in Nebraska.

Nebraska can be proud of the life-time priority it places on services to veterans. We have recently constructed new Veterans Homes in northeast and eastern Nebraska. It is now time to build a new home in central Nebraska to replace our largest and oldest home for veterans which is located in Grand Island. This \$121 million project will require a \$47 million commitment of state resources. I am especially proud to offer this recommendation as part of my budget proposal and encourage you to join me in seeking federal approval for the remaining funds needed for this very important service for our veterans.

As you undertake your responsibility to enact biennial appropriations for our state government, I once again ask that you recognize the inextricable link between economic success and education success. This is critically important for the Nebraska economy to service the remaining needs of our citizens.

Thank you.

Sincerely,

Dave Heineman
Governor



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General Fund Financial Status

The General Fund Financial Status provides a summary of the State's financial condition including the impact of the Governor's 2013-2015 budget recommendations. While Nebraska operates with a biennial budget, the version of the Status shown in this document includes an additional two years of estimated revenues and appropriations for planning purposes.

The revenue portion of the Status shows the net General Fund tax receipts for the current fiscal year and the next biennium that were adopted by the Economic Forecasting Advisory Board at its meeting in October 2012. The net receipts projected for the following biennium were presented to the Tax Rate Review Committee in November of 2012 by the Legislative Fiscal Office.

Certain transfers to the General Fund are proposed in both FY 2013-14 and FY 2014-15: Tobacco Products Administration Cash Fund - \$10.0 million; Securities Act Cash Fund - \$24.0 million; and Insurance Cash Fund - \$6.0 million. The Governor recommends that no transfers be made from the Cash Reserve Fund to the General Fund to support the general operations and aid budget for the 2013-2015 biennium.

The Governor recommends transfers from the General Fund in both FY 2013-14 and FY 2014-15: Property Tax Credit Cash Fund - \$113.0 million and Water Resources Cash Fund - \$3.3 million. The Governor recommends no other transfers be made from the General Fund during the 2013-15 biennium.

The appropriations shown for the current fiscal year 2012-13 are those adopted during the 2011 regular session and further amended during the 2011 special session and 2012 regular session of the 102nd Legislature. The Status also reflects a recommended reduction of \$5.0 million in FY 2012-13 re-appropriations, an increase of \$1.5 million in FY 2012-13 appropriations, and a \$522,809 allocation for the 2013 claims bill for consideration during the 2013 session of the 103rd Legislature. The Governor's budget recommendations for FY 2013-14 and FY 2014-15 of the next biennium are also shown. The Governor's recommendations provide for a two year average General Fund increase of 4.9%. The General Fund balance for the next biennium exceeds the minimum reserve requirement by \$14.8 million.

The planning estimates for the following biennium 2015-2017 set future allowable spending growth at 5.0% and leave a General Fund balance in excess of the minimum reserve requirement. The planning estimates include a recommendation that \$47.0 million be transferred from the General Fund to the Cash Reserve Fund to reimburse Cash Reserve Fund financing of the construction of a new Central Nebraska Veterans' Home recommended by the Governor during this 2013 legislative session.



Cash Reserve Fund Status

The Cash Reserve Fund was created in 1983 to provide a source of funds for temporary transfers to the State General Fund when balances are not sufficient to process expenditure transactions. There have been several instances in which money was moved to and from the Cash Reserve Fund to accomplish policy initiatives. The Legislature has also used the Cash Reserve Fund to finance one-time new capital construction projects. Current law provides that actual General Fund revenues in excess of the certified forecast at the end of the fiscal year are to be transferred to the Cash Reserve Fund. There are no requirements for a minimum or maximum balance in the Cash Reserve Fund.

FY 2011-12 actual net General Fund tax receipts exceeded the FY 2011-12 certified forecast by \$104.8 million. That amount was automatically transferred by operation of state law to the separate Cash Reserve Fund in July 2012. In October 2012, the Nebraska Economic Forecasting Advisory Board increased its estimate of net General Fund tax receipts for FY 2012-13 by \$57.9 million which is shown as an automatic transfer to the Cash Reserve Fund in FY 2013-14.

Transfers to/from the Cash Reserve Fund scheduled under current law for FY 2012-13 include: \$4,990,198 reimbursement from the Water Contingency Cash Fund; \$4,461,676 reimbursement from the Ethanol Production Incentive Cash Fund; \$1,000,000 to the Affordable Housing Trust Fund; \$80,000,000 to the Nebraska Capital Construction Fund; and \$78,000,000 to the General Fund.

The Governor's 2013-2015 recommendations include a transfer of up to \$47.0 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund to finance the State's cost share for construction of a new Central Nebraska Veterans' Home to replace the existing Veterans' Home in Grand Island. The Governor's proposal provides for a \$47.0 million reimbursement to the Cash Reserve Fund from the General Fund upon completion of the project.

The projected ending balance for the Cash Reserve Fund is \$442 million. No additional transfers from the Cash Reserve Fund are recommended.

Cash Reserve Fund Status

	Current	Next Biennium		Following Biennium	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Beginning Balance	428,878,372	384,120,028	395,038,569	395,038,569	395,038,569
Transfer Amounts Above Forecasts	104,789,781	57,934,000			
To/From General Fund	(78,000,000)	0	0		
From Water Contingency Cash Fund	4,990,198				
To/From Ethanol Production Incentive Cash Fund	4,461,676				
To NCCF for higher ed construction/Centennial Mall	(80,000,000)				
To Affordable Housing Trust Fund	(1,000,000)				
To NCCF for Central Nebraska Vets Home construction	_____	(47,015,459)	_____	_____	47,015,459
Ending Balance	384,120,028	395,038,569	395,038,569	395,038,569	442,054,028

General Fund Transfers

Description	FY14	FY15
General Fund Transfers - In		
Transfer from Securities Act Cash Fund	24,000,000	24,000,000
Transfer from Insurance Cash Fund	6,000,000	6,000,000
Transfer from Tobacco Products Administration Cash Fund	10,000,000	10,000,000
General Fund Transfers - In Total	40,000,000	40,000,000
 General Fund Transfers - Out		
Transfer to Property Tax Credit Cash Fund; net of available balance	113,000,000	113,000,000
Transfers to Water Resources Cash Fund	3,300,000	3,300,000
General Fund Transfers - Out Total	116,300,000	116,300,000

Budget Adjustments: Agency Operations

General Fund Only

Agency Name	FY 2013-14 over FY 2012-13	FY 2013-14 Annual % Chg	FY 2014-15 over FY 2013-14	FY 2014-15 Annual % Chg	FY 2014-15 over FY 2012-13	% of FY 2014- 15 Total
University of Nebraska	19,100,000	3.8%	23,900,000	4.6%	43,000,000	51.27%
Correctional Services	9,832,915	6.3%	3,282,791	2.0%	13,115,706	15.64%
Health & Human Services	9,872,908	4.2%	3,156,418	1.3%	13,029,326	15.54%
State Colleges	2,050,000	4.5%	2,100,000	4.4%	4,150,000	4.95%
Supreme Court	1,448,232	1.7%	984,484	1.1%	2,432,716	2.90%
State Patrol	1,201,341	2.2%	258,359	0.5%	1,459,700	1.74%
Secretary of State	73,191	16.5%	933,105	180.2%	1,006,296	1.20%
Education	613,736	3.8%	220,107	1.3%	833,843	0.99%
Insurance	0	0.0%	776,605	N/A	776,605	0.93%
Legislative Council	286,993	1.6%	293,499	1.6%	580,492	0.69%
Economic Development	300,013	7.0%	101,973	2.2%	401,986	0.48%
Game and Parks Comm.	199,337	1.8%	196,796	1.8%	396,133	0.47%
Agriculture	312,493	5.6%	28,901	0.5%	341,394	0.41%
Military Department	137,913	3.7%	138,763	3.6%	276,676	0.33%
Natural Resources	127,275	1.2%	130,139	1.2%	257,414	0.31%
Governor	(3,582)	-0.2%	230,412	14.0%	226,830	0.27%
Revenue	(276,705)	-1.1%	481,175	1.9%	204,470	0.24%
Attorney General	350,816	6.0%	(146,920)	-2.4%	203,896	0.24%
Administrative Services	86,893	1.1%	82,980	1.1%	169,873	0.20%
Historical Society	83,453	2.1%	68,911	1.7%	152,364	0.18%
Educational Telecommunications	66,856	0.7%	68,851	0.7%	135,707	0.16%
Library Commission	65,708	2.7%	68,356	2.8%	134,064	0.16%
Fire Marshal	121,008	3.0%	12,482	0.3%	133,490	0.16%
Environmental Quality	55,147	1.7%	53,325	1.6%	108,472	0.13%
Accountability & Disclosure Comm.	8,820	2.2%	55,429	13.3%	64,249	0.08%
Tax Equalization & Review Comm.	47,040	6.9%	13,904	1.9%	60,944	0.07%
Public Service Commission	29,321	1.2%	24,145	1.0%	53,466	0.06%
Foster Care Review	19,569	1.4%	20,008	1.4%	39,577	0.05%
Postsecondary Coordinating Comm.	19,386	1.6%	19,816	1.6%	39,202	0.05%
Equal Opportunity Comm.	2,662	0.2%	28,691	2.4%	31,353	0.04%
Parole Board	13,681	1.7%	14,983	1.8%	28,664	0.03%
Liquor Commission	11,914	1.2%	13,354	1.4%	25,268	0.03%
Veterans Affairs	6,847	0.6%	18,057	1.6%	24,904	0.03%
Crime Commission	(6,388)	-0.2%	26,234	0.8%	19,846	0.02%
Deaf/Hard of Hearing Comm.	9,290	1.1%	9,498	1.1%	18,788	0.02%
Labor	8,453	1.7%	8,650	1.7%	17,103	0.02%
Arts Council	8,118	1.5%	8,302	1.5%	16,420	0.02%
Blind/Visually Impaired Comm.	6,217	0.7%	6,350	0.7%	12,567	0.015%
Educational Lands & Funds	5,253	1.7%	5,371	1.7%	10,624	0.013%
Industrial Relations	3,871	1.3%	3,469	1.1%	7,340	0.009%
Latino-American Comm.	3,143	1.8%	3,212	1.8%	6,355	0.008%
Indian Affairs	2,664	1.6%	2,722	1.6%	5,386	0.006%
Lt. Governor	218	0.2%	222	0.2%	440	0.001%
Tourism Commission	0	0.0%	0	0.0%	0	0.000%
State Auditor	(102,279)	-4.7%	43,344	2.1%	(58,935)	-0.07%
Treasurer	(91,526)	-6.6%	4,041	0.3%	(87,485)	-0.10%
Total Operations Changes	46,112,215	3.7%	37,751,314	3.0%	83,863,529	

Budget Adjustments: Aid to Governments, Individuals, and Other

General Fund Only

Aid Description	FY 2013-14 over FY 2012-13	FY 2013-14 Annual % Chg	FY 2014-15 over FY 2013-14	FY 2014-15 Annual % Chg	FY 2014-15 over FY 2012-13	% of FY 2014- 15 Total
Medicaid	74,150,486	11.5%	65,875,618	9.2%	140,026,104	49.89%
TEEOSA State Aid	41,816,960	5.0%	41,334,202	4.7%	83,151,162	29.63%
Special Education	9,694,692	5.0%	10,179,427	5.0%	19,874,119	7.08%
Development Disabilities Aid	9,963,116	9.8%	9,664,808	8.6%	19,627,924	6.99%
Children's Health Insurance	4,045,277	30.9%	5,617,894	32.8%	9,663,171	3.44%
Aid to Community Colleges	3,500,000	4.0%	3,700,000	4.0%	7,200,000	2.57%
Public Assistance	4,575,083	4.2%	88,441	0.1%	4,663,524	1.66%
Homestead Exemption	(900,000)	-1.2%	3,300,000	4.6%	2,400,000	0.86%
Early Childhood Aid	1,665,962	N/A	0	0.0%	1,665,962	0.59%
Patrol Retirement	(189,310)	-7.4%	1,170,660	49.2%	981,350	0.35%
Aid to Aging	244,989	3.1%	229,038	2.8%	474,027	0.17%
Health Aid	450,250	9.4%	0	0.0%	450,250	0.16%
Violence Prevention Grants	200,000	133.3%	0	0.0%	200,000	0.07%
Vocational Rehabilitation	50,000	2.5%	51,250	2.5%	101,250	0.04%
Access College Early Prog.	0	0.0%	0	0.0%	0	0.00%
Aid to the Arts	0	0.0%	0	0.0%	0	0.00%
Blind/Visually Imp Aid	0	0.0%	0	0.0%	0	0.00%
Business Innovation Act	0	0.0%	0	0.0%	0	0.00%
County Juvenile Services Aid	0	0.0%	0	0.0%	0	0.00%
Crime Stoppers	0	0.0%	0	0.0%	0	0.00%
Crime Victims' Reparations	0	0.0%	0	0.0%	0	0.00%
ESU Core Services/Tech.	0	0.0%	0	0.0%	0	0.00%
ESU Distance Education	0	0.0%	0	0.0%	0	0.00%
Governor's Emergency Fnd	0	0.0%	0	0.0%	0	0.00%
Interrelated Water Mgmt. Grants	0	0.0%	0	0.0%	0	0.00%
Juvenile Services Aid	0	0.0%	0	0.0%	0	0.00%
Library Development	0	0.0%	0	0.0%	0	0.00%
Medical Student Assistance	0	0.0%	0	0.0%	0	0.00%
Military Tuition Assistance	0	0.0%	0	0.0%	0	0.00%
Natural Resources Devl. Fund	0	0.0%	0	0.0%	0	0.00%
Nebraska Scholarship Prog.	0	0.0%	0	0.0%	0	0.00%
Niobrara Council	0	0.0%	0	0.0%	0	0.00%
Public Health Aid	0	0.0%	0	0.0%	0	0.00%
School Breakfast	0	0.0%	0	0.0%	0	0.00%
School Lunch	0	0.0%	0	0.0%	0	0.00%
Small Business Innovation	0	0.0%	0	0.0%	0	0.00%
Storm Water Mgmt. Grants	0	0.0%	0	0.0%	0	0.00%
Summer Food Service Aid	0	0.0%	0	0.0%	0	0.00%
Textbook Loans	0	0.0%	0	0.0%	0	0.00%
Victim/Witness Assistance	0	0.0%	0	0.0%	0	0.00%
Voc. & Adult Education	0	0.0%	0	0.0%	0	0.00%
Water & Soil Conservation	0	0.0%	0	0.0%	0	0.00%
Judges Retirement	(72,244)	-100.0%	0	N/A	(72,244)	-0.03%
Superfund	(369,650)	-59.4%	64,000	25.4%	(305,650)	-0.11%
Learning Community Transition	(382,275)	-43.3%	0	0.0%	(382,275)	-0.14%
Child Welfare Aid	(529,699)	-0.3%	73,855	0.0%	(455,844)	-0.16%
Behavioral Health Aid	(4,373,555)	-5.8%	1,497,504	2.1%	(2,876,051)	-1.02%
Teachers Retirement	(5,325,727)	-19.5%	(403,124)	-1.8%	(5,728,851)	-2.04%
Total Aid Changes	138,214,355	5.8%	142,443,573	5.7%	280,657,928	

Budget Adjustments: Major Categories

General Fund Only

Type	FY 2013-14 over FY 2012-13	FY 2013-14 Annual % Chg	FY 2014-15 over FY 2013-14	FY 2014-15 Annual % Chg	FY 2014-15 over FY 2012-13	% of FY 2014- 15 Total
Agency Operations	46,112,215	3.7%	37,751,314	3.0%	83,863,529	22.9%
State Aid	138,214,355	5.8%	142,443,573	5.7%	280,657,928	76.7%
Aid to Local Governments	50,069,612	4.0%	58,110,505	4.5%	108,180,117	29.5%
Aid to Individuals	82,806,397	8.8%	71,752,058	7.0%	154,558,455	42.2%
Aid to Other	5,338,346	2.6%	12,581,010	6.0%	17,919,356	4.9%
Capital Construction	1,018,791	4.9%	567,976	2.6%	1,586,767	0.4%
Grand Total	185,345,361	5.1%	180,762,863	4.7%	366,108,224	

General Fund Budget: Major Categories

Appropriations by Major Category	FY 2012-13 Current	FY 2013-14 Recommendation	FY 2014-15 Recommendation
Agency Operations	1,229,776,033	1,275,888,248	1,313,639,562
State Aid	2,381,875,489	2,520,089,844	2,662,533,417
Aid to Local Governments	1,238,404,236	1,288,473,848	1,346,584,353
Aid to Individuals	939,310,392	1,022,116,789	1,093,868,847
Other State Aid	204,160,861	209,499,207	222,080,217
Capital Construction	20,772,233	21,791,024	22,359,000
Total Appropriation	3,632,423,755	3,817,769,116	3,998,531,979

Dollar Change vs. FY 2012-13 Current	FY 2013-14 Recommendation	FY 2014-15 Recommendation
Agency Operations	46,112,215	83,863,529
State Aid	138,214,355	280,657,928
Aid to Local Governments	50,069,612	108,180,117
Aid to Individuals	82,806,397	154,558,455
Other State Aid	5,338,346	17,919,356
Capital Construction	1,018,791	1,586,767
Total Dollar Change	185,345,361	366,108,224

Annual Percent Change	FY 2013-14 Recommendation	FY 2014-15 Recommendation
Agency Operations	3.7%	3.0%
State Aid	5.8%	5.7%
Aid to Local Governments	4.0%	4.5%
Aid to Individuals	8.8%	7.0%
Other State Aid	2.6%	6.0%
Capital Construction	4.9%	2.6%
Total Percent Change	5.1%	4.7%

% of Total Appropriation	FY 2012-13 Current	FY 2013-14 Recommendation	FY 2014-15 Recommendation
Agency Operations	33.86%	33.42%	32.85%
State Aid	65.57%	66.01%	66.59%
Aid to Local Governments	34.09%	33.75%	33.68%
Aid to Individuals	25.86%	26.77%	27.36%
Other State Aid	5.62%	5.49%	5.55%
Capital Construction	0.57%	0.57%	0.56%
Total	100.00%	100.00%	100.00%

Summary of Governor's Recommendations



Summary of Governor's Recommendations

Introduction

Tax Receipt Forecasts and Cash Reserve

The Nebraska Economic Forecasting Advisory Board revised its General Fund tax receipt forecast for FY 2012-13 and established its initial forecasts for the 2013-2015 budget biennium at its October 2012 meeting. The revised tax receipt forecast is \$3.8 billion for FY 2012-13. The initial forecast is \$3.9 billion for FY 2013-14 and \$4.1 billion for FY 2014-15. The historical average growth in General Fund revenue is 5.0%. The estimated General Fund revenue growth adjusted for rate and tax base changes is estimated at 4.2% and 4.9% for FY 2013-14, and FY 2014-15, respectively. Nominal growth in General Fund net receipts is estimated at 3.6% in FY 2013-14 and 4% in FY 2014-15, respectively.

FY 2011-12 net General Fund tax receipts exceeded the FY 2011-12 certified forecast by \$104.8 million. This amount was transferred to the State Cash Reserve Fund. The Nebraska Economic Forecasting Advisory Board projects that FY 2012-13 net General Fund tax receipts will exceed the current certified forecast by \$57.9 million. This amount is also shown as transferred to the Cash Reserve Fund. The Cash Reserve Fund ending balance is projected at \$442 million. The Governor does not recommend transfers from the Cash Reserve Fund to support the general operations and aid budget. The Governor recommends a continuing priority to replenish the Cash Reserve Fund to prepare for future adverse economic or other unanticipated special circumstances.

Spending

The Governor's recommendations for the current FY 2012-13 budget represents a reduction of \$3.6 million in General Fund appropriations and reappropriations. The Governor's recommendations for the 2013-2015 biennium represent a two-year average growth in General Fund spending of 4.9%. The \$185.3 million, or 5.1% annual increase in FY 2013-14 is comprised of \$77.6 million for education (K-12 Aid, University System, State College System, Community College Aid). This is 41.8% of the total additional General Fund appropriations recommended for that year. The amount of additional General Fund appropriations included for health and human services is \$98.7 million. This is 53.3% of the total additional General Fund appropriations recommended for that year. The \$180.8 million, or 4.7% annual increase in FY 2014-15 is comprised of \$81.1 million for education. This is 44.9% of the total additional increase for that year. The amount of additional General Fund appropriations included for health and human services is \$89.1 million. This is 49.3% of the total additional increase for that year.

K-12 and Higher Education

The Governor has consistently made K-12 education a top priority. His recommendations for the 2013-2015 biennium include an increase of \$125 million in state aid through the state's primary K-12 School Aid funding formula (TEEOSA), which represents a 5% increase each year; and an increase of \$29.6 million in state aid for Special Education, which represents a 5% increase each year.

The Governor also continues to prioritize higher education and has placed special focus in this biennial budget on preventing tuition increases at our public postsecondary institutions. His recommendations for the 2013-15 biennium include an increase of \$62.1 million to the University of Nebraska; \$6.2 million to State Colleges; and \$10.7 million to Community Colleges. These amounts are intended to address reasonable annual cost increases. The Nebraska State College System and the University of Nebraska have both agreed that such an increase in state appropriations would be sufficient to eliminate in-state tuition increases for the next two years. The recommendation for the Community College System should allow for the same commitment by community college governing boards to no tuition increases for its students during the next two-year period.

The Governor recommends an increase of combined state General Fund support to K-12 aid and postsecondary institutions of approximately \$236.2 million. If enacted, General Fund support to education (K-12 aid and postsecondary institutions) will total \$1.77 billion in FY 2013-14 and \$1.86 billion in FY 2014-15, and will comprise 46% of the entire General Fund state budget.

Three key goals of the P-16 initiative are to provide affordable access to higher education, encourage college-going and degree completion. The strategic initiatives adopted by the Nebraska State College System, increasing enrollment and retention, enhancing educational opportunities and improving the learning environment provide the direction for the funding increases recommended by the Governor. The University of Nebraska system continues its efforts to grow enrollment and engage in groundbreaking research.

The recommendation continues a stable base of state support with funding increases that will encourage the educational attainment of our citizens through affordable access and grow Nebraska's competitive economy.

The recommendation includes reaffirmations and reappropriation of capital construction funding. Funding of Innovation Campus projects to renovate the 4-H Building and design and build the Food, Fuel and Water Research Building continues. Funding remains in place for the Nebraska State College System projects at Chadron State College for the Armstrong Gymnasium and at Peru State College for the Oak Bowl. Funding also continues for University of Nebraska System projects including the NCTA – Curtis Education Center, Veterinary Diagnostic Center, UNMC Cancer Research Tower and the College of Nursing and Allied Health - Kearney. The Civic and Community Center Financing Fund provides ongoing funding for the Nebraska State College System sports facilities.

Health and Human Services

The Governor's recommendation includes significant additional General Fund appropriations for health and human services. The recommendation includes \$176.0 million additional General Fund appropriations for Medicaid, Children's Health, and other medical providers to address increases in service utilization, provider rates, and federal requirements for increased state matching funds. The recommendation also includes \$72.3 million for new costs to the existing Medicaid program that result from the implementation of the federal Affordable Care Act. These new Medicaid program costs do not include any additional funds for the Medicaid expansion contained in the provisions of the Act. Child Care and service providers for persons with developmental disabilities add another \$35.5 million in additional appropriations.

The Governor's recommendations for the 2013-2015 biennium are further explained in the following narrative and summarized in the financial statements and tables presented elsewhere in this publication.

General Government

03 - Legislative Council

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

07 - Governor

The recommendation includes an agency requested decrease of \$60,700 General Funds for FY 2013-14 due to utilization of reappropriation carryover in-lieu of new appropriations for dues and subscription expense and an increase of \$14,500 General Funds for FY 2014-15 for restoration of the operating expense base; and \$85,288 General Fund increase for FY 2014-15 for Governor-elect transition expense.

Policy Research Office – The recommendation includes an agency requested General Funds increase of \$29,995 for FY 2013-14 and \$72,184 for FY 2014-15 to establish a continuation base for health insurance, operating expenses, and travel expenses.

08 - Lieutenant Governor

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases.

09 - Secretary of State

FY 2012-13 Deficit Request – The Secretary of State submitted a deficit request of \$1,607 to fully fund health insurance and benefits costs for the Secretary of State. The Governor's recommendation includes an additional \$1,607 General Fund appropriation in FY 2012-13.

Secretary of State's Salary - Health Insurance and Benefits Costs – The recommendation includes an agency requested increase of \$1,662 General Funds for FY 2013-14 and FY 2014-15 to fully fund health insurance and benefits costs for the Secretary of State.

Departmental Administration - Rules and Regulations Filing and Approval Application – The recommendation includes an agency requested cash funds increase of \$170,800 in FY 2013-14 and \$65,800 in FY 2014-15 to fund an Electronic Content Management (ECM) process to promulgate, maintain, and archive current and proposed rules and regulations which allows citizens the ability to have the stamped official version of the regulations available online.

Election Administration - Help America Vote Act (HAVA) funding – In 2005, after passage of the Help America Vote Act the state received approximately \$15.4 million for the development of a central voter registration system and the purchase of vote tabulation equipment. Based on the required State Plan, the state purchased new vote tabulation equipment (optical scanners) for all counties to use and developed an RFP and contract for the central voter registration system. Additional smaller amounts of federal monies were received in 2008 and 2010 that allowed the maintenance to continue for both the vote tabulation equipment and voter registration system through the 2012 election cycle. Federal HAVA funding will no longer be available to fund vote tabulation equipment and voter registration system maintenance beginning in FY 2013-14.

The recommendation includes \$64,387 General Funds increase and \$925,613 cash funds transfer-in (net \$516,108 cash fund reduction) for FY 2013-14 and an agency requested increase of \$990,000 General Funds and a reduction of \$1,441,721 cash funds for FY 2014-15 for the continued maintenance of the voter registration system and vote tabulation equipment.

The cash fund transfer of \$925,613 in FY 2013-14 to the Secretary of State's Election Administration Cash Fund from the Accountability and Disclosure Commission's Campaign Finance Act Cash Fund is to be used for the ongoing maintenance costs of HAVA central voter registration database system and voter tabulation equipment.

The recommendation includes continuation of cash fund transfers in-lieu of General Funds from the Corporation Cash Fund of \$34,954 and Uniform Commercial Code Cash Fund of \$200,000 into the

Elections Administration Cash Fund in FY 2013-14 and FY 2014-15 to fund agency administrative expenses and meet the minimum maintenance of effort (MOE) requirement of the HAVA funding.

Enforcement of Standards - Collection Agencies – The recommendation includes an agency requested cash funds increase of \$80,120 in FY 2013-14 and \$12,800 in FY 2014-15 to fund an Electronic Content Management (ECM) process to modernize the record keeping and electronic database system currently being used to operate licensing and registration of the following occupations: Collection Agency, Athlete Agent, Credit Services, Debt Management, Private Detectives, Non-Recourse Civil Litigation Funding Companies, and Truth & Deception Examiners.

Enforcement of Standards - Records Management – The recommendation includes an agency requested increase of \$26,342 revolving funds for FY 2013-14 and FY 2014-15 to fund increased lease expense for the K Street facility that the State Records Center manages in storing 76,000 units of state records for all state agencies.

The recommendation includes an agency requested revolving fund increase of \$39,400 in FY 2013-14 and \$21,900 in FY 2014-15 to fund an enhanced state records center web application to establish a more client-oriented program which allows the customer base to take advantage of a “self-service” records management system process for requesting, transferring, accessing, and retrieving records across the state.

10 - Auditor of Public Accounts

State Agency and County Post Audits – The recommendation decreases General Fund appropriation by \$144,669 for FY 2013-14 and FY 2014-15.

Cooperative Audits – The recommendation includes a reduction of \$167,000 cash funds for FY 2013-14 and FY 2014-15 related to savings in the 2013-2015 biennium budget for audit services of University of Nebraska and Nebraska State College Systems.

87 - Accountability and Disclosure Commission

Restore base following temporary fund shift – In 2010, during the development of the 2011-2013 biennial budget, a temporary fund shift reducing General Funds and increasing cash fund appropriations was included in the commission’s budget in an effort to reduce an excess cash fund balance. The Governor’s recommendation includes restoring the appropriation base following this temporary fund shift. The recommendation increases the General Fund appropriation by \$46,500 in FY 2014-15 and a corresponding decrease in cash funds by a like amount.

Campaign Finance Limitation Act – The Nebraska Supreme Court ruled in August 2012 that Nebraska’s Campaign Finance Limitation Act was unconstitutional. The recommendation includes a reduction of \$915,832 cash funds for FY 2013-14 and FY 2014-15, eliminating appropriations for the program. The recommendation includes a cash fund transfer of \$925,613 in FY 2013-14 from the Accountability and Disclosure Commission’s Campaign Finance Act Cash Fund to Secretary of State’s Election Administration Cash Fund to be used for ongoing maintenance costs of Help America Vote Act (HAVA) central voter registration database system and voter tabulation equipment.

Agriculture, Environment and Natural Resources

18 - Department of Agriculture

The recommendation includes an increase of \$137,287 General Funds and \$137,287 cash funds in FY 2013-14 and \$68,224 General Funds and \$68,224 cash funds in FY 2014-15 for all field staff to perform electronic paperless inspections, and to convert business functions to an electronic, paperless flow of data.

The recommendation includes an increase of \$300,000 federal funds in FY 2013-14 and FY 2014-15 for base appropriation for a \$1,500,000 five-year grant awarded by the federal Food and

Drug Administration (FDA) on Manufactured Food Regulatory Program Standards. The grant will enhance Nebraska's current food regulatory program with focus on consumer protection and prevention of foodborne outbreaks and bio-terrorism incidents.

The recommendation includes an increase of \$300,000 federal funds in FY 2013-14 and FY 2014-15 for base appropriation for a \$1,500,000 five-year grant awarded by the FDA on the Food Safety Modernization Act – International Standard Organization (ISO) Laboratory Accreditation. The grant will enable the purchase of new data-testing technology and equipment in helping Nebraska food manufacturers to avoid foodborne illness outbreaks with focus on consumer protection and prevention instead of responding to foodborne outbreaks and bio-terrorism incidents.

29 - Department of Natural Resources

The recommendation includes the agency request to reduce cash fund aid appropriation by \$1,400,000 in FY 2013-14 and FY 2014-15. This amount of cash fund authority was provided to the Soil and Water Conservation Program by LB 950A (2012 Session Laws) for FY 2012-13. This amount is not necessary in FY 2013-14 and FY 2014-15.

The recommendation includes the agency request to increase the federal fund operations appropriation by \$222,983 in FY 2013-14 and FY 2014-15. Federal grant funding for the agency's floodplain management and dam safety program from the Federal Emergency Management Administration (FEMA) increased in the last two years and the current funding level is expected to continue. The base appropriation of \$511,923 needs to be increased by \$222,983 in order to fully utilize the federal grant funding for the agency's floodplain management and dam safety programs.

33 - Nebraska Game and Parks

The recommendation does not contain nor does it imply fee increases by the Nebraska Game and Parks Commission (NGPC). The Governor's recommendation includes all agency requests except the General Fund request of \$164,370 in FY 2013-14 and \$139,315 in FY 2014-15 for inflation and deferred expense items. These amounts are recommended as increases in cash fund operations appropriation.

The agency request expresses these strategies: financing activities from available cash funds, implementation of an agency-wide efficiency review and reorganization, providing operational funding for completed construction projects and wildlife conservation.

Personal Service Limitation (PSL) for temporary employees associated with these strategies increases \$242,703 in FY 2013-14 and \$416,440 in FY 2014-15.

Financing Activities from Available Cash Funds – Lottery proceeds to the Nebraska Environmental Trust program have increased in recent years. In addition, \$900,000 in annual interest earnings and \$800,000 was returned to the Nebraska Environmental Trust per the grant agreement from the sale of the Horse Creek Fen Ranch. The agency request to increase cash fund aid appropriation \$2,500,000 in FY 2013-14 and FY 2014-15 is recommended.

Due to the possibility of reduced federal grant awards, the agency request to increase cash fund operations appropriation \$539,073 in FY 2013-14 and \$789,073 in FY 2014-15 for the Habitat Development and Wildlife Conservation programs is recommended.

The agency request includes cash fund operations appropriation increase of \$1,123,925 in FY 2013-14 and \$878,407 in FY 2014-15 for previously deferred expenditures. The General Fund portion of the request is not recommended but is provided as an increase in cash fund operations appropriation of \$164,370 in FY 2013-14 and \$139,315 in FY 2014-15. Initiatives planned are vehicle fleet upgrades, conservation officers, public information technology upgrades and temporary employees for 309 Task Force projects.

Agency-Wide Efficiency Review and Reorganization – The agency continues to consolidate similar activities and focus efforts resulting in an overall reduction in cash fund operations appropriation of \$54,600 in FY 2013-14 and FY 2014-15. Consolidations in Administration and Wildlife Conservation are implemented along with a marketing effort focused on local partnerships and promotion of game and parks activities.

Providing Operational Funding for Completed Construction Projects – The Park Operations request of \$34,426 General Fund and \$80,327 cash fund appropriation in FY 2013-14 and \$62,598 General Fund and \$146,061 cash fund appropriation in FY 2014-15 is recommended. The 30% General

Fund and 70% cash fund guideline for Park Operations funding is maintained in this request. Eleven state recreation areas now have additional electrical camper sites, enclosed porches are completed at Mahoney State Park and the officer quarters at Fort Robinson State Park are reconstructed.

The Youth Outdoors Skills Camp Facility capital program is developing several outdoor skills/shooting centers in Lincoln at Boosalis Park and at Wildcat Hills, Two Rivers and Buffalo Bill's Scouts Rest Ranch state recreation areas. The recommendation includes the agency request for cash fund operations appropriation of \$303,601 in FY 2013-14 and \$509,894 in FY 2014-15.

Wildlife Conservation – The recommendation includes the agency request to increase cash fund operations appropriation \$483,000 in FY 2013-14 and \$539,500 in FY 2014-15 for managing both public and private lands for wildlife habitat, public access opportunities and research needs. Bighorn sheep management, species development water issues, forestry management for habitat and hunter sight-in ranges are planned projects.

Other Operational Recommendations – The recommendation increases federal fund operations and aid appropriation by \$2,500,000 in FY 2013-14 and FY 2014-15 in the Habitat Development program as a result of additional federal grants available over the last two years.

39 - Nebraska Brand Committee

The recommendation includes the agency request to increase cash fund operations appropriation by \$26,610 in FY 2013-14 and FY 2014-15 for the increase in the mileage reimbursement rate. The recommendation also includes an increase in cash fund operations authority of \$2,753 in FY 2013-14 and FY 2014-15 for changes in the accounting, motor vehicle liability, purchasing and workers compensation expenses.

The agency requested an increase in cash fund operations appropriation for printing of the 2015 Nebraska Brand Book, vehicle purchases, computer hardware and software updates, desktop computers, employee moving and relocation expense, headquarters maintenance, law enforcement equipment and inspection form printing. This recommendation does not include increased cash fund operations appropriation for these agency requested items as the current base appropriation is sufficient, as it has been in the past, for the purchase of these items.

52 - Nebraska State Board of Agriculture

State Fair Board – The recommendation remains consistent with their request. Lottery proceeds are appropriated at a \$2,500,000 level for both FY 2013-14 and FY 2014-15, mirroring the FY 2012-13 appropriation level.

56 - Nebraska Wheat Board

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

57 - Nebraska Oil and Gas Commission

The recommendation includes the agency request to increase cash fund operations appropriation by \$7,095 in FY 2013-14 and \$7,595 in FY 2014-15. The federal fund operations appropriation is decreased by the same amounts in each fiscal year. The federal grant funding to the Underground Injection Control Program (UIC) for Enhanced Oil Recovery and Salt Water Disposal Wells has decreased in recent years. The UIC program is required by the federal Safe Drinking Water Act. The program was delegated to the agency in 1984.

60 - Ethanol Board

The recommendation includes two agency requests to promote the ethanol industry in Nebraska through an increase in cash fund operations appropriation. For efforts to attract new producers and bring new products to the existing ethanol industry, the recommendation increases cash fund operations appropriation by \$42,750 in FY 2013-14 and FY 2014-15. To promote the growth of higher ethanol blend

markets, the recommendation increases cash fund operations appropriation \$53,000 in FY 2013-14 and FY 2014-15.

The Ethanol Production Incentive Credit program is now complete. The December 31, 2012 fund transfers of \$26,746 to the Nebraska Corn Development, Utilization, and Marketing Fund, \$415 to the Grain Sorghum Development, Utilization, and Marketing Fund and \$27,161 to the General Fund is the final activity directed by Neb. Rev. Statute 66-1345.

61 - Nebraska Dairy Industry Development Board

The recommendation includes the agency's request of a decrease of \$1,001 cash funds for FY 2013-14 and FY 2014-15 for contractual services in the promotion of the dairy industry.

71 - State Energy Office

The recommendation includes the agency request to reduce cash fund aid appropriation by \$250,000 in FY 2013-14 and FY 2014-15 due to decreased demand for an existing consumer loan program. Also recommended is the agency request to reduce cash fund and federal fund appropriation for a rent decrease due to relocation of the office and the agency request to increase cash fund and federal fund appropriation for the change in the workers compensation expense. These two recommendations impact FY 2013-14 and FY 2014-15 and taken together have a net impact of zero.

74 - Power Review Board

The recommendation includes the agency requested increase in the cash fund operations appropriation of \$35,000 in FY 2013-14 and \$5,000 in FY 2014-15 for the online digital mapping project. This project will move the agency's maps to their website allowing easy access. Power companies will have access to boundary request and generation/transmission facility site selection decision making information.

The recommendation includes a decrease in cash fund operations appropriation of \$1,027 in FY 2013-14 and FY 2014-15 for changes in the accounting, purchasing and workers compensation expenses. The requested decrease in cash fund operations appropriation of \$81,404 in FY 2013-14 and FY 2014-15 for reduced engineering contractor expense, operating expense and salary and benefit expense is recommended.

The agency request for increased cash fund operations appropriation for the contingency of employee selection of the higher cost health plan is not recommended.

84 - Department of Environmental Quality

LB 4A (2011 1st Special Session Laws) appropriated \$2,000,000 General Fund in FY 2011-12 for an oil pipeline route study. LB 1161 (2012 Session Laws) subsequently appropriated \$2,000,000 cash funds in FY 2012-13 for the same purpose. The recommendation includes a \$1,746,613 reduction of FY 2012-13 General Fund appropriation, the unexpended amount of the LB 4a appropriation.

The recommendation includes the agency request to decrease General Fund aid appropriation by \$369,650 in FY 2013-14 and \$305,650 in FY 2014-15 due to reduced Superfund non-federal cost share.

The agency requested rent increase is recommended with the following operations fund increase in FY 2013-14: General Fund \$3,646, cash fund \$356 and federal fund \$26,772; FY 2014-15: General Fund \$7,429, cash fund \$723 and federal fund \$54,547.

The agency requested reduction in cash fund operations appropriation of \$2,000,000 in FY 2013-14 and FY 2014-15 for the pipeline study is recommended. LB 1161 (2012 Session Laws) increased cash fund appropriation in the base year FY 2012-13 to allow the agency to complete an oil pipeline study. This appropriation does not need to be built into the base appropriation for the biennium. The agency advises that this pipeline study costs are in the \$4,000,000 to \$6,000,000 range and the agency has sufficient carry-over cash fund appropriation to address this cost.

The recommendation includes an increase in cash fund operations appropriation of \$4,699 and federal fund operations appropriation of \$34,455 in FY 2013-14 and FY 2014-15 for Microsoft software upgrade and record storage expenses.

The recommendation includes the following appropriation changes in FY 2013-14 and FY 2014-15 for the accounting and workers compensation expenses: General Fund appropriation increase of \$3,088, cash fund appropriation increase of \$4,216 and federal fund appropriation increase of \$25,456.

86 - Dry Bean Commission

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

88 - Nebraska Corn Board

The recommendation includes the agency's request of a decrease of \$27,143 cash funds and \$260,581 federal funds for FY 2013-14 and FY 2014-15 for contractual services in the promotion of corn marketing, education and research projects.

92 - Nebraska Grain Sorghum Board

The recommendation includes the agency's request of a decrease of \$266 for FY 2013-14 and FY 2014-15 for contractual services in the promotion of grain sorghum marketing, education and research projects.

Economic Development

14 - Nebraska Public Service Commission

The recommendation increases the General Fund appropriation by \$1,267 for FY 2013-14 and decreases General Fund appropriation by \$4,779 for FY 2014-15. These amounts include changes requested by the agency for Commissioners expenses and benefits, a requested increase for computer and office equipment, savings identified by the agency due to a retirement, and other operational savings identified by the agency. The recommendation does not support the agency request to provide General Fund appropriation to replace lost federal funds from the Broadband Mapping and Planning Grant or a replacement of federal funds for a railroad track inspector. The agency request for additional General Funds for a new vehicle in FY 2013-14 is not recommended as the agency has sufficient existing appropriation and reappropriation to use for this purpose.

The recommendation increases the cash fund appropriation by \$5,912,653 for FY 2013-14 and \$1,972,759 for FY 2014-15. Included in these amounts is \$6,200,000 for FY 2013-14 and \$2,200,000 for FY 2014-15 for the Major Oil Pipeline Siting program. The agency submitted a revision to their budget request that increased the cash fund appropriation by \$4,000,000 for each year. The recommendation only includes the additional amount in FY 2013-14. The recommendation includes the requested reduction of \$158,222 for two positions in the Natural Gas Regulation program for Public Advocates. The agency indicates that this function is being provided by outside consultants and not by state employees. Not included in the recommendation is a request to increase cash fund appropriation in the Universal Service Fund program for a new grant program for dedicated wireless carriers developed by the agency. An analysis of historical expenditures indicates the agency has not fully utilized the existing appropriation by a significant amount. Therefore, there exists a sufficient level of appropriation for the agency to implement this new grant program and not impact the other grants programs in the Universal Service Fund program.

The recommendation decreases the federal fund appropriation by \$310,741 for FY 2013-14 and \$926,903 for FY 2014-15. These decreases are requested by the agency due to the ending of a one-time Broadband Mapping and Planning Grant.

The recommendation increases agency Personal Service Limitation (PSL) by \$32,557 for FY 2013-14 and \$16,910 for FY 2014-15. Included in this overall PSL change is an increase of \$150,000 for each year for the Major Oil Pipeline Siting program and a decrease of \$121,041 for each year due to the ending of a one-time Broadband Mapping and Planning Grant.

19 - Department of Banking & Finance

The recommendation increases the cash fund appropriation by \$498,741 for FY 2013-14 and \$248,741 for FY 2014-15. These amounts recognize savings in accounting charges and provide needed appropriation to continue the administration of the multi-state mortgage servicer settlement.

Transfers to General Fund – The Governor recommends transferring \$24,000,000 a year to the General Fund from the Securities Act Cash Fund.

22 - Department of Insurance

The recommendation decreases cash fund appropriations by \$4,757 for FY 2013-14 and FY 2014-15. These amounts recognize administrative saving for accounting, motor vehicle liability and purchasing.

Federally Funded Exchange Implementation Costs – The recommendation for FY 2013-14 increases federal fund appropriation by \$1,520,938 and Personal Service Limitation by \$759,375. The recommendation for FY 2014-15 increases General Fund appropriation by \$776,605, federal fund appropriation by \$776,606, and Personal Service Limitation by \$778,359. The increase in Personal Service Limitation supports additional positions that will be necessary to review insurance company's rate and review filings, additional examinations of insurance companies to ensure compliance with state and federal law, and to answer consumer questions on health insurance policies.

Transfers to General Fund – The Governor recommends transferring \$6,000,000 a year to the General Fund from the Insurance Cash Fund.

23 - Department of Labor

The recommendation for the Division of Employment increases federal fund appropriations by \$2,268,800 and Personal Service Limitation by \$245,200 for FY 2013-14 to support two agency requested information technology projects and a one-time addition of funding in the Unemployment Insurance program. The recommendation includes a decrease of federal fund appropriation by \$32,813 for each year to recognize savings from a reduction in accounting costs.

The agency requested an increase in federal fund appropriation and Personal Service Limitation to shift how the agency records temporary employees. Unemployment seasonal and recessionary workloads require temporary employees to be employed by the agency. The agency does not have sufficient Personal Service Limitation to record temporary employees as working for the agency. The recommendation supports the shift in accounting methodology for temporary employees by increasing the Personal Service Limitation by \$718,046 for each year. An increase in federal fund appropriation is not necessary because the request is a shift in current procedure and sufficient appropriation already exists.

The recommendation for the Division of Public Protection increases cash fund appropriations by \$196,618 and Personal Service Limitation by \$38,057 for each year. These amounts support the agency requested addition of a new boiler inspector position and an increase for the Professional Employment Organizations program. The recommendation includes a decrease of cash fund appropriation by \$1,046 for each year to recognize savings from a reduction in accounting costs.

The recommendation does not include the transfer of management of two buildings owned by the Department of Labor to the State Building Division. Additional information is needed by the two agencies before this action can be undertaken.

35 - Liquor Control Commission

The recommendation decreases the General Fund appropriation by \$1,149 for each year. These amounts recognize savings in accounting charges. The recommendation increases cash fund appropriation and Personal Service Limitation by \$27,618 for each year. These increases will allow the Commission the flexibility to hire an additional staff position and utilize existing cash funds to fund the additional position.

36 - Nebraska State Racing Commission

The recommendation includes the agency request to reduce cash fund aid appropriation to race tracks by \$20,000 in FY 2013-14 and FY 2014-15. The source of funds is a percentage of gross exotic daily receipts and the aid is used to supplement purses at the track. Because of the decline in the pari-mutuel handle, available funds have decreased to a level below the current cash fund appropriation base. A \$20,000 decrease of this cash fund aid was made in the previous biennium.

The agency's request for \$100,000 General Fund to support Commission operations for race horse testing is not recommended.

41 - Nebraska State Real Estate Commission

The recommendation increases the cash fund appropriation by \$18,571 for FY 2013-14 and decreases the cash fund appropriation by \$1,429 for FY 2014-15. The recommendation supports the commission's request to develop a pre-license education program at a cost of \$20,000 in FY 2013-14. The recommendation recognizes savings to the commission of \$1,429 each year for accounting charges.

45 - Nebraska Board of Barber Examiners

The recommendation increases cash fund appropriations by \$34,924 and Personal Service Limitation (PSL) by \$29,295 for FY 2013-14 and decrease of cash fund appropriation by \$1,614 for FY 2014-15. In FY 2013-14 the recommendation provides for the payout of accumulated sick and vacation leave for the director who is expected to retire at the beginning of FY 2013-14, additional PSL to provide short-term support for a new director, an increase in contractual services, and a recognition of savings to the board for accounting expenses.

53 - Nebraska Real Property Appraiser Board

The recommendation increases cash fund appropriations by \$76,607 for FY 2013-14 and decreases the cash fund appropriation by \$3,493 for FY 2014-15. For FY 2013-14, the additional cash fund appropriation includes the board's request to improve their database, develop the ability to accept credential applications on the internet, \$5,825 in board identified operational savings, and \$1,568 in savings for administrative costs. For FY 2014-15, cash fund appropriation of \$3,900 is included for office relocation, \$5,825 in board identified operational savings, and \$1,568 in savings from administrative costs.

58 - Board of Engineers & Architects

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

59 - Nebraska Board of Geologists

The recommendation decreases cash fund appropriations by \$16,947 for FY 2013-14 and \$16,512 for FY 2014-15 as requested by the board and to recognize savings in administrative costs.

62 - Nebraska Board of Examiners for Land Surveyors

The recommendation maintains the FY 2012-13 level of cash fund appropriation for FY 2013-14 and FY 2014-15 as requested by the board.

63 - Nebraska State Board of Public Accountancy

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

66 - Abstracters Board of Examiners

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

72 - Department of Economic Development

Administrative Division – The recommendation decreases General Fund appropriation by \$828, and decreases cash fund appropriation by \$195 for each year to recognize savings to the agency due to changes in administrative costs.

Industrial Recruitment Division – The recommendation increases General Fund appropriation by \$250,000 for FY 2013-14 and \$300,000 for FY 2014-15 to support funding an international trade office in China and the continuation of the successful Entrepreneur Acceleration System program.

73 - Nebraska State Board of Landscape Architects

The recommendation decreases cash fund appropriations by \$10,560 for FY 2013-14 and \$10,125 for FY 2014-15 as requested by the board.

91 - Nebraska Tourism Commission

The recommendation increases cash fund appropriations by \$545,485 for each year to increase the resources available for tourism activities. The recommendation does not include increases to the Personal Service Limitation as requested by the commission. The staffing needs for the commission were provided by LB1053 (2012 Session Laws).

The recommendation decreases federal fund appropriation by \$959,815 for each year as requested by the commission.

Human Resources Development

13 - Department of Education

Education Administration and Support – The recommendation includes an increase of \$398,536 General Funds for FY 2013-14 and \$398,536 General Funds for FY 2014-15 to fund Student Information Systems, which was previously funded by cash funds, and to fund Statewide Assessment and Reporting in accordance with the fiscal note for LB 1157 (2008 Session Laws).

Education Aid:

TEEOSA – The recommendation for the Tax Equity and Educational Opportunities Support Act (i.e., TEEOSA School Aid) includes \$894,684,045 in total state support (General Funds and Insurance

Premium Tax distributions) for FY 2013-14 and \$939,418,247 for FY 2014-15, representing a 5% annual increase. This includes a General Fund increase of \$41,816,960 for FY 2013-14 and \$83,151,162 for FY 2014-15. The recommendation also includes an increase of \$1,464,531 General Funds for FY 2012-13 to adjust for the lower-than-estimated allocation of Insurance Premium Taxes used as partial funding for TEEOSA School Aid.

TEEOSA School Aid

Governor's Recommendation (January 2013)	FY 2012-13 <i>Certified</i>	FY 2013-14 <i>Governor's Rec</i>	FY 2014-15 <i>Governor's Rec</i>
State Support			
General Fund	836,867,085	878,684,045	920,018,247
General Fund offset for reduced Insurance Tax	1,464,531	0	0
Insurance Premium Tax	13,535,469	16,000,000	19,400,000
Cash Fund Reorganization Incentives	212,958		
Total State Support	852,080,043	894,684,045	939,418,247
State Support Annual Change	30,273,332	42,604,002	44,734,202
State Support Annual % Change	3.7%	5.0%	5.0%

Special Education Aid – The recommendation includes an increase of \$9,694,692 General Funds for FY 2013-14 and \$19,874,119 General Funds for FY 2014-15 to reflect the maximum 5% annual increase allowed pursuant to Neb. Rev. Stat. 79-1145.

Early Childhood Aid – The recommendation includes an increase of \$1,665,962 General Funds for FY 2013-14 and \$1,665,962 General Funds for FY 2014-15 to reflect a partial shift fund sources from the Education Innovation Cash Fund to General Funds.

Reorganization Incentive Aid – The recommendation includes a decrease of \$212,958 cash funds for FY 2013-14 and \$212,958 cash funds for FY 2014-15 to reduce the base appropriation temporarily increased by an aid payment made in FY 2012-13.

Learning Community Aid – The recommendation includes a decrease of \$382,275 General Funds for FY 2013-14 and \$382,275 General Funds for FY 2014-15 to limit total aid to \$500,000 annually.

Education Innovation – The recommendation for this program includes a net increase of \$261,702 cash funds for FY 2013-14 and \$101,702 cash funds for FY 2014-15 and a decrease of \$10,200 Personal Service Limitation for FY 2013-14 and \$10,200 for FY 2014-15 to fund the estimated costs to the Education Innovation Cash Fund. This recommendation assumes a decrease in the cash fund's expenditures by \$1,801,298 for FY 2013-14 and \$1,931,298 for FY 2014-15, as the ACT Pilot program expires in FY 2014-15 pursuant to LB 637 (2011 Session Laws), funding for the Interstate Compact on Educational Opportunity for Military Children expires pursuant to LB 575A (2011 Session Laws), and the Student Information Systems earmark and a portion of the earmark for early childhood education are funded with General Funds.

Vocational Rehabilitation – The recommendation for this program includes an increase for operations of \$63,187 General Funds for FY 2013-14 and \$127,955 General Funds for FY 2014-15, a decrease of \$16,203 cash funds for FY 2013-14 and \$13,160 cash funds for FY 2014-15, and an increase of \$402,430 federal funds for FY 2013-14 and \$814,921 federal funds for FY 2014-15 in response to the Department's request to accept estimated federal funding increases and to provide necessary state match. This recommendation also includes an increase for aid of \$50,000 General Funds for FY 2013-14 and \$101,250 General Funds for FY 2014-15, and an increase of \$107,070 federal funds for FY 2013-14 and \$216,817 in federal funds for FY 2014-15.

Services for the Blind and Visually Impaired – The recommendation for this program includes an increase of \$36,291 General Funds for FY 2013-14 and \$73,308 General Funds for FY 2014-15 to fund a 2% increase in the annual payment to Educational Service Unit #4 for operating the Nebraska Center for Education of Children who are Blind or Visually Impaired (NCECBVI).

Services for the Deaf and Hard of Hearing – The recommendation for this program is the same as the FY 2012-13 appropriation.

Professional Practices Commission – The recommendation for this program includes an increase of \$43,000 cash funds and \$34,345 Personal Service Limitation for FY 2012-13 to accept the Department's request to meet the payroll obligation of this program's one employee.

25 - Health and Human Services

The recommendation for the General Fund operations and aid budgets for the Department of Health and Human Services for FY 2013-14 and FY 2014-15, along with dollar and percentage changes from FY 2012-13 base year are shown in the following table:

DHHS	FY 2012-13	FY 2013-14	\$ chg	% chg	FY 2014-15	\$ chg From FY 2012-13	% chg From FY 2012-13
Operations	236,425,259	246,298,167	9,872,908	4.2%	249,454,585	13,029,326	5.5%
Aid	1,114,177,099	1,202,638,046	88,460,947	7.9%	1,285,640,204	171,463,105	15.4%
Total	1,350,602,358	1,448,936,213	98,333,855	7.3%	1,535,094,789	184,492,431	13.7%

The recommendation includes \$24,122,748 federal funds for FY 2013-14 and \$16,510,728 federal funds for FY 2014-15 for the Electronic Health Record (EHR) Incentive program, which was federally funded under the Health Information Technology for Economic and Clinical Health (HITECH) provisions of the American Recovery and Reinvestment Act (ARRA) of 2009. The program provides federal incentive payments to providers and hospitals who acquire and become meaningful users of certified EHR technology.

The current biennial budget base includes \$2,000,000 cash funds and \$1,250,000 federal funds originally appropriated several years ago to finance the replacement of the Medicaid Management Information System (MMIS). This replacement project was not completed and the recommendation eliminates the funding for the MMIS replacement project from the base budget.

The recommendation includes \$275,000 General Funds and \$825,000 federal funds for FY 2013-14 and \$150,000 General Funds and \$450,000 federal funds for FY 2014-15 to continue enhancements to the current MMIS to accommodate continued expansion into the managed care model for delivery of Medicaid services.

The recommendation includes a reduction of \$127,941 General Funds and \$127,941 federal funds for FY 2013-14 and \$255,882 General Funds and \$255,882 federal funds for FY 2014-15 to account for the reduced need of temporary staff to process Medicaid claims. The reduction in claims processing is due to the implementation of statewide Medicaid managed care in July 2012.

The Nebraska Advocacy Services contract has been administered out of an aid program for several years. The recommendation provides for the \$399,750 contract, financed with General Funds, be moved to an administrative program for FY 2013-14 and FY 2014-15 to properly account for the item of expenditure. There is no reduction in the amount of the contract recommended for the 2013-2015 biennium.

The recommendation includes \$500,000 General Funds for FY 2013-14 and \$500,000 General Funds for FY 2014-15 for the support of the Nebraska Health Information Initiative (NeHII).

The recommendation includes moving \$642,079 cash fund authority for FY 2013-14 and FY 2014-15 from Public Health Administration to Professional Licensure to correctly align work and funding with the budget program structure.

The recommendation includes \$690,000 cash funds for FY 2013-14 and FY 2014-15 for increased operating costs and security upgrades in the vital statistics program. The agency requested an increase in fees charged for vital records to finance the increased costs. In lieu of an increase in fees, the recommendation proposes to finance the increased costs associated with the program out of available balances in the Health and Human Services Cash Fund.

The recommendation includes transferring \$645,000 federal funds for FY 2013-14 and FY 2014-15 from Public Health and \$7,549,000 federal funds for FY 2013-14 and FY 2014-15 from Public Health Administration to Health Aid. The HHS Legal Section has determined that the \$8,194,000 annual grant funds should be categorized as subrecipient aid payments instead of being recorded in operating programs. The recommendation changes the handling of the federal grants as requested by the agency.

The recommendation includes \$442,556 cash funds in FY 2013-14 and \$442,556 cash funds in FY 2014-15 to finance increases in indirect program costs in Professional Licensure.

The recommendation includes the transfer of \$850,000 General Funds for FY 2013-14 and FY 2014-15 from Child Welfare Aid to Health Aid to place the management of home visitation programs under the Public Health Division as requested by the agency.

The General Funds allocated for Children's Commission activities are reduced in the recommendation by \$99,000 General Funds and \$100,000 federal funds for FY 2013-14. The recommendation for

the Children's Commission is \$102,400 General Funds for FY 2013-14. The recommendation for FY 2014-15 contains no funding for the continuation of the commission.

ACA Implementation – The recommendation includes \$23,777,499 General Funds, \$63,244,066 federal funds, and \$4,898,546 Personal Service Limitation (PSL) for FY 2013-14 and \$48,530,912 General Funds, \$90,997,480 federal funds, and \$5,435,806 PSL for FY 2014-15 to implement provisions of the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (Affordable Care Act, or ACA). The table below summarizes the recommended amounts by Aid program and Operations, for each year of the biennium:

Impact of ACA Implementation – FY 2013-FY 2015	FY 2013-14 Gov Recommend	FY 2014-15 Gov Recommend
Operations		
Administration	10,496,565	10,603,392
General Funds	4,964,999	5,018,412
Federal Funds	5,531,566	5,584,980
Information Technology	23,125,000	23,125,000
General Funds	2,312,500	2,312,500
Federal Funds	20,812,500	20,812,500
Aid		
Children's Health Insurance Program	9,100,000	23,300,000
General	2,900,000	7,400,000
Federal	6,200,000	15,900,000
Medicaid	44,300,000	82,500,000
General	13,600,000	33,800,000
Federal	30,700,000	48,700,000
Total	87,021,565	139,528,392
General	23,777,499	48,530,912
Federal	63,244,066	90,997,480

Twenty-Four Hour Care Facilities – The recommendation includes \$389,753 General Funds, \$53,806 cash funds, and \$147,105 federal funds for FY 2013-14 and \$760,123 General Funds, \$101,841 cash funds, and \$284,422 federal funds for FY 2014-15 for inflationary increases requested for food, drugs, medical supplies and services, and an increase for laundry services. The inflationary increases for food, drugs, and medical costs affect all DHHS 24-hour care facilities. The Department of Corrections increased charge of \$0.04/lb. for laundry services impacts the Hastings Regional Center, Lincoln Regional Center, Grand Island Veterans' Home, Eastern Nebraska Veterans' Home, and the Beatrice State Developmental Center.

Beatrice State Developmental Center (BSDC) – The recommendation includes a General Fund reduction of \$325,000 and a federal fund reduction of \$325,000 in each of FY 2013-14 and FY 2014-15 to reflect savings from reduced need for contracted services for training, as well as oversight and consultation services to ensure ongoing certification standards are met. BSDC has sufficient onsite expertise to reduce contracted services as requested by the department. The recommendation also includes an \$800,000 General Fund reduction for FY 2013-14 and FY 2014-15, along with a \$800,000 federal fund increase in each of the two years to account for Medicaid funding being available to finance a portion of the operating costs of the Bridges program.

Veterans' Homes – The recommendation includes a \$1,000,000 General Fund reduction, a \$1,500,000 cash fund reduction, and a \$2,500,000 federal fund increase in each of FY 2013-14 and FY 2014-15 for the veterans' homes. The availability of additional federal funds allows for the reduction of General Fund support without reducing the overall operating budgets of the four veterans' homes.

Norfolk Sex Offender Treatment Facility – The recommendation includes General Fund reductions of \$250,000 for each of FY 2013-14 and FY 2014-15 for the sex offender program operated at Norfolk. The Governor recommends reducing the program budget to more closely align appropriations with program budget requirements.

Provider Rates – The recommendation includes \$14,623,557 General Funds and \$16,288,349 federal funds for FY 2013-14 and \$29,728,637 General Funds and \$32,790,692 federal funds for FY 2014-15 for a 2.25% annual increase available for provider rates. Programs included in the adjustment are Medicaid, Children’s Health Insurance Program, Behavioral Health Aid, and Aging programs. Rates for primary care codes are addressed separately in the Affordable Care Act (ACA).

Child Care Rates – The recommendation includes \$4,278,874 General Funds and \$52,378 federal funds for FY 2013-14 and \$4,279,121 General Funds and \$52,131 federal funds for FY 2014-15 to finance child care rates indicated by preliminary results of the child care market basket survey and requested by the agency.

Federal Medical Assistance Percentage (FMAP) – The General Fund increase for the Medicaid Federal Medical Assistance Percentage (FMAP) reduction for state fiscal years FY 2013-14 and FY 2014-15 is detailed by program in the following table:

General Fund Impact of FMAP Reduction - by Program	FY 2013-14 Gov Recommend	FY 2014-15 Gov Recommend
Behavioral Health Aid	236,537	312,860
Developmental Disabilities Service Coordination	118,268	156,430
Children's Health Insurance	462,796	606,927
Public Assistance	339,064	427,505
Medicaid	14,849,840	19,540,515
Child Welfare Aid	277,446	351,054
Mental Health Operations	59,134	78,215
Beatrice State Developmental Center	236,537	312,860
Developmental Disabilities Aid	2,306,233	3,050,387
Total	18,885,855	24,836,753

Medicaid – The table below details the \$74,150,486 General Fund increase recommended for FY 2013-14 and the \$140,026,104 General Fund increase recommended for FY 2014-15 for the Medicaid program. The increases result from projected increases in the program utilization, the recommended 2.25% General Fund increase available for provider rates, a reduced federal match rate, and the increased costs to the program due to the implementation of the federal Affordable Care Act (ACA). The recommendation includes a \$1,607,500 General Fund reduction in FY 2013-14 and a General Fund reduction of \$1,616,788 in FY 2014-15 representing anticipated savings from the implementation of behavioral health managed care. The recommendation also includes the transfer of \$6,000,000 General Funds for each of FY 2013-14 and FY 2014-15 from the Behavioral Health Aid program to the Medicaid program. This transfer will place General Funds used to match federal funding for behavioral health services in the Medicaid budget. This change will streamline reporting and processing as the state moves toward capitated managed care for behavioral health services.

Medicaid - General Fund Only	FY 2013-14 Gov Recommend	FY 2014-15 Gov Recommend
FY 2012-13 Appropriation	644,573,194	644,573,194
Medicaid utilization	28,605,056	56,461,936
Affordable Care Act implementation	13,600,000	33,800,000
Provider rates +2.25%/yr.	12,703,090	25,840,441
Federal match rate change (FMAP)	14,849,840	19,540,515
Move Medicaid Rehab Option funds from Behavioral Health	6,000,000	6,000,000
Behavioral Health managed care savings	(1,607,500)	(1,616,788)
Total	718,723,680	784,599,298
\$ change from FY 2012-13 Base	74,150,486	140,026,104
% change from FY2012-13 Base	11.5%	21.7%

Children’s Health Insurance Program (CHIP) – The table below details the \$4,045,277 General Fund increase recommended for FY 2013-14 and the \$9,663,171 General Fund increase recommended for FY 2014-15 for the Children’s Health Insurance Program (CHIP). The increases result from projected increases in program utilization, the recommended 2.25% increase in General Funds available for provider rates, a decrease in the federal match rate for CHIP, and the implementation of the Affordable Care

Act (ACA). The recommendation also includes a reduction of \$785,910 General Funds for FY 2013-14 and a reduction of \$785,910 General Funds for FY 2014-15, representing the savings from the repeal of LB 599, Laws 2012, that created a stand-alone CHIP program to provide eligibility for the unborn children of otherwise ineligible pregnant women.

Children's Health Insurance - General Funds Only	FY 2013-14 Gov Recommend	FY 2014-15 Gov Recommend
FY 2012-13 Appropriation	13,107,750	13,107,750
Affordable Care Act implementation	2,900,000	7,400,000
CHIP program utilization	1,117,821	1,729,074
Federal match rate change (FMAP)	462,796	606,927
Provider rates +2.25%/yr.	350,570	713,080
Eliminate 599 CHIP	(785,910)	(785,910)
Total	17,153,027	22,770,921
\$ change from FY 2012-13 Base	4,045,277	9,663,171
% change from FY2012-13 Base	30.9%	73.7%

Public Assistance –The table below details the \$4,575,083 General Fund increase recommended for FY 2013-14 and the \$4,663,524 General Fund increase recommended for FY 2014-15 for the Public Assistance program. The increases in General Funds to finance child care rates, as indicated by the child care market basket survey, and a reduction in the federal match rate account for the increases in the 2013-2015 biennium.

Public Assistance - General Fund Only	FY 2013-14 Gov Recommend	FY 2014-15 Gov Recommend
FY 2012-13 Appropriation	108,524,785	108,524,785
Child care rates	4,236,019	4,236,019
Federal match rate change (FMAP)	339,064	427,505
Total	113,099,868	113,188,309
\$ change from FY 2012-13 Base	4,575,083	4,663,524
% change from FY 2012-13 Base	4.2%	4.3%

The recommendation includes moving \$246,794 federal funds for FY 2013-14 and FY 2014-15 from Public Assistance to Child Welfare Aid, the new aid program created with the passage of LB 949 during the 2012 session of the Legislature. These federal funds were overlooked and not included in the appropriation to Child Welfare Aid where the appropriation properly belongs.

Developmental Disabilities Aid – The recommendation includes \$1,400,000 General Funds for FY 2013-14 and \$2,800,000 for FY 2014-15 for individuals transitioning from K-12 school programs to community-based developmental disabilities programs. The recommendation includes \$106,684 General Funds, \$135,779 federal funds, and \$126,414 Personal Service Limitation (PSL) for FY 2013-14 and \$247,496 General Funds, \$314,995 federal funds, and \$293,269 PSL for FY 2014-15 to provide service coordination for the transitioning clients.

The recommendation includes \$7,441,508 General Funds and \$9,095,177 federal funds for FY 2013-14 and \$14,969,007 General Funds and \$18,104,362 federal funds to update the methodology used to calculate rates paid to specialized providers of services to people with developmental disabilities and to fully implement the Objective Assessment Process that was initiated in 1999. The recommendation includes funding to implement the new rates on or about January 1, 2014. The General Funds associated with this recommendation are located in the Developmental Disabilities Aid program while the federal matching funds are located in the Medicaid program.

The recommendation includes General Fund reductions of \$1,184,625 for FY 2013-14 and \$1,191,470 for FY 2014-15, along with corresponding reductions in federal funds in the Medicaid program of \$1,447,875 for FY 2013-14 and \$1,441,030 for FY 2014-15, based on an Internal Revenue Service (IRS) ruling that payments to Extended Family Home providers are not taxable. The ruling will translate into a decrease in rates paid to providers of these services.

28 - Veterans' Affairs

The recommendation includes an increase of \$4,000 cash funds for FY 2013-14 and \$4,000 cash funds for FY 2014-15 available for the operation of the state veterans' cemetery. The cash funds are recommended to offset the need for General Funds for the operation of the state veterans' cemetery.

34 - Nebraska Library Commission

Library Operations – The recommendation for this program includes an increase of \$101,045 General Funds for FY 2013-14 and \$134,305 in FY 2014-15, and an increase of \$53,183 Personal Service Limitation for FY 2013-14 and \$53,183 for FY 2014-15 to fund a planned rent increase for office space and to account more effectively for operations currently expended in the Commission's aid program.

Library Development – The recommendation includes a decrease of \$69,669 General Funds for FY 2013-14 and \$69,669 for FY 2014-15, and a decrease of \$53,183 Personal Service Limitation for FY 2013-14 and \$53,183 for FY 2014-15 to account more effectively for operations currently expended in this aid program.

47 - Nebraska Educational Telecommunications Commission (NETC)

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

48 - Coordinating Commission for Postsecondary Education

Administration – The recommendation includes the agency request to increase cash fund operations appropriation \$10,000 in FY 2013-14 and FY 2014-15 for hearing expenditures including travel to Omaha to evaluate out-of-state requests to offer courses and programs in Nebraska.

Nebraska Opportunity Grant – The recommendation includes the agency request to increase cash fund aid appropriation \$1,000,000 in FY 2013-14 and FY 2014-15 in order to provide additional financial assistance to low income postsecondary students.

Federal funding of two grants ended in June 2011 and the recommendation includes the agency request to reduce federal fund aid appropriation \$591,731 in FY 2013-14 and FY 2014-15.

Access College Early Scholarship Program – The recommendation includes the agency request to increase General Fund aid appropriation \$65,000 in FY 2013-14 and \$110,000 in FY 2014-15 to fund high school student scholarships to enroll in college courses and earn college credit.

The agency request to increase federal fund aid appropriation of \$300,000 in FY 2013-14 and FY 2014-15 is recommended. The source of funds is the federal College Access Challenge grant currently administered by the agency.

50 - Nebraska State Colleges

The recommendation includes an increase in General Fund operations appropriation of \$2,050,000 for FY 2013-14 and \$4,150,000 in FY 2014-15. This represents a 4.5% increase in FY 2013-14 and 9.1% increase in FY 2014-15, compared to the FY 2012-13 base appropriation.

The State College System has agreed that the Governor's recommended level of state support will eliminate the need for in-state tuition increases for the next two years.

51 - University System

The recommendation includes an increase in General Fund operations appropriation of \$19,100,000 for FY 2013-14 and \$43,000,000 in FY 2014-15. This represents a 3.8% increase in FY 2013-14 and 8.6% increase in FY 2014-15, compared to the FY 2012-13 base appropriation.

The University of Nebraska system has agreed that the Governor's recommended level of state support will eliminate the need for in-state tuition increases the next two years.

54 - State Historical Society

The recommendation includes an increase of \$18,999 General Funds for FY 2012-13, \$25,388 General Funds for FY 2013-14, and \$34,925 General Funds for FY 2014-15 to fund utility service fees, which have increased by over 50% since 2011 on the agency's headquarters building and the Nebraska History Museum. The recommendation also includes an increase of \$368,977 cash funds for FY 2013-14 and \$273,402 cash funds for FY 2014-15, to conduct historical marker repair, the highway archaeology program, and other transportation enhancement projects, with all funds provided through the Department of Roads.

68 - Latino-American Commission

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases.

69 - Nebraska Arts Council

Promotion of the Arts – The recommendation includes a decrease of \$2,155 federal funds for FY 2013-14 and \$2,155 federal funds for FY 2014-15 to accept the Council's request for planned reductions in grants from the National Endowment for the Arts.

Aid to the Arts – The recommendation includes a decrease of \$123,300 federal funds for FY 2013-14 and \$123,300 federal funds for FY 2014-15 to accept the Council's request for planned reductions in grants from the National Endowment for the Arts.

Cultural Preservation Endowment – The recommendation does not include a \$500,000 transfer of General Funds to the Nebraska Cultural Preservation Endowment Fund in FY 2013-14 and FY 2014-15.

70 - State Foster Care Review Office

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases.

76 - Indian Affairs Commission

The recommendation includes a decrease of \$82,922 cash funds for FY 2013-14 and \$82,922 cash funds for FY 2014-15, and an increase of \$100,000 federal funds for FY 2013-14 and \$100,000 federal funds for FY 2014-15 to adjust for the estimated gifts and federal grants to this agency.

81 - Commission for the Blind and Visually Impaired

The recommendation includes an increase of \$480,943 federal funds for FY 2013-14 and \$480,943 federal funds for FY 2014-15, and an increase of \$4,450 cash funds for FY 2013-14 and \$4,450 cash funds for FY 2014-15 to adjust for the agency's planned increase of federal grants and program income.

82 - Commission for the Deaf and Hard of Hearing

The recommendation includes a decrease of \$3,400 cash funds for FY 2014-15 to accept the agency's request to reduce funding to end its use of the Kansas Quality Assurance Test for sign language interpreters.

83 - Nebraska Community Colleges

Aid to Community Colleges – The recommendation includes an increase in aid of \$3,500,000 General Funds for FY 2013-14 and \$3,700,000 General Funds for FY 2014-15. This represents a year-over-year increase of approximately 4% and should allow for the same commitment by the Community

College Boards as has been made by the University of Nebraska and the State College System not to raise in-state tuition rates for the next two years.

Public Finance

12 - State Treasurer

The recommendation for the State Treasurer's Office provides for an overall reduction of 1.83% in FY 2013-14 and a 1.5% reduction in FY 2014-15 compared to the current FY 2012-13 base appropriation. The General Fund recommendation for operations represents a 6.6% reduction in FY 2013-14 and a 6.3% reduction in FY 2014-15 relative to the FY 2012-13 base appropriation.

Reduce Excess Budgeted Personal Services Expense – By taking advantage of new technology the State Treasurer's Office has been able to reduce the required level of staffing in the State Disbursement Unit (SDU). The Treasurer's Office has indicated that the appropriation related to these vacant budgeted positions can now be reduced with no impact to the services provided by the agency. The Governor recommends reducing the appropriation to the State Disbursement Unit by \$69,083 General Funds and \$103,624 federal funds in each of FY 2013-14 and FY 2014-15 to account for this savings.

Postage and Printing Expense – The Treasurer's Office has made efforts in enrolling custodial parents to receive their child support statements and payments electronically, instead of printing and mailing statements and warrants. This provides cost savings for the State Disbursement Unit, both in postage and printing expenses. The agency requested a reduction in the appropriation for the SDU as a result of this expected savings. Consistent with the agency request, the Governor's recommendation includes a reduction of \$10,020 General Funds and \$15,030 federal funds in FY 2013-14 and a reduction of \$19,038 General Funds and \$28,557 federal funds in FY 2014-15.

Redirect Resources to Transparency Website Expense – In 2008, the State Treasurer's Office launched the Nebraska state spending transparency website. The website subsequently became a Legislative mandate following the passage of the Taxpayer Transparency Act. To date, all expenses related to maintaining this website have been covered by grants and budget savings within other programs in the Treasurer's Office. This has caused an increased strain on the budgets of these other programs. As an alternative, the Treasurer's Office requested to apply \$25,000 each year of excess General Fund appropriation in the Long-Term Care Savings Program to a new budget program dedicated specifically to transparency website expenses. Section 84-602, R.R.S, provides that development and maintenance of the transparency website is within the Treasurer's treasury management duties. The Governor's recommendation includes increasing the cash fund appropriation of the Treasury Management program by \$25,000 in each of FY 2013-14 and FY 2014-15 and offsetting this increased appropriation by accepting the Treasurer's request to reduce the General Fund appropriation to the Long-Term Care Savings Program by \$25,000 each year.

Long-Term Care Savings Program – The identification of \$25,000 of excess General Fund appropriation in the program also allows for a reduction of that amount in the current FY 2012-13, which the Governor recommends.

16 - Department of Revenue

The recommendation for Department of Revenue operations provides for a total funds reduction of 0.7% in FY 2013-14 and an increase of 1.4% in FY 2014-15 compared to the current FY 2012-13 base appropriation. The General Fund recommendation represents a 1.1% reduction in FY 2013-14 and an increase of 0.8% reduction in FY 2014-15, relative to the FY 2012-13 base appropriation for agency operations.

Highlights of the Governor's recommendations for Department of Revenue operations include:

Annualize the Appropriation for Various Legislative Bills – The Legislature has enacted a number of bills during the past two years that included A-Bills indicating an impact on the Department of Revenue's Revenue Administration program during the upcoming biennium. The Governor recommends a net reduction of \$21,830 General Funds in FY 2013-14 and a net increase of \$72,760 General Funds in

FY 2014-15 and a net increase of \$41,430 cash funds each year to annualize the appropriation for the following bills:

- LB 590 (2011) – Tobacco Tax Enforcement
- LB 209 (2012) – Local Option Sales Tax
- LB 872 (2012) – Corporate Apportionment
- LB 1091 (2012) – Prepaid Wireless
- LB 1128 (2012) – New Markets Job Growth

Re-assumption of Property Assessment Function – LB 121 (2009) provided that beginning in FY 2010-11 the Property Tax Administrator should bill each county for which the Property Tax Administrator has assumed the property assessment function each year until July 2013 at which time the State will no longer serve the counties in this capacity. The Governor's recommendation, consistent with the agency request reduces the appropriation to the Property Assessment Division by \$616,540 General Funds and \$1,849,620 cash funds in each of FY 2013-14 and FY 2014-15 to reflect the completion of the shift of the property assessment function back to counties in each case where the Department of Revenue has been performing that function.

Lottery Contracts – The Lottery Division of the Department of Revenue is a state-operated business enterprise generating proceeds for K-12 education, higher education scholarships, environmental grants, the Nebraska State Fair, and for the Compulsive Gamblers Assistance Fund. The Lottery's promotional and advertising budgets as well as the scratch game and online lottery vendor contracts are based on a percentage of lottery sales. The recommendation includes \$611,400 cash funds in FY 2013-14 and \$808,800 cash funds in FY 2014-15 for lottery promotion and advertising activities, including a portion dedicated to problem gambling prevention, education, and awareness advertising. Finally, the recommendation provides \$1,210,525 cash funds in FY 2013-14 and \$1,514,718 cash funds in FY 2014-15 for increases in lottery vendor contract costs.

Rebase Motor Fuels Tax Administration Appropriation – The Department of Revenue identified a \$200,000 unneeded, excess appropriation in the Motor Fuels Tax Administration program. The Governor recommends reducing the cash fund appropriation by \$200,000 each year.

Tobacco Products Administration Cash Fund – Section 77-4025, R.R.S., provides that any excess receipts in the Tobacco Products Administration Cash Fund may be transferred to the General Fund at the direction of the Legislature. The recommendation includes a transfer of \$10,000,000 each year from the Tobacco Products Administration Cash Fund to the General Fund to operationalize the lapse of excess funds during the 2013-2015 biennium.

The Department of Revenue also distributes aid under three programs. They are the Home Energy Conservation Improvement Program, the Homestead Exemption Program, and the Property Tax Credit Program. The Governor's recommendations for the department's aid programs include:

Home Energy Conservation Improvement Program – The Home Energy Conservation Improvement Program pairs matching dollars remitted by entities producing, distributing, or transmitting electricity with state General Funds to provide energy conservation grants to eligible low-income persons for installing an energy conservation improvement in their residence. The program was suspended by the Legislature during the past two fiscal years and is scheduled to resume beginning in FY 2014-15, the second year of the upcoming biennium. Section 66-1015, R.R.S, provides that no later than September 1, 2012, eligible entities planning on administering an energy conservation improvement program shall notify the Department of Revenue of the amount the entity plans to remit for the upcoming biennium. No eligible entities notified the department of any plans to remit matching funds to participate in the program. Consequently, the Governor's recommendation does not include funding for the program.

Homestead Exemption Reimbursement to Political Subdivisions – The Homestead Exemption program provides direct relief from property taxes to eligible persons by exempting all or a portion of the valuation of the homestead from taxation. The State reimburses local government for the taxes lost due to homestead exemptions. The department has indicated that the homestead exemption tax loss experienced by local governments to be reimbursed by the State during FY 2012-13 is approximately \$67,500,000, which is \$5,000,000 less than was appropriated. The department estimates that the program will require \$71,600,000 General Funds in FY 2013-14 and \$74,900,000 General Funds in FY 2014-15. The Governor recommends appropriations consistent with the department's estimates.

Property Tax Credit Program – The recommendation includes the appropriation of \$115 million in FY 2013-14 and FY 2014-15 to continue to provide property tax relief via the Property Tax Credit Act originally enacted in 2007. The Property Tax Credit Act provides a real property tax credit based upon the valuation of each parcel of real property compared to the valuation of all real property in the state. The property tax credit is shown on tax statements as a credit after the full taxes levied. For example, in 2012 the total amount of credit available for statewide distribution was also \$115 million. This \$115 million appropriation to the property tax credit program for 2012 provided a credit of \$72 per \$100,000 of valuation.

32 - Board of Educational Lands and Funds

Land Surveys – The Governor’s recommendations provide for a continuation level of funding, with changes only for employee salary increases.

Disputed Surveys – The recommendation for the program remains consistent with the FY 2012-13 base year appropriation.

School Land Trust – The recommendation for this program includes an increase of \$2,444,318 cash funds for FY 2013-14 and \$3,178,337 for FY 2014-15 to accept the Board’s request to increase its base appropriation to parity with its current and estimated operating budgets.

65 - Administrative Services

Administrative Services – The recommendation includes an increase of General Fund appropriation by \$1,200, a decrease of cash fund appropriation by \$1,102, and a decrease of revolving fund appropriation of \$202,236 in each year to recognize savings in accounting and motor vehicle liability costs.

The recommendation includes agency requested increases to General Fund appropriation of \$5,435 for FY 2013-14 and \$5,935 for FY 2014-15 for changes in administrative costs and to provide additional resources to the Employee Relations Division.

The recommendation includes an agency requested increase of cash fund appropriation of \$362,500 for FY 2013-14 and \$112,500 for FY 2014-15. These amounts support \$250,000 in FY 2013-14 for a claims audit, \$100,000 for each year for additional recycling projects, and \$12,500 in each year for the Benefits Administration Program.

The recommendation increases the revolving fund appropriation by \$2,543,553 for FY 2013-14 and by \$3,047,463 for FY 2014-15. These amounts support an additional position in the State Building Division, hardware and software upgrades to the state accounting system, projected increases in workers compensation claims, and increased utilization by state agencies of the Talent Management system for training. An analysis of historical expenditures in the State Insurance program indicates the current level of revolving fund appropriation is not necessary. Therefore, the recommendation includes a reduction of the revolving fund appropriation by \$1,500,000 each year.

The recommendation increases the Personal Service Limitation by \$44,864 for each year. These amounts include an agency requested new position in the State Building Division and additional resources in the Benefit Administration and Employee Relations Divisions.

The recommendation includes an agency deficit request to provide additional General Fund appropriation of \$1,677 and cash fund appropriation of \$12,500 for FY 2012-13 within the Benefits and Employee Relations Division. An increase in the Personal Service Limitation is also included. This recommendation provides the division needed resources to meet personnel costs.

State Share of Defined Benefit Plans Additional Contribution – The recommendation includes a General Fund appropriation of \$2,276,340 for FY 2013-14 and \$3,447,000 for FY 2014-15 for the state’s proportional share of the additional contribution to the State Patrol retirement plan as determined by the state’s actuary. Additional information can be found in the Nebraska Public Employee’s Retirement Systems recommendations.

Office of the Chief Information Officer – The recommendation includes a decrease of General Fund appropriation by \$122 and a decrease of revolving fund appropriation of \$18,644 in each year to recognize savings in administrative costs.

The recommendation includes an agency request to increase revolving fund appropriation by \$5,787,465 for FY 2013-14 and \$5,778,341 for FY 2014-15. This increased revolving fund appropriation

will allow the agency to respond to state agencies, boards, and commissions increasing demands for information technology services and support.

The recommendation increases federal fund appropriation by \$53,517 for FY 2013-14 and decreases federal fund appropriation by \$207,084 for FY 2014-15 due to the ending of the federal Health Information Technology Grant.

The recommendation increases Personal Service Limitation by \$224,570 in each year as requested by the agency.

Office of the Capitol Commission – The recommendation increases cash fund appropriation by \$35,387 for FY 2013-14 to allow the commission to utilize available cash funds for updates to the dining area of the Capitol.

75 - Nebraska Investment Council

The recommendation decreases cash fund appropriation by \$1,447 for each year to recognize savings to the council due to changes in administrative costs. The recommendation increases Personal Service Limitation by \$16,706 for each year as request by the council to make an internal auditor a full-time position.

85 - Nebraska Public Employee's Retirement Systems

Administration – The recommendation includes a cash fund appropriations increase of \$44,418 for FY 2013-14 and \$34,418 for FY 2014-15. The recommendation includes support for agency requested increases in administrative costs. An increase of \$10,000 in cash fund appropriation in FY 2013-14 is provided to the agency for office relocation costs.

A historical analysis of appropriations over the last three years shows the agency has unused appropriations in excess of \$100,000 each year. Therefore, other increases requested by the agency for conference registration, IT Manager rate increase, and for dues and subscriptions are not included.

An analysis of the Personal Service Limitation for the agency shows there is an excess of \$25,000. The recommendation includes a reduction in both years for this excess.

Board Member Expenses – The recommendation maintains the FY 2012-13 level of cash fund appropriations for FY 2013-14 and FY 2014-15 as requested by the agency.

Retirement Plans of the State – The agency administers five separate retirement systems for public employees.

Plan	Comments
State Employee Plan	Two different plans are administered for state and county employees; a defined contribution and cash balance plan. The employee contributes 4.8% of their salary to their respective plans. The state matches 156% of state employee contributions and the county matches 150% of the county employee contributions. The defined contribution plan is closed to new employees. All new employees enter the cash balance plan, a hybrid defined benefit plan that guarantees a fixed return and allows for dividends to be paid. Members are not guaranteed a fixed month payment upon retirement.
County Employee Plan	
Judges Retirement Plan	A defined benefit plan that guarantees a member a fixed monthly payment that is based upon salary and years of service. The maximum amount of salary that can be received upon retirement is 70%. Active members contribute 1% to 9% of pay, based upon years of service, into the plan. On July 1, 2014, the contribution rate for active members will decrease by 1%. Contributions are provided by a \$6 per case in court fees. This amount is set to decrease to \$5 on July 1, 2014. The contribution provided by court fees is equal to 244% of what is contributed by the active members.
Nebraska State Patrol Plan	A defined benefit plan that guarantees a member a fixed monthly payment that is based upon salary and years of service. The maximum amount of salary that can be received upon retirement is 75%. Active members contribute 19% of their salary into the plan and the State matches this amount. The contribution rate for active members is schedule to return to 16% on July 1, 2013. Active members do not pay into Social Security. Also, an active member must retire at age 60.
School Employee Plan	A defined benefit plan that guarantees a member a fixed monthly payment that is based upon salary and years of service. The maximum amount of salary that can be received upon retirement is 60%. Active members contribute 9.78% of their salary into the plan. The school district matches 101% of the active members contribution.

Level Dollar Payment Sunset – Current law provided for a fixed level dollar payment to the defined benefits plans. For all plans except for an Omaha Class V School Retirement plan, the fixed amount set by statute sunsets on June 30, 2013. For an Omaha Class V School Retirement Plan, the fixed amount set by statute sunsets on June 30, 2014. Therefore, the recommendation recognizes these sunsets and does not include a General Fund appropriation of \$5,921,699 in FY 2013-14 and \$6,895,000 in FY 2014-15.

Defined Benefit Plans Estimated Unfunded Liability – The Retirement System's consulting actuary has estimated additional contributions are required for the School Employee Plan, the Nebraska State Patrol Plan, and the Judges Plan.

School Employee Plan – For the School Employee Plan, the recommendation does not include an increase in General Funds for the additional contribution estimated by the consulting actuary.

The recommendation includes a General Fund increase of \$313,508 in FY 2013-14 and \$883,685 in FY 2014-15 to finance the State's 1% match of salary under the School Employees Retirement System and the Class V School Employees Retirement plan; and the Class V Service Annuity.

State Patrol Plan – The consulting actuary indicates an increasing need of contributions to the plan. The active member's contribution rate is scheduled to decrease by 3% on July 1, 2013. There is pending litigation against the State regarding the member contribution rates.

For the State Patrol Plan, the recommendation includes a General Fund appropriation of \$2,276,340 for FY 2013-14 and \$3,447,000 for FY 2014-15. This appropriation has been placed in reserve in the Department of Administrative Services.

Judges Retirement Plan – The recommendation includes no General Fund appropriation to the Judges Plan for the estimated additional contribution. Contributions to this plan are made by the active members and by court fees paid by the users of the court system.

93 - Tax Equalization and Review Commission

The Tax Equality and Review Commission has three primary duties: hearing and deciding valuation appeals; the equalization of real property assessments for purposes of taxation within each county; and hearing and deciding petitions from the county boards of equalization. With respect to valuation appeals, the number of appeals filed during 2012 represents a 37% increase over the number of appeals filed in 2011. This increase will have a significant impact on the operations of the agency.

The recommendation for the Tax Equalization and Review Commission provides for a total funds increase of 4.0% in FY 2013-14 and a 5.8% increase in FY 2014-15 compared to the current FY 2012-13 base appropriation. The General Fund recommendation represents an increase of 6.9% in FY 2013-14 and an 8.9% increase in FY 2014-15.

Health Insurance expenses – The commission requested \$10,000 General Funds in each of FY 2013-14 and FY 2014-15 to cover the increased cost of providing employee health insurance due to a number of employees selecting higher cost family coverage who previously waived coverage or opted for lower cost plans. The Governor recommends this General Fund increase in order to not have the increased cost of health insurance negatively impact the ability of the commission to resolve valuation appeals in a timely manner.

Restore base following temporary fund shift – In 2010, during the development of the 2011-2013 biennial budget, a temporary fund shift reducing General Funds and increasing cash fund appropriations was included in the commission's budget in an effort to reduce an excess cash fund balance. The Governor's recommendation includes restoring the appropriation base following this temporary fund shift. The recommendation increases the General Fund appropriation by \$15,000 in each of FY 2013-14 and FY 2014-15 and reduces the cash fund appropriation by a like amount.

Valuation appeal hearing costs – The agency requested an increase in appropriation due to travel and operating expense increases that will occur as a result of the significant increase in valuation appeals. The Governor recommends increasing the commission's appropriation by \$8,500 General Funds in each of FY 2013-14 and FY 2014-15 to cover these increased costs and assist the commission in the timely resolution of valuation appeals.

Public Safety

05 - Supreme Court

FY 2012-13 Deficit Request – The Supreme Court submitted a deficit request to increase Personal Service Limitation (PSL) only by \$168,243 in FY 2012-13 in Probation Community Corrections, in order to allow faster implementation of the Office of Probation plan regarding Reporting Centers expansion. The Governor's recommendations include an increase in PSL for the program of \$168,243 in FY 2012-13.

Judges' Salaries - FICA Costs – The recommendations provide for increases in the various State Judges' salary programs to accommodate higher costs related to FICA. The agency request is based on a FICA maximum wage rate increase from \$114,900 in FY 2012-13 to \$120,000 in FY 2013-14 and to \$125,400 in FY 2014-15. The total combined increase in General Fund appropriations among all of the State Judges' salary programs within the Supreme Court will be \$43,637 in FY 2013-14 and \$89,838 in FY 2014-15.

CASA Cash Fund Appropriation Reduction – The Supreme Court budget request includes a reduction in Court Administration Cash Fund Aid appropriation of \$200,000 in both FY 2013-14 and FY 2014-15. Laws 2011, LB 463, created the Court Appointed Special Advocate (CASA) Cash Fund and provided transfers of \$200,000 per year into this fund from the Public Advocacy Operations Cash Fund. The transfers only run through FY 2012-13 and there is no continuing revenue source for the CASA Fund. The recommendations affirm the agency request to reduce the cash fund appropriation by \$200,000 per year to reflect the loss of funding.

County Court Collection Positions – The Supreme Court has received a federal grant of \$135,000 annually since FY 2007-08 to fund two positions, one each in Douglas and Lancaster County Court, to aid in increasing the collection of fines and court costs. This grant expired September 30, 2012. The Supreme Court seeks to shift the funding of these two positions from federal to General Funds in FY 2013-14 and FY 2014-15. The recommendations recognize the reduction of \$135,000 in federal fund appropriation from the discontinuation of this grant, but do not increase the General Fund appropriations in County Court System, to replace the lost federal funds.

Parenting Act Aid – Aid from the Parenting Act Cash Fund is currently distributed to six court-approved non-profit, mediation centers and Douglas County District Court Conciliation and Mediation Services that serve citizens state-wide. These mediation centers report increased numbers of indigent or low-income clients that are required by the courts to seek mediation, per the Parenting Act. The cost to provide services to these clients continues to increase. The recommendations include increasing the cash fund aid appropriation for these centers in Court Administration, from \$500,000 to \$550,000 per fiscal year, a \$50,000 increase for both FY 2013-14 and FY 2014-15.

Probation Officer Safety Equipment – In an effort to improve safety conditions for Probation Officers supervising high-risk probationers, the recommendation includes increasing the cash fund appropriation in Intensive Probation, by \$25,000 in both FY 2013-14 and FY 2014-15, to provide for additional safety equipment.

Problem-Solving Court Positions – Problem-Solving Courts provide an option for handling offenders with issues involving substance abuse and other behavioral health issues. The Supreme Court budget request seeks approximately three additional positions and \$235,000 per year in staffing costs, as well as \$120,000 per year in additional funding for contracted treatment services for offenders. The recommendations provide for the portion of the request related to the increased treatment costs of \$120,000 in General Fund appropriations for both FY 2013-14 and FY 2014-15.

Project Safe Start Federal Funding – The Supreme Court's Specialized Court Operations is receiving a federal grant titled "Project Safe Start", aimed at high-risk teens. The Supreme Court budget request seeks to increase the base federal fund appropriation level to reflect the actual Safe Start grant amounts for the upcoming biennium. The recommendations include increasing the federal fund appropriation by \$367,339 in FY 2013-14 and by \$368,878 in FY 2014-15.

Juvenile Service Delivery Pilot Project – Laws 2012, LB 985 established the Nebraska Juvenile Service Delivery Project as a pilot program to be administered by the Office of Probation Administration within the Supreme Court. LB 985A appropriated \$8,408,817 General Funds (including \$895,612 of PSL) in FY 2012-13 to the Supreme Court – Community Corrections, to provide base funding for the Pro-

ject. The A-Bill also reduced the Department of Health and Human Services – Juvenile Services Operations, by the same amount. Fiscal year-to-date through November 30, 2012, the Office of Probation Administration had only expended \$1,035,266 General Funds for the Juvenile Service Pilot Project and had only encumbered treatment services totaling an additional \$890,651. The Supreme Court budget request seeks additional General Fund appropriations of \$1,177,322 (including \$510,630 of PSL) in FY 2013-14 and of \$1,437,020 (including \$523,395 of PSL) in FY 2014-15 to expand the Pilot Project. The request also includes a cash fund appropriation reduction of \$640,000 per year as a result of ending a contract with the Department of Health and Human Services.

The recommendations include reducing the FY 2012-13 General Fund appropriations by \$2,000,000 because of the slower-than-budgeted ramp up of the Juvenile Pilot Project in FY 2012-13. This appropriation is considerably underspent and the full amount will not be needed in FY 2012-13. The recommendations also include reducing the cash fund appropriation in Community Corrections by \$640,000, as requested, in FY 2013-14 and FY 2014-15, but not providing increases in General Fund appropriations in the upcoming biennium to expand the Pilot Project. There is insufficient experience and justification at this time to expand the Project.

Probation Community-Based Programs – Reporting Centers are community-based facilities blending offender supervision with intensive on-site delivery of treatment services and they have an important role in reducing reliance on incarceration while improving public safety. Currently there are only three complete reporting centers in Douglas, Lancaster and Dakota counties. Buffalo and Dawson counties share the resources of one full Reporting Center between the two counties. The Supreme Court budget request would expand the Buffalo and Dawson County Centers to full-time (not shared) and establish a new Reporting Center in Scottsbluff. The recommendations support the expansion of the Reporting Centers and provide for appropriation increases to Community Corrections, as follows: \$303,499 General Funds and \$509,073 cash funds (with \$375,108 of PSL) in FY 2013-14; and \$314,295 General Funds and \$509,073 cash funds (with 384,484 of PSL) in FY 2014-15.

11 - Attorney General

Interstate Water Litigation – The Attorney General's Office continues an ongoing defense of the State of Nebraska against allegations by the State of Kansas of non-compliance on the Republican River Compact. In May 2010, the State of Kansas filed a Motion for Leave to File Petition in the United States Supreme Court alleging that Nebraska overused its share of the Republican River water in 2005 and 2006. These actions have required the hiring of multiple experts and substantial travel in the basin and between the states. In FY 2011-12, \$2,000,000 General Funds were appropriated to the Attorney General for Interstate Water Litigation. The recommendations include an additional \$250,000 General Fund appropriation in FY 2013-14 to continue the defense against Kansas' claims. At the time of release of the Governor's recommendations, no final decision had been issued in the pending litigation. A decision is expected prior to adjournment of the 2013 legislative session.

15 - Nebraska Board of Parole/Board of Pardons

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

21 - State Fire Marshal

Natural Gas Pipeline Safety Inspector – Over the past three years, natural gas pipelines in Nebraska were damaged by excavators an average of over 600 times per year. In January 2012, Congress enacted the Pipeline Safety, Regulatory Certainty, and Job Creation Act of 2011. This Act increases the funding available to state programs to assist in reducing excavation damage. The recommendations include the agency's request to add a Pipeline Safety Inspector, with an increase of \$32,074 cash funds and \$48,110 federal funds (including \$40,868 of PSL) in FY 2013-14; and an increase of \$29,850 cash funds and \$44,775 federal funds (including \$42,362 of PSL) in FY 2014-15.

Update NFPA Life Safety Code Books – The Fire Marshal is currently using the 2000 edition of the National Fire Protection Association (NFPA) Life Safety Code 101 and associated pamphlets. The latest revised edition is the 2012 edition. The recommendations include a \$55,000 General Fund appropriation in FY 2013-14 to purchase new edition sets of the NFPA Life Safety Codes.

30 - State Electrical Board

General Operating Increases – The Governor’s recommendations include a number of cash fund appropriation increases for issues such as desktop computer replacements, State-owned transportation costs, and fees on credit card transaction processing, as well as cash fund appropriation reductions for agency savings on the use of online services, utility and rent expense, and division meetings and office expenses. The overall net impact of these items for the agency is a cash fund appropriation increase of \$8,360 in both FY 2013-14 and FY 2014-15.

31 - Military Department

FY 2012-13 Deficit Request in Governor’s Emergency Program – In FY 2008-09, the Nebraska Emergency Management Agency (as part of the Nebraska Military Department) submitted a deficit budget request in the amount of \$5,000,000 for obligations related to federal disaster declarations. NEMA again submitted a deficit request for FY 2010-11, in the amount of \$5,860,000.

For FY 2012-13, the General Fund and cash fund appropriations in the Governor’s Emergency Program, total \$22,899,606. Expenditures through December 30, 2012 total \$3,780,039. Current obligations on declared federal and state disasters total \$18,559,852. Estimated potential costs for disasters which might arise during the remainder of FY 2012-13 are conservatively, \$600,000 to \$1,000,000. In order to meet current obligations, anticipated future costs and re-establish the \$5,000,000 reserve for this program enacted by the Legislature in the 2011 Session, the Military Department is requesting a supplemental General Fund budget appropriation for FY 2012-13 of \$5,500,000. The Governor’s recommendations include funding this deficit request of \$5,500,000 in General Funds.

Family Readiness Support Function – Currently the Nebraska Military Department performs the functions for family contact and support for deployed National Guard members from Nebraska. Under the direction of the Army National Guard Human Resource Officer, this function will be handled on a national basis by the National Guard Bureau by the end of FY 2012-13. Consequently, the federal funding provided the Nebraska Military Department, through their National Guard Bureau Military Cooperative Agreement, will be reduced in FY 2013-14 and beyond. The recommendations recognize this reduction in function and corresponding reduction in federal fund appropriation of \$545,000 in both FY 2013-14 and FY 2014-15.

Facility Maintenance Backlog – The Nebraska Military Department, Army National Guard has facilities located in 24 communities across the state. Due to the growing age and continued high use of the facilities, the backlog of facility maintenance and repair needs continues to grow. The recommendations include General Fund appropriation increases of \$100,000 in FY 2013-14 and of \$200,000 in FY 2014-15 to help address these items.

Additional FTE for Radiological Program – The Nebraska Emergency Management Agency (NEMA) Technological Hazards/Radiological Emergency Preparedness Section currently has a total of four positions assigned to the section to support the off-site planning, training and exercising responsibilities associated with the state’s two nuclear power plants. As of October 2012, the Nuclear Regulatory Commission (NRC) and Federal Emergency Management Agency are instituting new planning requirements for off-site planning, expanding the zone from a 10 mile emergency planning zone to a 50 mile emergency planning zone. This will mean an expanded role for the section. The Governor’s recommendations include authorizing an additional FTE to assist with the increased responsibilities and duties associated with supporting the off-site planning. The cost for this new position will be split between federal funds and cash funds. The recommendations increase FY 2013-14 cash fund appropriations by \$28,365 and federal fund appropriations by \$28,365 (with a PSL increase of \$38,488). FY 2014-15 cash fund appropriations increase by \$28,919 and federal fund appropriations increase by \$28,919 (with a PSL increase of \$39,450).

37 - Workers’ Compensation Court

The Governor’s recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

46 - Department of Correctional Services

FY 2012-13 Deficit Request – The agency budget plan for FY 2011-12 and FY 2012-13 included enacted budget modifications that provided for the agency to close certain housing units at the Omaha Correctional Center (OCC) and the Nebraska State Penitentiary (NSP), as inmate counts declined due to increased numbers of paroles. While the parole figures have increased for FY 2011-12 and FY 2012-13, and one housing unit at OCC was closed, the number of admissions has also increased and the agency has not realized the reductions in inmate population necessary to continue to allow the OCC unit to remain closed, nor can it close the NSP units. Consequently, the agency has not realized the level of savings in reduced inmate per diem costs and reduced staffing costs originally projected in its FY 2012-13 budget.

The agency has submitted a supplemental General Fund appropriation request of \$5,113,211 for FY 2012-13, which includes re-establishing pro-rated base staffing levels for the housing units which will not be closed, as well as increased per diem costs for food and medical expenses. The Governor's recommendations provide for this \$5,113,211 General Fund increase in FY 2012-13.

Adult Operations – Excluding employee salary adjustments, the recommendations for the Department of Correctional Services, Adult Operations programs, include an overall General Fund increase over the FY 2012-13 base year of \$7,821,306 in FY 2013-14 and of \$9,046,783 in FY 2014-15; no overall cash fund change for FY 2013-14 or FY 2014-15; no overall federal fund change in FY 2013-14 or FY 2014-15; and an overall revolving fund increase of \$82,441 in FY 2013-14 and of \$82,441 in FY 2014-15.

The recommendations include the following:

- Increase in General Funds for the inmate costs for food of \$1,497,694 in FY 2013-14 and of \$1,903,318 in FY 2014-15;
- Increase in General Funds for inmate costs for medical care of \$3,322,802 in FY 2013-14 and of \$4,133,004 in FY 2014-15;
- Increase in General Funds for the cost of coal of \$189,200 in both FY 2013-14 and FY 2014-15;
- Increase in General Funds for the cost of the State Public Safety Communications System utilization of \$115,628 for both FY 2013-14 and FY 2014-15;
- Increase in General Funds for the effect of full year restoration of staffing and inmate costs relative to not closing housing units originally budgeted to close in FY 2012-13, increase of \$2,814,939 in FY 2013-14 and of \$2,824,590 in FY 2014-15;
- Decrease in General Funds as a result of converting one IT Infra-structure Support Analyst and one Registered Nurse from contract service to in-house FTE's, saves \$52,245 in both FY 2013-14 and FY 2014-15;
- Increase in revolving funds for an additional Correctional Services Industries Wood Shop Operator and an additional Automotive Mechanic II in Surplus Property, increase of \$82,441 in both FY 2013-14 and FY 2014-15.

Community-Based Services – The recommendations include increased cash fund appropriations for parole services of \$143,000 in both FY 2013-14 and FY 2014-15.

64 - Nebraska State Patrol

Communications Center Consolidation – The State Patrol currently utilizes one communication (or dispatch) center per troop area, for a total of six. The agency proposes to consolidate these six centers down to three by the end of FY 2014-15 and create a statewide Communications Director position to re-structure the Communications division to be more efficient. The result will be an initial decrease of six FTE in FY 2013-14, with General Fund savings of \$203,912 and an overall decrease of eight FTE by FY 2014-15, with General Fund savings of \$247,938. The Governor's recommendations incorporate this consolidation and budgeted cost savings.

Deferred Retirement Option Plan (DROP) Retirement Contributions – State Patrol Troopers who enter the DROP program do not continue to contribute to the retirement plan. The agency also ceases making contributions to the plan at that time, although they must pay out any accumulated Comp Time and Holiday Comp Time. Due to the number of employees eligible for the DROP program and the estimated number expected to enter the program in the upcoming biennium, the Governor's recommendations include a General Fund increase of \$53,262 in FY 2013-14 and a General Fund decrease of

\$201,372 in FY 2014-15 to reflect savings for agency contributions. The recommendations also recognize a cash fund increase of \$7,432 in FY 2013-14 and a cash fund decrease of \$32,952 in FY 2014-15.

Fleet Vehicle Purchases – The Governor’s recommendations include an increase of \$250,000 General Funds in FY 2013-14 to provide additional funding for fleet vehicle purchases.

Gasoline Prices – The State Patrol’s FY 2012-13 budget for gasoline used an average price of \$2.86 per gallon. With current prices around \$3.00 per gallon and the likelihood of higher prices over the next two fiscal years, the Governor’s recommendations recognize a General Fund increase of \$322,956 and a cash fund increase of \$28,083 for both FY 2013-14 and FY 2014-15 to accommodate changing gas prices.

Crime Lab Facility Lease Costs – The current lease for the State Patrol’s Crime Lab facility expires February 28, 2014. The State Patrol anticipates increased lease costs for the property in FY 2013-14 and FY 2014-15 if a new lease can be negotiated. The current space is 13,022 square feet and costs \$10.65 per sq. ft. The recommendations include a General Fund increase of \$46,264 in both FY 2013-14 and FY 2014-15 to accommodate an increase in the lease rate.

Information Technology Costs – The Governor’s recommendations include \$100,000 cash fund appropriation in FY 2013-14 for the State Patrol to purchase a new Time Sheet/Time Management System, and \$500,000 cash fund appropriation in FY 2014-15 to begin implementation of a 5-year laptop replacement schedule.

Public Safety Communication System – The Nebraska State Patrol is a primary user of the Public Safety Communication System for the state, now in operation statewide. As a result of completing one master lease for equipment and reducing the costs for another master lease, the Governor’s recommendations include recognizing the reduced cash fund costs to the State Patrol operations. The recommendations provide for a decrease of \$1,088,234 cash fund appropriations in both FY 2013-14 and FY 2014-15 for the Public Safety Communications System.

67 - Equal Opportunity Commission

Reduce General Fund Operating Costs – The Equal Opportunity Commission included in their FY 2012-13 budget, General Fund costs for office furniture replacement and security changes for their Omaha office, which will not be needed again in FY 2013-14 or FY 2014-15. They also budgeted for increased rental costs for their Scottsbluff office, which will not be realized as they are moving to a new lower-cost facility in Scottsbluff. The Governor’s recommendations recognize the agency’s identification of cost reductions for the upcoming biennium and decreases the General Fund appropriations by \$24,652 in both FY 2013-14 and FY 2014-15.

77 - Commission of Industrial Relations

The recommendation includes \$957 Personal Service Limitation (PSL) in each of FY 2013-14 and FY 2014-15 to allow for the annualization of FY 2012-13 salary adjustments requested by the agency.

78 - Nebraska Commission on Law Enforcement and Criminal Justice

Human Trafficking Taskforce Funding – Laws 2012, LB 1145 created a Taskforce within the Nebraska Commission on Law Enforcement and Criminal Justice (Crime Commission), relating to human trafficking. LB 1145A appropriated \$58,690 General Funds in FY 2012-13 to the Crime Commission to provide funding for the new Taskforce, but only appropriated \$12,460 General Funds to the Crime Commission in FY 2013-14. The Governor’s recommendations recognize the Legislative intent for a \$46,230 decrease from the FY 2012-13 base in General Fund appropriation for FY 2013-14 and FY 2014-15.

Law Enforcement Officer Continuing Education – Laws 2012, LB 817 requires all law enforcement officers to receive 20 hours of continuing education each year, effective in calendar year 2014. The effective date of this section of LB 817 is January 1, 2014. The Law Enforcement Training Center is required to create a central registry for these officers and track the hours of training received each year. LB 817A appropriated \$74,659 cash funds to the Crime Commission Law Enforcement Training Center in FY 2013-14 (including \$15,960 of PSL). The recommendations recognize the legislative intent to provide \$74,659 General Funds in FY 2013-14. The recommendations also recognize that part of the cost for FY 2013-14 will be one-time in nature, so provides \$49,318 cash funds in FY 2014-15 for ongoing operating costs.

Law Enforcement Training Center Depreciation Charges – The Governor's recommendations include a \$12,970 General Fund appropriation increase for both FY 2013-14 and FY 2014-15 to absorb increases in Administrative Services depreciation charges on the Law Enforcement Training Center.

Victim-Witness Assistance Grant Administration – The Governor's recommendations include increasing the Victim-Witness Assistance Federal Fund appropriation by \$29,649 in both FY 2013-14 and FY 2014-15 to allow the agency to utilize the full grant amount and provide appropriate administration.

Funding for the Office of Violence Prevention – The Office of Violence Prevention was established within the Crime Commission in FY 2009-10. The original funding for the cash fund aid provided by the Program was derived from a one-time transfer from the Probation Program Cash Fund of \$350,000 for FY 2010-11. Separate transfers of \$200,000 each from the Uniform Data Analysis Fund were made July 1, 2011 and July 1, 2012 to cover the cash fund appropriations in the Program for FY 2011-12 and FY 2012-13, respectively. For FY 2011-12 and FY 2012-13, the General Fund appropriation was increased to \$250,000. This provided a total of \$100,000 for operations and \$350,000 for aid per fiscal year (mix of General Funds and cash). There is no ongoing revenue source for cash funds available to support a \$200,000 cash fund appropriation in FY 2013-14 or FY 2014-15. The Governor's recommendations shift this \$200,000 in cash fund appropriations to General Fund appropriations in both FY 2013-14 and FY 2014-15.

Byrne Federal Grant Cash Match Funding – The Crime Commission was informed by the U.S. Department of Justice that federal Byrne grants will no longer require matching state funds. The Governor's recommendations recognize this change in requirements and decrease the Crime Commission's cash fund appropriation by \$421,151 in both FY 2013-14 and FY 2014-15.

94 - Commission on Public Advocacy

The Governor's recommendations provide for a continuation level of funding, with changes only for employee salary increases and adjustments for Department of Administrative Services assessments.

Transportation

17 - Department of Aeronautics

FY 2012-13 Deficit Request – The Department of Aeronautics has been notified that the University of Nebraska Foundation has made a decision to sell their Beechcraft Super King Air B200. The Department of Aeronautics entered into a lease-purchase agreement with the Foundation which included an exclusive option to purchase the aircraft at any time during the lease term expiring June 30, 2013. The Department submitted a deficit request for \$2,164,760 General Funds to acquire this aircraft. The Governor's recommendation includes \$2,164,760 General Fund appropriation increase for the State Owned Aircraft program in FY 2012-13.

Operations of Department of Aeronautics (Development & Enforcement) – The recommendation includes an agency requested increase of \$1,641,354 cash funds for FY 2013-14 to cover drainage repair issues, milling the existing concrete, and adding an overlay to the runway at the Scribner State Airfield.

Public Airports – The recommendation includes an agency requested increase of \$3,245,000 cash funds in FY 2013-14 and \$10,110,000 cash funds in FY 2014-15 for Federal Aviation Administration and state-administered grants for airport improvements; and state-funded revolving fund loans for hangar and fuel storage projects.

State-Owned Aircraft – The recommendation includes an agency requested increase of \$283,373 cash funds for FY 2013-14 for an avionics system upgrade of the Beechcraft Super King Air B200 aircraft. This upgrade will result in the aircraft being maintained to the highest standards of safety and operational efficiency.

The recommendation includes an agency requested increase of \$7,373 cash funds for FY 2014-15 to maintain base insurance coverage (hull and liability) for the Beechcraft Super King Air B200 aircraft.

24 - Department of Motor Vehicles

Enforcement of Standards - Motor Vehicles – The recommendation includes an agency requested federal fund decrease of \$686,539 in FY 2013-14 and \$821,968 in FY 2014-15 for four federal grants that are expected to end in the biennium. Three of the grants are from the Department of Homeland Security relating to the Driver License Security Grant Program to facilitate the Nebraska DMV in improving the security and integrity of the driver license and identification card process. The fourth grant is from the Federal Motor Carrier Safety Administration used primarily to study the feasibility of using radio frequency identification license plates for commercial vehicles.

The recommendation includes an agency requested cash funds decrease of \$451,405 in FY 2013-14 and FY 2014-15 to annualize the cost of LB 667, Laws 2011, which resulted in reductions in petitions for hearings and District Court appeals relating to the Administrative License Revocation (ALR) program. The recommendation also includes a reduction of \$143,690 Personal Service Limitation in FY 2013-14 and FY 2014-15 to reflect savings resulting from elimination of three positions due to the legal division operational work load reduction.

The recommendation includes an agency requested cash fund increase of \$91,366 for FY 2013-14 and FY 2014-15 to recognize increases for the cost of a driver license database verification ran through the United States Post Office Address Verification Program. The verification process will create a savings in the number of invalid addresses, cost of producing change of address notices, and postage expense for mailing out of notices.

License Plate issuance – The recommendation includes an increase of \$70,853 cash funds for FY 2013-14 and FY 2014-15 for the 2011 plates and stickers issuance entering its third through fifth year of the six-year cycle. The manufacturing process for the new plates began during FY 2009-10 and the agency will experience increased costs in the 2013-2015 biennium to maintain an appropriate level of license plate and sticker inventories available at the county treasurer issuing sites throughout the State.

Motorcycle Safety – LB 170, Laws 2011, eliminated the Motorcycle Training Education Fund and transferred the responsibility for administering the Motorcycle Safety Program to Enforcement of Standards – Motor Vehicles. The recommendation transfers the remaining appropriation to Enforcement of Standards with an increase of \$13,290 cash funds for FY 2013-14 and FY 2014-15 and a reduction of \$13,290 cash funds for FY 2013-14 and FY 2014-15 to the Motorcycle Safety budget program, allowing the program to be eliminated.

27 - Department of Roads

The total cash fund recommendation for the Nebraska Department of Roads over the 2013-2015 biennium, including operations, government aid, highway construction, and capital facilities construction is based on an estimated motor fuel tax level of 26.4 cents per gallon, with the Nebraska Department of Roads receiving 70% of the fuel tax revenues, and the remaining balance of 30% being shared 50/50 between the cities and the counties of Nebraska. Federal funds are based on a continuation level, assuming Congress provides full funding for federal fiscal year 2013, at approximately \$271 million.

The recommendation includes an estimated Surface Transportation Program size, including the Build Nebraska Act, of \$421 million in FY 2013-14 and \$433.75 million in FY 2014-15 based on a state Highway Cash Fund appropriation of \$375 million per year. In order for Department of Roads to continue completion of road construction and maintenance projects, the recommendation includes agency requests of: \$5 million increase for FY 2013-14 and FY 2014-15 in purchasing of heavy road equipment, pickups, vans, and cars; \$7 million increase for FY 2013-14 and FY 2014-15 in new building construction projects; \$2.5 million increase for FY 2013-14 and FY 2014-15 in purchasing of highway maintenance materials (gas, oil, sand and gravel, salt); \$1.2 million increase for FY 2013-14 and FY 2014-15 in repair maintenance of property and equipment; and \$400,000 for FY 2013-14 and FY 2014-15 to replace nuclear deflectometers with lightweight non-nuclear deflectometers used for testing soils for proper compaction.

LB 84, Laws 2011, the Build Nebraska Act, will result in 1/4 of 1 percent of General Fund sales tax revenue becoming available to the Nebraska Department of Roads effective July 1, 2013. The recommendation includes an increase of \$51 million in FY 2013-14 and \$63.75 million in FY 2014-15 available to the agency to be used for construction of the expressway system, federally designated high priority corridors, and surface transportation projects of the highest priority as determined by the Department.

The recommendation includes an agency requested cash fund authority increase of \$69 million in FY 2013-14 and \$54 million in FY 2014-15 in the Highway Construction program for increased expendi-

tures associated with the payment of previous years highway construction projects let to construction from increased federal funds received by Nebraska.

LB 98, Laws 2011, provides authority to the Department of Roads to purchase federal-aid transportation funds from Nebraska counties and cities. The recommendation includes an agency requested increase of \$13 million cash funds for FY 2013-14 and FY 2014-15 in the Highway Construction program for the payment of funds to Nebraska counties and cities for their federal funds.

The recommendation includes an agency requested cash fund authority increase of \$5 million in FY 2013-14 in the Highway Construction program for increased expenditures associated with payout of federal highway grants awarded to Nebraska in previous years. The payout includes \$3.5 million for Roadside Safety Grant and \$1.5 million for two new van profilers.

Public Transportation Aid – The recommendation for cash fund authority to Transit Aid for Mass Transit and Transit Aid for Intercity Bus Service remains consistent with the FY 2012-13 level.

40 - Nebraska Motor Vehicle Industry Licensing Board

The recommendation includes the agency requested increase of \$8,616 cash funds for FY 2013-14 and FY 2014-15 related to travel expenses.

The amount supports increased costs in lodging of board members and investigative staff, rental costs of state-owned vehicles for five investigators, and personal vehicle mileage due to extra board meetings to handle administrative franchise matters.

Enterprise Issues

State Employee Salary and Health Benefit Costs

The Governor's budget recommendations include funding for state employee salaries based upon the provision of a 2.25% salary increase in both FY 2013-14 and FY 2014-15. This is consistent with the agreement reached with the Nebraska Association of Public Employees Local 61 of the American Federation of State, County, and Municipal Employees (NAPE/AFSCME) for the 2013-2015 biennium.

The recommendations include funding for an increase of 3.4% and 3.3% for certain state law enforcement officers in FY 2013-14 and FY 2014-15 consistent with the agreement reached for state employees covered by the contract with the State Law Enforcement Bargaining Council (SLEBC). These officers are employed by the State Patrol, State Fire Marshal, and the Game and Parks Commission.

The bargaining process was not completed with the State Code Agency Teacher's Association (SCATA) in time for the impact of the contract on individual employees to be included with this publication. The Governor's recommendations include funding for these employees at the same rate as provided for employees represented by NAPE/ASCME.

Current law does not provide a salary increase for constitutional officers and judges during FY 2013-14 and FY 2014-15. No additional funding has been included in the Governor's recommendation.

The Governor's recommendations include \$9.3 million General Funds, \$4.8 million cash funds, \$3.6 million federal funds, and \$0.8 million revolving funds in FY 2013-14 and \$18.1 million General Funds, \$9.7 million cash funds, \$7.2 million federal funds, and \$1.7 million revolving funds in FY 2014-15, or \$18.5 million and \$36.7 million total funds each fiscal year, respectively, to finance the recommendations noted for non-higher education employees.

State agency (employer) and individual state employee health benefit premiums were not charged during two months of FY 2012-13. The Governor's recommendation reduces state agency (employer) appropriations in FY 2012-13 by \$18.5 million as a result of the elimination of this budgeted cost in the current fiscal year. No reduction is made in the base appropriation for FY 2013-14 and FY 2014-15 in order to allow this funding to continue for health benefits in the 2013-2015 biennium. No funding in addition to this amount is included in the recommendations for the state agency (employer) share of state employee health insurance benefits during the 2013-2015 biennium.

The Governor's budget recommendations for the University of Nebraska system, State College system, and the community colleges provide adequate funding for reasonable salary decisions and the financing of health benefit costs as are determined by their individual governing boards. The Governor's budget recommendations for these systems are shown elsewhere in this publication.

Capital Construction



Capital Construction

The following summaries are categorized as either reaffirmation projects or new capital requests.

Reaffirmations

Reaffirmation projects are on-going undertakings that have received appropriations in prior periods. Reaffirmations are made to address legislative intent language, to pay down debt service, or continue long-term projects intended to be completed in future years. Total funding recommendations include \$71,718,450 for FY 2013-14 and \$53,426,930 for FY 2014-15. Included in these total amounts are \$19,538,000 General Funds, \$32,273,930 cash funds, \$17,791,520 federal funds, and \$2,115,000 revolving funds for FY 2013-14; and \$19,038,000 General Funds, \$32,273,930 cash funds, and \$2,115,000 revolving funds for FY 2014-15. In addition, \$217,607,541 is scheduled to be reaffirmed from all fund types in future biennia.

The projects to be reaffirmed include:

Military Federal Construction Projects – Nebraska Department of the Military Federal Construction Projects program captures the federal fund appropriations associated with building federal National Guard facilities in the state. The facilities are owned by the federal National Guard Bureau when completed. The Military Department estimates one year in advance on the potential federal funding for projects. The federal fund appropriation estimate for FY 2013-14 relative to these projects is \$17,791,520.

309 Task Force – The FY 2013-14 and FY 2014-15 recommendations include cash fund appropriations of \$21,273,930 for both fiscal years for funding the continuation of the Deferred Building Renewal Act.

Security System Upgrades – This project is to upgrade Security Systems at various facilities at the Department of Correctional Services. For the 2011–2013 biennium capital request, there was a “Future Years” request amount of \$500,000 in General Funds. This amount is being allocated in FY 2013-14.

Higher Education Renovation Projects – The recommendation provides \$11,000,000 General Funds for each fiscal year of the biennium to repay bonds issued by the University System following the passage of LB 605 (Laws 2006). The state funding is matched with student fees of \$11,000,000 each year. The bond funding enabled the University to complete renovation projects across the four main campuses.

The recommendation provides \$1,125,000 General Funds for each year of the biennium to repay bonds issued by the State Colleges following the passage of LB 605 in 2006. The state funding is matched with student fees of \$1,200,000 each year. The bond funding enabled the State Colleges to complete renovation projects at each of the three colleges.

NCTA – Curtis Education Center – The recommendation includes \$820,000 General Funds in FY 2013-14 and FY 2014-15 with \$8,746,135 designated for future use.

Veterinary Diagnostic Center – The recommendation includes \$6,093,000 General Funds in FY 2013-14 and FY 2014-15 with \$42,651,000 designated for future use. The certification of \$5,000,000 private or other funds as specified by LB 968 Sec. 28 (Laws 2011) has not yet been provided.

NSCS Board of Trustees Facilities Fee Fund Projects – Per Nebr. Rev. Statute 85-328, amounts accumulated in the State College Facility Fee Fund are authorized to be expended on capital improvement projects approved by the Board of Trustees. The recommendation provides \$915,000 revolving funds for FY 2013-14 and FY 2014-15 with \$6,405,000 designated for future use.

The Governor's recommendations on capital construction projects include the following reaffirmation of language for specific reappropriations of June 30, 2013 capital appropriations as set out in LB 377 (Session Laws 2011):

Nebraska State College System (NSCS) –

- Chadron State College Armstrong Gymnasium: \$6,700,000 Nebraska Capital Construction Fund (NCCF) in FY 2012-13. The certification of a minimum of \$2,000,000 from private or other funds as specified in LB 968 Sec. 25 (Laws 2011) was provided in October 2012.
- Peru State College Oak Bowl: \$7,500,000 NCCF in FY 2012-13. The certification of a minimum of \$1,500,000 from private or other funds or non-state in-kind services, materials, or property as specified in LB 968 Sec. 26 (Session Laws 2011) was provided in January 2013.

University of Nebraska System –

- UNMC Cancer Research Tower: \$50,000,000 NCCF in FY 2012-13. The certification of \$30,000,000 private or other funds as specified by LB 968 Sec. 29 (Laws 2011) has not yet been provided.
- College of Nursing and Allied Health-Kearney: \$15,000,000 NCCF in FY 2012-13. The certification of \$3,000,000 private or other funds as specified by LB 968 Sec. 30 (Laws 2011) has not yet been provided.

New Capital Construction

New capital requests are undertakings that will be initiated in the new biennium. Total funding recommendations include \$146,428,837 for FY 2013-14 and \$20,910,500 for FY 2014-15. Included in these amounts are \$2,253,024 General Funds, \$17,584,500 cash funds, \$74,004,854 federal funds, \$1,250,000 revolving funds, and \$51,336,459 Nebraska Capital Construction Funds in FY 2013-14; and \$3,321,000 General Funds, \$15,185,500 cash funds, \$1,390,000 revolving funds, and \$1,014,000 Nebraska Capital Construction Funds in FY 2014-15. In addition, \$5,986,000 is scheduled to be reaffirmed from all fund types in future biennia.

New capital construction projects include:

Corrections Capital Facilities Master Plan – The Department of Correctional Services is requesting funding to develop a strategic capital facilities master plan for correctional service needs in the future. The Plan will include projections on inmate populations and existing facility needs, as well as potential future facilities. The recommendations include \$360,000 Nebraska Capital Construction Funds (NCCF) in FY 2013-14 and \$225,000 NCCF in FY 2014-15 to develop this Plan.

TSCI Bay Addition – The Department of Correctional Services is requesting funding for a building addition to the Cornhusker State Industries (CSI) Building at the Tecumseh State Correctional Institution (TSCI). The addition would provide approximately 7,500 square feet of needed space for woodworking opportunities for inmates housed at TSCI. The project funding also includes a Program Statement to more fully define the space and operational requirements. The recommendations include \$1,250,000 revolving funds in FY 2013-14 and \$1,390,000 revolving funds in FY 2014-15 for this project.

State Patrol Crime Lab Facility – The Nebraska State Patrol submitted a Capital Construction Project request to build a new crime lab facility in Lincoln, as ownership on the current facility has changed and the lease will expire February 28, 2014. The new owner has indicated they prefer to sell the property. The State Patrol had a comprehensive Program Statement developed, which provided three options relative to building a new crime lab or purchasing and renovating an existing facility. The option to build a new crime lab was estimated at \$33,903,063. The option to buy an existing private building and renovate it to meet the crime lab needs was estimated at \$25,556,000. The third option on potentially utilizing an existing state-owned building and renovating it to the crime lab needs was estimated at \$28,011,000. The Governor's recommendations include \$1,750,000 Nebraska Capital Construction Funds (NCCF) appropriated to the Department of Administrative Services – Building Division, to be used with the intent to purchase or re-negotiate a new lease on the current crime lab facility and make critical repairs. The NCCF funding would come from transfers out of three State Patrol cash funds – the Nebraska State Patrol Cash Fund, the Public Safety Cash Fund, and the Public Safety Communications System Cash Fund.

Department of Roads Facility Improvements – The Nebraska Department of Roads, Program 901 – Facility Improvements, captures the cash fund appropriations for Roads facility construction projects. The agency submitted a capital facilities request for the upcoming biennium with a series of shops,

salt storage, equipment storage projects and a new storage yard project, totaling \$7,061,000 in FY 2013-14 and \$8,939,000 in FY 2014-15. The Governor's recommendations include \$7,000,000 cash fund appropriations in each of FY 2013-14 and FY 2014-15 to allow the Department to prioritize and complete the most critical items.

Nebraska Game & Parks Commission (NGPC) – The recommendation includes General Funds of \$1,740,000 for new cabins and campground improvements:

- Mahoney State Park – three six-bedroom cabins - \$1,000,000
- Lake McConaughy State Recreation Area – upgrade camper hook-ups and renovate campgrounds - \$740,000.

The recommendation also includes cash fund appropriation in the amount of \$9,904,500 in FY 2013-14 and \$7,335,500 in FY 2014-15. The projects encompass upgrades, replacement and deferred maintenance at park facilities. Included are basic facility improvements, motor boat access, wildlife land acquisition, outdoor skills facilities and shooting ranges, land and property acquisition for adjacent parkland, wildlife management area improvements, general repairs to administrative facilities, repairs and improvements to statewide fisheries, emergency repairs, nongame and endangered wildlife land acquisition, Cowboy Trail emergency and deferred maintenance and aquatic habitat restoration.

Specific major state park projects include:

- Fort Robinson State Park – reconstruction of the Officer Quarters
- Mahoney State Park – upgrade and renovation of cabins

Specific state recreation area projects are:

- Wildcat Hills – Nature Center Addition
- Fremont – new campground development
- Mormon Island – new campground development
- Medicine Creek – renovate building for laundry facility

Nebraska State College System (NSCS) – Neb. Rev. Statutes 13-2704 (LB 969, Sec. 4; Laws 2012) specifies transfers from the Civic and Community Center Financing Fund to the State Colleges Sport Facilities Fund according to the following schedule:

- October 1, 2012 \$250,000
- October 1, 2013 \$250,000
- October 1, 2014 \$250,000
- October 1, 2015 \$400,000, and every year thereafter.

The recommendation includes cash fund appropriation of \$500,000 in FY 2013-14, \$250,000 in FY 2014-15 and \$4,000,000 in future years.

The funds are dedicated to support renovation and construction of or improvements to intercollegiate athletic facilities for student fitness, recreation and sports activities. Priorities identified are flooring, fitness equipment, renovations to auditoriums, recreation centers and stadiums, track surfacing, field surface renovation, walking trails, natatorium renovations and press box improvements.

Central Nebraska Veterans' Home – The recommendation includes \$47,015,459 from the Nebraska Capital Construction Fund and \$74,004,854 estimated federal funds for FY 2013-14 for the construction of a veterans' home in central Nebraska to replace the facility currently located in Grand Island. The appropriation from the Nebraska Capital Construction Fund is recommended to be financed with a transfer or series of transfers from the Cash Reserve Fund. It is also recommended that the Cash Reserve Fund be reimbursed with a transfer from the General Fund to the Cash Reserve Fund on or before June 30, 2018.

Hastings Regional Center Bldg. No. 3 Renovation – The recommendation includes \$2,211,000 from the Nebraska Capital Construction Fund for FY 2013-14, \$3,321,000 General Funds and \$789,000 from the Nebraska Capital Construction Fund for FY 2014-15, and \$1,986,000 General Funds identified for project costs remaining after June 30, 2015 for the renovation of Building No. 3 at the Hastings Regional Center to house the male adolescent chemical dependency program.

The recommendation includes the estimated funding necessary to demolish vacant buildings at the site. It is also recommended that excess real property at the Hastings Regional Center be sold, with the net proceeds of any sale or sales going to the General Fund and the Nebraska Capital Construction Fund, with the amount going to each fund limited to the appropriations from the fund for the project. Net proceeds received in excess of the total project cost would remain in the Vacant Building and Excess Land Cash Fund.

YRTC-Kearney Dickson Cottage Remodel – The recommendation includes \$413,024 General Funds for FY 2013-14 to remodel the Dickson Cottage at the Youth Developmental Center at Kearney.

The purpose of the remodel project is to provide a complete physical and visual separation between the secure housing unit and the orientation housing unit.

KXNE Tower Lighting System – The recommendation includes \$100,000 General Funds in FY 2013-14 to replace the high-voltage warning light system on the KXNE broadcast tower with a new LED system.

State Airfield Projects – The Department of Aeronautics submitted capital construction requests to replace the current Scribner State Airfield manager’s residence, at a cost of approximately \$180,000 in FY 2013-14, and to construct a new hangar at the Harvard State Airfield, to replace current hangars B and C for aircraft storage, at a cost of approximately \$600,000 in FY 2014-15. The recommendations include cash fund appropriations of \$180,000 in FY 2013-14 and of \$600,000 in FY 2014-15 to fund these two projects.

**STATE OF NEBRASKA 2013 - 2015 BIENNIIUM BUDGET
CAPITAL CONSTRUCTION SUMMARY**

AGENCY	PROG. PROJECT DESCRIPTION	FUND	AGENCY REQUEST			GOVERNOR RECOMMENDATION		
			FY 2013 Base	FY 2014	FY 2015	FUTURE	FY 2014	FY 2015
REAFFIRMATION PROJECTS								
<u>25 - HHS</u>	902 Bridges Program Relocation	NCCF	499,433	0	0	0	0	0
	Agency Totals		499,433	0	0	0	0	0
<u>31 - Military</u>	925 Federal Construction Projects	Fed	0	17,791,520	0	0	17,791,520	0
	Agency Totals		0	17,791,520	0	0	17,791,520	0
<u>46 - Corrections</u>	913 Security Systems Upgrade	Gen	500,000	500,000	0	0	500,000	0
	Agency Totals		500,000	500,000	0	0	500,000	0
<u>50 - State Colleges</u>	919 State College Facilities Program	Gen	1,125,000	1,125,000	1,125,000	5,625,000	1,125,000	1,125,000
	919 State College Facilities Program	Rev	1,200,000	1,200,000	1,200,000	6,000,000	1,200,000	1,200,000
	920 NSC Board Facilities Fee Fund Projects	Rev	915,000	915,000	915,000	0	915,000	915,000
	935 CSC - Armstrong Gymnasium	NCCF	6,700,000	0	0	0	0	0
	997 PSC - Oak Bowl	NCCF	7,500,000	0	0	0	0	0
	Agency Totals		17,440,000	3,240,000	3,240,000	11,625,000	3,240,000	18,030,000
<u>51 - Univ of Nebraska</u>	920 University Facilities Program	Gen	11,000,000	11,000,000	11,000,000	55,000,000	11,000,000	11,000,000
	920 University Facilities Program	Cash	11,000,000	11,000,000	11,000,000	50,632,546	11,000,000	11,000,000
	921 Innovation Campus - 4H Bldg Renovation	NCCF	4,650,000	0	0	0	0	0
	921 Innovation Campus - Food, Fuel, & Water Resources	NCCF	3,487,500	0	0	0	0	0
	930 NCTA - Curtis Education Center	Gen	800,000	820,000	820,000	8,746,135	820,000	820,000
	939 Veterinary Diagnostic Center	Gen	6,093,000	6,093,000	6,093,000	42,651,000	6,093,000	6,093,000
	950 UNMC Cancer Research Tower	NCCF	50,000,000	0	0	0	0	0
	971 College of Nursing and Allied Health - Kearney	NCCF	15,000,000	0	0	0	0	0
	Agency Totals		102,030,500	28,913,000	28,913,000	157,029,681	28,913,000	28,913,000
<u>65 - Admin. Services</u>	935 Public Safety Communication System Towers	Gen	1,027,233	0	0	0	0	0
	940 Taskforce for Building Renewal	Cash	21,273,930	21,273,930	21,273,930	42,547,860	21,273,930	21,273,930
	Agency Totals		22,301,163	21,273,930	21,273,930	42,547,860	21,273,930	42,547,860
TOTALS - REAFFIRMATION PROJECTS								
	Gen		20,545,233	19,538,000	19,038,000	112,022,135	19,538,000	112,022,135
	Cash		32,273,930	32,273,930	32,273,930	93,180,406	32,273,930	32,273,930
	Fed		0	17,791,520	0	0	17,791,520	0
	Rev		2,115,000	2,115,000	2,115,000	6,000,000	2,115,000	2,115,000
	NCCF		87,836,933	0	0	0	0	0
	TOTAL		142,771,096	71,718,450	53,426,930	211,202,541	71,718,450	217,607,541

STATE OF NEBRASKA 2013 - 2015 BIENNIIUM BUDGET
 CAPITAL CONSTRUCTION SUMMARY

AGENCY	PROG.	PROJECT DESCRIPTION	FUND	AGENCY REQUEST			GOVERNOR RECOMMENDATION			
				FY 2013 Base	FY 2014	FY 2015	FUTURE	FY 2014	FY 2015	FUTURE
NEW CAPITAL PROJECTS										
<u>17 - Aeronautics</u>										
	917	Construction - Scribner Airfield House	Cash	0	180,000	0	0	180,000	0	0
	917	Construction - Harvard Airfield Hangar	Cash	0	0	600,000	0	0	600,000	0
		Agency Totals		0	180,000	600,000	0	180,000	600,000	0
<u>25 - DHHS</u>										
	912	Dickson Cottage Remodel	Gen	0	413,024	0	0	413,024	0	0
	919	HRC Building 3 Renovation	Gen	0	6,876,890	0	0	0	3,321,000	1,986,000
	919	HRC Building 3 Renovation	NCCF	0	0	0	0	2,211,000	789,000	0
	904	Central Nebraska Veterans' Home	NCCF	0	0	0	0	47,015,459	0	0
	904	Central Nebraska Veterans' Home	Fed	0	0	0	0	74,004,854	0	0
		Agency Totals		0	7,289,914	0	0	123,644,337	4,110,000	1,986,000
<u>27 - Roads</u>										
	901	Facility Improvements - Office/Shop/Storage	Cash	0	2,466,000	0	0	0	0	0
	901	Facility Improvements - Office/Shop/Storage	Cash	0	495,000	0	0	0	0	0
	901	Facility Improvements - Office/Shop/Storage	Cash	0	2,100,000	0	0	0	0	0
	901	Facility Improvements - Office/Shop/Storage	Cash	0	2,000,000	0	0	0	0	0
	901	Facility Improvements - Equip Storage & Salt Sheds	Cash	0	0	1,830,000	0	0	0	0
	901	Facility Improvements - New Yard - Relocation	Cash	0	0	6,109,000	0	0	0	0
	901	Facility Improvements - Statewide Salt Storage	Cash	0	0	1,000,000	0	0	0	0
	901	Facility Improvements - Statewide	Cash	0	0	0	0	7,000,000	7,000,000	0
		Agency Totals		0	7,061,000	8,939,000	0	7,000,000	7,000,000	0
<u>33 - Game & Parks</u>										
	900	State Park System Facility Improve - Boating Access	Cash	325,000	750,000	800,000	0	750,000	800,000	0
	901	State Parks Maintenance	Cash	300,000	1,200,000	1,200,000	0	1,200,000	1,200,000	0
	924	Wildlife Land Acquisition and Improvements	Cash	300,000	740,000	300,000	0	740,000	300,000	0
	955	Youth Outdoor Skills Camp Facility	Cash	1,000,000	800,000	0	0	800,000	0	0
	960	Land Acquisition for Parklands	Cash	100,000	50,000	50,000	0	50,000	50,000	0
	967	Improvements to State Parks - 1891 Officer Reconstr	Cash	575,400	1,500,000	0	0	1,500,000	0	0
	967	Improvements to State Parks - Contingency	Cash	0	10,000	5,500	0	10,000	5,500	0
	967	Improvements to State Parks - Land	Cash	0	90,000	110,000	0	90,000	110,000	0
	969	Improvements to State Rec Areas - Visitor's Ctr	Cash	357,000	250,000	250,000	0	250,000	250,000	0
	969	Improvements to State Rec Areas - New Campground	Cash	0	120,000	120,000	0	120,000	120,000	0
	969	Improvements to State Rec Areas - New Camp Lake #2	Cash	0	120,000	0	0	120,000	0	0
	969	Improvements to State Rec Areas - Latrine & Shower	Cash	0	0	30,000	0	0	30,000	0
	969	Improvements to State Rec Areas - Contingency	Cash	0	24,500	20,000	0	24,500	20,000	0
	970	Capital Improvements - Mahoney SP/Lake McConaughy SRA	Gen	0	0	0	0	1,740,000	0	0
	971	Wildlife Land Special Use Areas	Cash	325,000	325,000	325,000	0	325,000	325,000	0
	972	Improvements to Administrative Facilities	Cash	75,000	150,000	150,000	0	150,000	150,000	0
	973	Improvements to Fish Production Facilities	Cash	75,000	75,000	75,000	0	75,000	75,000	0
	975	Emergency Repairs to State Park Areas	Cash	75,000	100,000	100,000	0	100,000	100,000	0
	976	Emergency repairs to Fish and Wildlife Facilities	Cash	50,000	50,000	50,000	0	50,000	50,000	0
	977	Non-Game/Endangered Land Acquisition	Cash	0	10,000	0	0	10,000	0	0

**STATE OF NEBRASKA 2013 - 2015 BIENNIUM BUDGET
CAPITAL CONSTRUCTION SUMMARY**

AGENCY	PROG.	PROJECT DESCRIPTION	FUND	AGENCY REQUEST			GOVERNOR RECOMMENDATION			
				FY 2013 Base	FY 2014	FY 2015	FUTURE	FY 2014	FY 2015	FUTURE
33 - Game & Parks cont.	979	Cowboy Trail - Emergency & Deferred Maintenance	Cash	0	40,000	0	0	40,000	0	0
	981	Aquatic Habitat Enhancement and Restoration	Cash	2,500,000	3,500,000	3,750,000	0	3,500,000	3,750,000	0
		Various Requests Below \$580,000	Cash	0	0	0	0	0	0	0
		Agency Totals		6,057,400	9,904,500	7,335,500	0	11,644,500	7,335,500	0
46 - Corrections	917	Corrections Capital Facilities Master Plan	Gen	0	360,000	225,000	0	0	0	0
	917	Corrections Capital Facilities Master Plan	NCCF	0	0	0	0	360,000	225,000	0
	921	TSCI Bay Addition	Rev	0	1,250,000	1,390,000	0	1,250,000	1,390,000	0
		Agency Totals		0	1,610,000	1,615,000	0	1,610,000	1,615,000	0
47 - NETC	927	KXNE Tower Lighting System - ETV Bldg	Gen	0	100,000	0	0	100,000	0	0
	928	Radio Transmission - ETV Bldg	Gen	0	175,000	150,000	0	0	0	0
	929	Enterprise UPS - ETV Bldg	Gen	0	100,000	0	0	0	0	0
	930	Media Services Technology - ETV Bldg	Gen	0	175,000	75,000	25,000	0	0	0
	931	Technical Corridor - ETV Bldg	Gen	0	300,000	200,000	0	0	0	0
	932	Facility Routing - ETV Bldg	Gen	0	0	250,000	250,000	0	0	0
		Agency Totals		0	850,000	675,000	275,000	100,000	0	0
50 - State Colleges	903	State Colleges Facilities - Sports Facilities Projects	Cash	0	500,000	250,000	4,000,000	500,000	250,000	4,000,000
	912	WSC - U.S. Conn Library	Gen	0	9,000,000	3,000,000	0	0	0	0
	933	CSC - Rangeland Center	Gen	0	3,696,470	0	0	0	0	0
	992	PSC - Biomass Energy Center	Gen	0	1,200,000	2,632,000	0	0	0	0
	994	PSC - T.J. Majors Ctr GEO HVAC	Gen	0	2,600,000	0	0	0	0	0
		Agency Totals		0	16,996,470	5,882,000	4,000,000	500,000	250,000	4,000,000
51 - Univ of Nebraska	938	USPFO Building Renovation	Gen	0	2,100,000	3,000,000	0	0	0	0
	976	College of Nursing Building	Gen	0	8,457,250	9,105,250	0	0	0	0
		Agency Totals		0	10,557,250	12,105,250	0	0	0	0
54 - Historical Society	957	Lincoln Museum Renovation	Gen	0	456,706	5,300,050	1,395,747	0	0	0
		Agency Totals		0	456,706	5,300,050	1,395,747	0	0	0
64 - State Patrol	904	Crime Lab Facility (Option 1)	Gen	0	1,694,155	17,617,062	14,591,846	0	0	0
	904	Crime Lab Facility (Option 2)	Gen	0	6,526,120	16,673,052	2,356,828	0	0	0
	904	Crime Lab Facility (Option 2)	Cash	0	0	0	0	0	0	0
	904	Crime Lab Facility (Option 3)	Gen	0	1,388,033	14,549,559	12,073,408	0	0	0
	Agency Totals		0	1,694,155	17,617,062	14,591,846	0	0	0	

STATE OF NEBRASKA 2013 - 2015 BIENNIUM BUDGET
CAPITAL CONSTRUCTION SUMMARY

AGENCY	PROG.	PROJECT DESCRIPTION	FUND	AGENCY REQUEST			GOVERNOR RECOMMENDATION			
				FY 2013 Base	FY 2014	FY 2015	FUTURE	FY 2014	FY 2015	FUTURE
<u>65 - Admin. Services</u>	901	State Capitol Improvements	Gen	227,000	500,000	1,000,000	8,000,000	0	0	0
	904	State Patrol Crime Lab Facility	NCCF	0	0	0	0	1,750,000	0	0
Agency Totals				227,000	500,000	1,000,000	8,000,000	1,750,000	0	0
<u>TOTALS - NEW CAPITAL PROJECTS</u>										
			Gen	227,000	38,204,495	42,554,362	24,262,593	2,253,024	3,321,000	1,986,000
			Cash	6,057,400	17,645,500	17,124,500	4,000,000	17,584,500	15,185,500	4,000,000
			Fed	0	0	0	0	74,004,854	0	0
			Rev	0	1,250,000	1,390,000	0	1,250,000	1,390,000	0
			NCCF	0	0	0	0	51,336,459	1,014,000	0
			TOTAL	6,284,400	57,099,995	61,068,862	28,262,593	146,428,837	20,910,500	5,986,000
<u>CAPITAL CONSTRUCTION SUMMARY</u>										
<u>NEW PROJECTS + REAFFIRMATIONS</u>										
			FUND	Base Year FY 2013	FY 2014	FY 2015	FUTURE	FY 2014	FY 2015	FUTURE
			Gen	20,772,233	57,742,495	61,592,362	136,284,728	21,791,024	22,359,000	114,008,135
			Cash	38,331,330	49,919,430	49,398,430	97,180,406	49,858,430	47,459,430	97,180,406
			Fed.	0	17,791,520	0	0	91,796,374	0	0
			Rev.	2,115,000	3,365,000	3,505,000	6,000,000	3,365,000	3,505,000	12,405,000
			NCCF	87,836,933	0	0	0	51,336,459	1,014,000	0
			TOTAL	149,055,496	128,818,445	114,495,792	239,465,134	218,147,287	74,337,430	223,593,541
<u>CONSTRUCTION GRAND TOTALS</u>										

Current Biennium Appropriation Changes

FY 2012-13 Deficit Budget Requests and Recommendations

Ag #	Agency Name	Prog#	Program Name	Issue Description	Type	Fund Type	FY 2012-13	
							Agency Request	Governor
005	Supreme Court	435	Community Corrections	Increase personal services limitation	Deficit	PSL	168,243	168,243
005	Supreme Court	435	Community Corrections	Reduce excess appropriation due to delayed pilot project startup	Deficit	General		(2,000,000)
009	Secretary Of State	009	Salary-Sec Of State	Secretary of State health insurance and benefits	Deficit	General	1,607	1,607
012	State Treasurer	659	Long Term Care Savings	Reduce excess appropriation as indicated in agency biennial request	Deficit	General		(25,000)
013	Education	158	Education Aid	Increase to offset lower than projected Insurance Premium Tax allocation	Deficit	General		1,464,531
013	Education	614	Professional Practices Comm	Increase personal services limitation	Deficit	PSL	1,345	1,345
013	Education	614	Professional Practices Comm	Retirement Payout	Deficit	Cash	43,000	43,000
013	Education	614	Professional Practices Comm	Retirement Payout	Deficit	PSL	33,000	33,000
016	Revenue	108	Homestead Exemption	Adjust due to actual claims lower than previously projected cost	Deficit	General	(5,000,000)	(5,000,000)
017	Aeronautics	596	State Owned Aircraft	Aircraft Purchase	Deficit	General	2,164,760	2,164,760
025	Health and Human Services	033	Administration	Access Nebraska communications expense	Deficit	General	3,300,000	3,300,000
025	Health and Human Services	178	Professional Licensure	Public Health increased indirect cost	Deficit	Cash		442,556
025	Health and Human Services	347	Public Assistance	Reduce unneeded reappropriation	Reappr	General	(3,300,000)	(3,300,000)
031	Military	192	Governors Emergency Program	Restore Governor's Emergency Fund balance	Deficit	General	5,500,000	5,500,000
046	Corrections	200	Adult Operations	Increase inmate population costs	Deficit	General	5,113,211	5,113,211
046	Corrections	200	Adult Operations	Increase inmate population costs	Deficit	PSL	1,055,339	1,055,339
054	Historical Society	043	Departmental Administration	Utilities	Deficit	General	18,999	18,999
065	Administrative Services	606	Benefits Administration	Increase in personal services	Deficit	Cash	12,500	12,500
065	Administrative Services	606	Benefits Administration	Increase in personal services	Deficit	PSL	12,500	12,500
065	Administrative Services	608	Employee Relations Division	Increase in personal services	Deficit	General	1,677	1,677
065	Administrative Services	608	Employee Relations Division	Increase in personal services	Deficit	PSL	1,677	1,677
077	Industrial Relations Comm.	531	Administration	Increase personal services limitation	Deficit	PSL	768	768
084	Environmental Quality	513	Administration	Lapse LB 44 (2011 Special Session) reappropriation	Reappr	General		(1,746,613)

FY 2012-13 Deficit Budget Requests and Recommendations

Ag #	Agency Name	Prog#	Program Name	Issue Description	Type	Fund Type	FY 2012-13	
							Agency Request	Governor
Enterprise	Employee health insurance premium abatement savings				Deficit	General		(9,048,341)
Enterprise	Employee health insurance premium abatement savings				Deficit	Cash		(4,936,594)
Enterprise	Employee health insurance premium abatement savings				Deficit	Federal		(3,796,263)
Enterprise	Employee health insurance premium abatement savings				Deficit	Revolving		(708,621)
Appropriation Fund Totals								
					Deficit	General	11,100,254	1,491,444
					Deficit	Cash	55,500	(4,438,538)
					Deficit	Federal	0	(3,796,263)
					Deficit	Revolving	0	(708,621)
						Total	11,155,754	(7,451,978)
					Deficit	PSL	1,272,872	1,272,872
Reappropriation Fund Totals								
					Reappr	General	(3,300,000)	(5,046,613)
						Total	(3,300,000)	(5,046,613)

Agency Operations and Aid Totals by Fund Type

General Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
003	LEGISLATIVE COUNCIL	17,454,209	17,117,261	18,070,091	19,320,048	18,357,084	19,849,394	18,650,583
005	SUPREME COURT	68,487,472	73,307,839	84,265,483	87,116,608	85,713,715	87,475,042	86,698,199
007	GOVERNOR	1,640,936	1,684,164	1,652,727	1,622,022	1,649,145	1,824,699	1,879,557
008	LIEUTENANT GOVERNOR	138,581	130,421	143,610	143,610	143,828	143,610	144,050
009	SECRETARY OF STATE	419,521	470,361	444,708	1,436,370	517,899	1,436,370	1,451,004
010	AUDITOR OF PUBLIC ACCOUNTS	2,254,407	2,209,915	2,184,391	2,231,590	2,082,112	2,216,590	2,125,456
011	ATTORNEY GENERAL	5,578,992	6,458,182	5,815,369	6,182,977	6,166,185	5,772,079	6,019,265
012	STATE TREASURER	18,562,490	1,228,760	1,389,129	1,309,830	1,297,603	1,300,812	1,301,644
013	DEPT OF EDUCATION	1,019,780,739	1,024,084,084	1,065,532,941	1,083,945,012	1,118,992,016	1,095,210,722	1,170,777,002
014	PUBLIC SERVICE COMM	2,358,365	2,318,704	2,359,563	2,518,639	2,388,884	2,579,076	2,413,029
015	BOARD OF PAROLE	766,326	773,716	819,249	819,249	832,930	819,249	847,913
016	DEPT OF REVENUE	96,697,278	93,770,644	98,142,530	101,649,751	96,965,825	104,587,341	100,747,000
018	DEPT OF AGRICULTURE	5,809,654	6,101,893	5,618,857	5,819,640	5,931,350	5,826,640	5,960,251
021	STATE FIRE MARSHAL	4,163,069	3,902,822	3,991,920	4,046,920	4,112,928	3,991,920	4,125,410
022	DEPT OF INSURANCE	0	0	0	2,000,000	0	0	776,605
023	DEPARTMENT OF LABOR	368,533	367,514	497,939	497,939	506,392	497,939	515,042
025	DEPT OF HEALTH & HUMAN SERVICES	1,115,573,011	1,235,755,799	1,350,602,358	1,449,040,088	1,448,936,213	1,538,302,539	1,535,094,789
027	DEPARTMENT OF ROADS	497	0	0	0	0	0	0
028	DEPT OF VETERANS AFFAIRS	1,044,916	1,121,481	1,127,666	1,124,079	1,134,513	1,124,079	1,152,570
029	DEPT OF NATURAL RESOURCES	15,187,834	15,537,832	16,355,532	16,355,532	16,482,807	16,355,532	16,612,946
031	MILITARY DEPARTMENT	5,347,763	7,011,949	4,676,748	4,776,748	4,814,661	4,876,748	4,953,424
032	BOARD OF EDUCATIONAL LANDS & FUNDS	332,593	303,451	310,575	310,575	315,828	310,575	321,199
033	GAME & PARKS COMMISSION	11,120,038	10,908,593	10,875,616	11,074,412	11,074,953	11,077,529	11,271,749
034	NEBRASKA LIBRARY COMMISSION	3,589,724	3,237,165	3,446,000	4,578,388	3,511,708	5,715,120	3,580,064
035	LIQUOR CONTROL COMMISSION	886,772	890,537	973,825	1,117,594	985,739	1,117,594	999,093
036	STATE RACING COMMISSION	0	0	0	100,000	0	100,000	0
046	DEPT OF CORRECTIONAL SERVICES	141,619,623	161,565,294	156,840,269	165,099,699	166,673,184	167,365,561	169,955,975
047	EDUCATIONAL TELECOMMUNICATIONS COMM	9,488,410	9,936,641	9,558,708	9,774,645	9,625,564	9,929,945	9,694,415

General Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
048	COORDINATING COMM FOR POSTSECONDARY	8,071,916	8,101,331	8,181,637	8,829,698	8,266,023	9,367,485	8,330,839
050	NEBRASKA STATE COLLEGES	46,924,533	44,944,253	45,450,893	48,789,950	47,500,893	49,986,420	49,600,893
051	UNIVERSITY OF NEBRASKA	490,008,868	488,083,784	497,998,690	510,448,882	517,098,690	522,424,120	540,998,690
054	STATE HISTORICAL SOCIETY	4,211,687	3,855,993	3,915,325	4,281,353	3,998,778	4,271,775	4,067,689
064	NEBRASKA STATE PATROL	53,591,488	56,747,542	54,253,448	54,972,018	55,454,789	54,765,885	55,713,148
065	DEPT OF ADMINISTRATIVE SERVICES	10,869,532	11,876,494	7,638,096	7,645,165	10,001,329	7,645,665	11,254,969
067	EQUAL OPPORTUNITY COMM	1,201,912	1,109,476	1,178,277	1,153,625	1,180,939	1,153,625	1,209,630
068	COMMISSION ON LATINO-AMERICANS	198,121	192,100	178,681	222,926	181,824	222,926	185,036
069	NEBRASKA ARTS COUNCIL	1,441,871	1,290,330	1,376,336	1,690,396	1,384,454	1,678,122	1,392,756
070	FOSTER CARE REVIEW	1,337,579	1,431,077	1,379,348	1,534,822	1,398,917	1,532,572	1,418,925
072	DEPT OF ECONOMIC DEVELOPMENT	5,475,723	6,109,460	11,457,955	11,707,955	11,757,968	11,757,955	11,859,941
076	COMM ON INDIAN AFFAIRS	190,896	158,428	167,410	209,375	170,074	210,094	172,796
077	COMM ON INDUSTRIAL RELATIONS	276,478	287,662	302,708	321,764	306,579	309,129	310,048
078	COMM ON LAW ENFORCEMENT & CRIMINAL	11,433,849	6,234,552	5,632,611	5,802,878	5,826,223	5,802,878	5,852,457
081	COMM FOR BLIND & VISUALLY IMPAIRED	1,023,439	1,005,067	1,023,003	1,023,003	1,029,220	1,023,003	1,035,570
082	COMM FOR DEAF & HARD OF HEARING	760,963	810,889	848,782	848,782	858,072	848,782	867,570
083	AID TO COMMUNITY COLLEGES	86,758,025	86,758,025	87,870,147	101,370,147	91,370,147	101,370,147	95,070,147
084	DEPT OF ENVIRONMENTAL QUALITY	8,666,912	5,451,028	5,769,858	5,412,484	5,455,355	5,480,267	5,572,680
085	PUBLIC EMPLOYEES RETIREMENT SYSTEM	27,420,010	28,354,698	29,991,325	62,366,580	22,127,704	83,999,580	21,724,580
087	ACCOUNTABILITY & DISCLOSURE COMM	415,120	385,146	407,548	407,638	416,368	454,138	471,797
091	NEBRASKA TOURISM COMMISSION	0	0	250,000	1,000,000	250,000	1,000,000	250,000
093	TAX EQUALIZATION & REVIEW COMM	853,601	684,623	683,640	733,273	730,680	733,273	744,584
State Total		3,309,804,277	3,434,066,979	3,611,651,522	3,814,784,679	3,795,978,092	3,955,844,546	3,976,172,979

Cash Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
003	LEGISLATIVE COUNCIL	73,168	57,356	171,227	233,289	172,544	233,799	173,889
005	SUPREME COURT	18,215,712	13,850,064	13,872,180	14,263,552	13,655,249	14,208,898	13,689,237
009	SECRETARY OF STATE	5,090,084	5,384,585	6,585,614	5,394,813	6,346,522	5,222,493	5,276,818
010	AUDITOR OF PUBLIC ACCOUNTS	1,058,090	1,226,953	1,334,552	1,334,552	1,191,431	1,334,552	1,215,870
011	ATTORNEY GENERAL	899,674	896,662	1,040,437	1,422,829	1,051,069	1,422,829	1,061,942
012	STATE TREASURER	7,647,631	5,815,608	4,959,639	5,058,302	5,003,861	5,053,302	5,022,957
013	DEPT OF EDUCATION	5,993,174	9,974,433	14,343,989	12,418,378	14,396,786	12,434,835	14,260,530
014	PUBLIC SERVICE COMM	63,491,926	56,346,186	76,504,394	81,920,964	82,442,392	82,009,702	78,529,397
016	DEPT OF REVENUE	136,966,410	137,061,149	141,110,044	140,927,265	141,038,179	141,928,858	141,653,263
017	DEPT OF AERONAUTICS	26,200,940	25,030,076	20,133,265	25,302,992	25,330,311	29,955,638	30,308,008
018	DEPT OF AGRICULTURE	6,061,837	6,859,087	6,956,841	7,130,396	7,230,620	7,158,396	7,253,610
019	DEPT OF BANKING	6,053,429	6,008,983	6,850,108	7,350,108	7,445,822	7,100,108	7,294,977
021	STATE FIRE MARSHAL	930,422	977,924	1,711,311	1,743,385	1,758,525	1,741,161	1,771,781
022	DEPT OF INSURANCE	8,608,686	8,464,686	11,447,027	11,447,027	11,576,484	25,632,246	11,713,691
023	DEPARTMENT OF LABOR	1,272,669	4,133,900	2,000,578	2,469,589	2,205,136	2,469,589	2,214,329
024	DEPT OF MOTOR VEHICLES	25,927,897	21,543,824	19,857,806	19,614,751	19,809,080	19,672,807	19,993,067
025	DEPT OF HEALTH & HUMAN SERVICES	130,788,509	141,125,218	162,959,689	163,490,306	161,416,495	163,538,341	161,813,025
027	DEPARTMENT OF ROADS	596,648,827	689,559,380	674,086,239	813,486,239	806,580,989	793,486,239	800,450,393
028	DEPT OF VETERANS AFFAIRS	0	8,000	6,000	10,000	10,000	10,000	10,000
029	DEPT OF NATURAL RESOURCES	3,187,233	1,827,917	10,486,125	9,086,125	9,087,861	9,086,125	9,089,636
030	NEBRASKA ELECTRICAL BOARD	1,489,115	1,434,732	1,572,515	1,588,037	1,605,133	1,588,037	1,627,061
031	MILITARY DEPARTMENT	1,065,216	1,055,665	891,758	920,123	924,360	920,677	929,245
032	BOARD OF EDUCATIONAL LANDS & FUNDS	10,802,575	11,314,300	11,597,987	14,042,305	14,077,881	14,776,324	14,849,035
033	GAME & PARKS COMMISSION	64,429,709	62,034,619	63,152,155	68,127,481	68,762,359	68,460,490	69,551,459
034	NEBRASKA LIBRARY COMMISSION	337,224	607,150	94,085	94,085	96,233	94,085	98,431
035	LIQUOR CONTROL COMMISSION	30,172	16,757	70,719	70,719	98,337	70,719	98,337
036	STATE RACING COMMISSION	825,024	726,831	1,049,019	1,029,019	1,039,226	1,029,019	1,049,661
037	WORKERS COMPENSATION COURT	5,814,280	5,583,712	5,615,669	5,616,339	5,667,647	5,616,339	5,722,159

Cash Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
039	NEBRASKA BRAND COMMITTEE	4,032,677	4,020,691	4,296,578	4,414,928	4,377,881	4,399,788	4,430,981
040	MOTOR VEHICLE INDUSTRY LICENSING	637,692	689,311	700,463	733,079	718,666	733,079	729,763
041	REAL ESTATE COMMISSION	1,146,613	1,056,789	1,105,285	1,145,285	1,137,187	1,125,285	1,130,817
045	BOARD OF BARBER EXAMINERS	129,562	123,911	151,907	195,084	189,037	155,402	154,756
046	DEPT OF CORRECTIONAL SERVICES	1,906,137	1,630,645	2,054,373	2,197,373	2,197,373	2,197,373	2,197,373
047	EDUCATIONAL TELECOMMUNICATIONS COMM	294,652	707,951	337,755	337,755	337,725	337,755	337,725
048	COORDINATING COMM FOR POSTSECONDARY	7,975,336	8,289,356	9,015,000	10,025,000	10,025,000	10,025,000	10,025,000
050	NEBRASKA STATE COLLEGES	26,621,985	29,189,794	30,597,319	30,597,319	30,597,319	30,597,319	30,597,319
051	UNIVERSITY OF NEBRASKA	331,275,995	330,277,528	397,707,708	397,707,708	397,707,708	397,707,708	397,707,708
052	STATE BOARD OF AGRICULTURE	3,240,995	3,450,499	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
053	REAL PROPERTY APPRAISER BOARD	180,567	281,476	311,781	473,123	390,800	353,053	313,165
054	STATE HISTORICAL SOCIETY	1,381,408	1,265,800	1,903,041	2,324,501	2,287,244	2,248,041	2,207,236
056	NEBRASKA WHEAT BOARD	1,143,454	1,007,505	1,498,330	1,700,000	1,501,516	1,950,000	1,504,472
057	OIL & GAS CONSERVATION COMM	540,390	593,522	779,345	786,440	796,057	786,940	806,392
058	BOARD OF ENGINEERS AND ARCHITECTS	585,617	578,488	695,816	706,077	701,408	695,817	708,872
059	BOARD OF GEOLOGISTS	29,684	31,119	44,902	27,971	27,955	28,406	28,390
060	NEBRASKA ETHANOL BOARD	547,142	465,213	535,708	631,458	638,331	631,458	645,359
061	DAIRY INDUSTRY DEVELOPMENT BOARD	1,163,030	1,258,571	1,399,957	1,399,957	1,399,957	1,399,957	1,399,957
062	BOARD OF EXAMINERS-LAND SURVEYORS	17,202	17,369	28,374	28,374	28,374	28,374	28,374
063	BOARD OF PUBLIC ACCOUNTANCY	381,320	366,664	416,852	417,213	419,730	417,213	423,866
064	NEBRASKA STATE PATROL	14,978,475	13,729,001	16,560,311	15,607,592	15,739,693	16,467,208	16,230,550
065	DEPT OF ADMINISTRATIVE SERVICES	33,438,943	28,147,385	4,134,132	4,568,070	4,542,762	4,315,570	4,269,487
066	BOARD OF EXAMINERS-ABSTRACTORS	46,991	46,288	50,105	51,894	49,195	52,584	49,720
069	NEBRASKA ARTS COUNCIL	1,226,045	325,500	1,435,000	1,435,000	1,435,000	1,435,000	1,435,000
070	FOSTER CARE REVIEW	0	1,535	5,700	5,700	5,700	5,700	5,700
071	STATE ENERGY OFFICE	522,088	454,748	1,653,842	1,403,842	1,407,934	1,403,842	1,412,123
072	DEPT OF ECONOMIC DEVELOPMENT	17,059,564	13,055,890	16,060,371	16,060,371	16,067,945	16,060,371	16,075,885
073	BOARD OF LANDSCAPE ARCHITECTS	19,825	21,359	32,711	22,151	22,151	22,586	22,586

Cash Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
074	POWER REVIEW BOARD	346,938	466,264	641,776	597,659	598,521	567,659	572,791
075	NEBRASKA INVESTMENT COUNCIL	2,267,618	2,348,663	2,480,449	2,480,449	2,500,239	2,480,449	2,521,953
076	COMM ON INDIAN AFFAIRS	20,119	9,595	92,922	92,922	10,000	92,922	10,000
078	COMM ON LAW ENFORCEMENT & CRIMINAL	991,723	1,248,787	2,082,147	1,535,655	1,551,259	1,510,314	1,541,869
081	COMM FOR BLIND & VISUALLY IMPAIRED	77,164	80,900	94,296	98,746	99,111	98,746	99,483
082	COMM FOR DEAF & HARD OF HEARING	25,515	25,572	18,236	18,236	18,236	14,836	14,836
084	DEPT OF ENVIRONMENTAL QUALITY	22,365,884	24,566,587	32,983,862	31,513,218	31,645,436	31,752,585	32,010,857
085	PUBLIC EMPLOYEES RETIREMENT SYSTEM	5,456,926	4,457,393	5,026,088	5,203,374	5,121,673	5,168,374	5,163,997
086	DRY BEAN COMMISSION	346,848	309,427	380,494	380,000	381,415	380,000	382,254
087	ACCOUNTABILITY & DISCLOSURE COMM	118,041	144,410	1,080,134	1,102,515	165,464	1,125,965	120,152
088	CORN DEVELOPMENT MARKETING BOARD	3,632,692	3,736,332	5,954,818	7,204,818	7,214,315	7,204,818	7,224,107
091	NEBRASKA TOURISM COMMISSION	0	0	3,979,777	4,275,262	4,537,183	4,275,262	4,549,371
092	GRAIN SORGHUM BOARD	134,083	144,883	290,724	290,724	292,021	290,724	293,414
093	TAX EQUALIZATION & REVIEW COMM	917	83,062	115,000	100,000	100,000	100,000	100,000
094	COMMISSION ON PUBLIC ADVOCACY	3,608,044	3,535,313	4,012,151	4,037,767	4,030,258	4,039,016	4,048,230
State Total		1,619,825,534	1,701,166,855	1,815,706,512	1,972,027,580	1,965,535,311	1,973,438,107	1,962,753,698

Federal Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
003	LEGISLATIVE COUNCIL	261	0	39,270	39,270	39,270	39,270	39,270
005	SUPREME COURT	1,228,177	1,633,243	1,404,142	1,636,481	1,645,817	1,638,020	1,656,906
009	SECRETARY OF STATE	59,667	63,446	98,300	98,300	98,300	98,300	98,300
011	ATTORNEY GENERAL	1,295,789	1,377,852	1,587,852	1,587,852	1,610,979	1,587,852	1,634,625
012	STATE TREASURER	1,833,681	1,580,064	1,775,680	1,656,732	1,674,052	1,643,205	1,678,240
013	DEPT OF EDUCATION	529,936,716	424,864,378	345,208,966	345,718,466	346,204,859	346,240,704	347,224,384
014	PUBLIC SERVICE COMM	641,687	713,247	1,072,357	762,618	762,408	438,812	147,058
018	DEPT OF AGRICULTURE	3,284,175	2,969,102	4,670,141	3,629,097	3,646,957	3,629,097	3,665,226
021	STATE FIRE MARSHAL	668,710	641,279	341,907	390,017	400,131	386,682	407,143
022	DEPT OF INSURANCE	2,710,317	2,928,372	1,425,670	119,085,654	2,956,819	59,622,581	2,222,924
023	DEPARTMENT OF LABOR	44,437,188	42,394,482	45,721,913	47,377,018	48,327,945	46,678,718	46,437,483
024	DEPT OF MOTOR VEHICLES	257,117	467,384	999,687	327,551	316,365	192,124	184,223
025	DEPT OF HEALTH & HUMAN SERVICES	1,558,419,766	1,440,704,593	1,569,718,764	1,747,261,544	1,700,399,926	1,838,661,158	1,776,919,814
027	DEPARTMENT OF ROADS	5,878,495	0	0	0	0	0	0
028	DEPT OF VETERANS AFFAIRS	1,240,196	325,048	0	0	0	0	0
029	DEPT OF NATURAL RESOURCES	758,273	609,872	511,923	734,906	743,705	734,906	752,702
031	MILITARY DEPARTMENT	84,421,441	83,970,408	23,811,239	23,294,604	23,406,110	23,295,158	23,520,660
033	GAME & PARKS COMMISSION	8,342,241	10,964,214	5,183,291	5,183,291	7,703,068	5,183,291	7,723,302
034	NEBRASKA LIBRARY COMMISSION	1,865,702	2,650,709	1,511,770	1,511,770	1,525,606	1,511,770	1,539,756
037	WORKERS COMPENSATION COURT	46,163	43,644	49,357	49,357	50,206	49,357	51,074
046	DEPT OF CORRECTIONAL SERVICES	19,842,727	1,405,447	1,738,680	1,738,680	1,753,316	1,738,680	1,768,281
047	EDUCATIONAL TELECOMMUNICATIONS COMM	182,932	0	0	0	0	0	0
048	COORDINATING COMM FOR POSTSECONDARY	1,550,967	1,668,476	2,501,488	2,209,757	2,211,746	2,209,757	2,213,782
050	NEBRASKA STATE COLLEGES	46,407,828	46,504,136	46,739,698	46,739,698	46,739,698	46,739,698	46,739,698
051	UNIVERSITY OF NEBRASKA	461,373,717	496,725,163	536,466,556	536,466,556	536,466,556	536,466,556	536,466,556
054	STATE HISTORICAL SOCIETY	1,209,916	701,677	814,309	814,309	821,665	814,309	829,191
057	OIL & GAS CONSERVATION COMM	90,062	81,862	93,595	86,500	88,166	86,000	89,369
064	NEBRASKA STATE PATROL	10,226,739	7,924,994	2,267,865	2,267,865	2,337,334	2,267,865	2,408,444

Federal Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
065	DEPT OF ADMINISTRATIVE SERVICES	3,104,003	2,813,221	207,084	260,601	260,601	0	0
067	EQUAL OPPORTUNITY COMM	583,796	604,448	677,810	677,810	677,810	677,810	677,810
069	NEBRASKA ARTS COUNCIL	916,546	875,627	883,955	758,500	763,022	758,500	767,649
070	FOSTER CARE REVIEW	268,315	301,354	400,000	451,825	406,523	451,075	413,192
071	STATE ENERGY OFFICE	38,106,054	36,778,763	7,738,608	7,738,608	7,766,347	7,738,608	7,794,714
072	DEPT OF ECONOMIC DEVELOPMENT	38,465,400	29,789,111	26,196,277	26,196,277	26,215,003	26,196,277	26,234,148
076	COMM ON INDIAN AFFAIRS	0	33,502	0	0	100,000	0	100,000
078	COMM ON LAW ENFORCEMENT & CRIMINAL	10,064,718	11,068,168	10,438,878	10,472,508	10,480,113	10,472,508	10,489,084
081	COMM FOR BLIND & VISUALLY IMPAIRED	3,694,110	3,463,459	3,315,713	3,796,656	3,842,320	3,796,656	3,888,993
084	DEPT OF ENVIRONMENTAL QUALITY	38,230,725	24,878,614	29,870,308	29,960,364	30,069,307	29,988,139	30,211,942
088	CORN DEVELOPMENT MARKETING BOARD	42,165	0	260,581	0	0	0	0
091	NEBRASKA TOURISM COMMISSION	0	0	959,815	0	0	0	0
State Total		2,921,686,482	2,684,519,361	2,676,703,449	2,970,981,042	2,812,512,050	3,002,033,443	2,886,995,943

Revolving Funds

Ag#	Agency Name	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2013-14	FY2013-14	FY2014-15	FY2014-15
		Actual Expenditures	Actual Expenditures	Appropriation	Agency Request	Agency Request	Governor's Recommendation	Agency Request	Governor's Recommendation
009	SECRETARY OF STATE	867,299	802,434	1,012,765	1,078,507	1,085,769	1,061,007	1,075,690	
011	ATTORNEY GENERAL	1,006,883	1,048,231	1,217,816	1,217,816	1,237,223	1,217,816	1,257,064	
013	DEPT OF EDUCATION	27,168	161,027	204,728	204,728	204,728	204,728	204,728	
018	DEPT OF AGRICULTURE	518,640	496,466	533,048	524,955	541,726	524,955	549,626	
027	DEPARTMENT OF ROADS	1,069,816	0	0	0	0	0	0	
046	DEPT OF CORRECTIONAL SERVICES	16,491,852	15,180,738	18,309,400	18,391,841	18,477,502	18,391,841	18,565,097	
050	NEBRASKA STATE COLLEGES	7,178,249	7,253,655	8,345,927	8,345,927	8,345,927	8,345,927	8,345,927	
051	UNIVERSITY OF NEBRASKA	403,778,203	419,861,721	534,537,808	534,537,808	534,537,808	534,537,808	534,537,808	
064	NEBRASKA STATE PATROL	679,662	859,576	981,746	981,746	990,642	981,746	999,738	
065	DEPT OF ADMINISTRATIVE SERVICES	166,910,361	172,798,494	187,665,424	198,030,797	196,481,949	198,534,707	197,708,122	
State Total		598,528,133	618,462,341	752,808,662	763,314,125	761,903,274	763,800,535	763,243,800	

All Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
003	LEGISLATIVE COUNCIL	17,527,638	17,174,617	18,280,588	19,592,607	18,568,898	20,122,463	18,863,742
005	SUPREME COURT	87,931,360	88,791,145	99,541,805	103,016,641	101,014,781	103,321,960	102,044,342
007	GOVERNOR	1,640,936	1,684,164	1,652,727	1,622,022	1,649,145	1,824,699	1,879,557
008	LIEUTENANT GOVERNOR	138,581	130,421	143,610	143,610	143,828	143,610	144,050
009	SECRETARY OF STATE	6,436,570	6,720,826	8,141,387	8,007,990	8,048,490	7,818,170	7,901,812
010	AUDITOR OF PUBLIC ACCOUNTS	3,312,498	3,436,868	3,518,943	3,566,142	3,273,543	3,551,142	3,341,326
011	ATTORNEY GENERAL	8,781,338	9,780,927	9,661,474	10,411,474	10,065,456	10,000,576	9,972,896
012	STATE TREASURER	28,043,802	8,624,432	8,124,448	8,024,864	7,975,516	7,997,319	8,002,841
013	DEPT OF EDUCATION	1,555,737,796	1,459,083,922	1,425,290,624	1,442,286,584	1,479,798,389	1,454,090,989	1,532,466,644
014	PUBLIC SERVICE COMM	66,491,979	59,378,137	79,936,314	85,202,221	85,593,684	85,027,590	81,089,484
015	BOARD OF PAROLE	766,326	773,716	819,249	819,249	832,930	819,249	847,913
016	DEPT OF REVENUE	233,663,688	230,831,793	239,252,574	242,577,016	238,004,004	246,516,199	242,400,263
017	DEPT OF AERONAUTICS	26,200,940	25,030,076	20,133,265	25,302,992	25,330,311	29,955,638	30,308,008
018	DEPT OF AGRICULTURE	15,674,306	16,426,548	17,778,887	17,104,088	17,350,653	17,139,088	17,428,713
019	DEPT OF BANKING	6,053,429	6,008,983	6,850,108	7,350,108	7,445,822	7,100,108	7,294,977
021	STATE FIRE MARSHAL	5,762,201	5,522,025	6,045,138	6,180,322	6,271,584	6,119,763	6,304,334
022	DEPT OF INSURANCE	11,319,003	11,393,058	12,872,697	132,532,681	14,533,303	85,254,827	14,713,220
023	DEPARTMENT OF LABOR	46,078,390	46,895,896	48,220,430	50,344,546	51,039,473	49,646,246	49,166,854
024	DEPT OF MOTOR VEHICLES	26,185,014	22,011,208	20,857,493	19,942,302	20,125,445	19,864,931	20,177,290
025	DEPT OF HEALTH & HUMAN SERVICES	2,804,781,286	2,817,585,610	3,083,280,811	3,359,791,938	3,310,752,634	3,540,502,038	3,473,827,628
027	DEPARTMENT OF ROADS	603,597,635	689,559,380	674,086,239	813,486,239	806,580,989	793,486,239	800,450,393
028	DEPT OF VETERANS AFFAIRS	2,285,111	1,454,529	1,133,666	1,134,079	1,144,513	1,134,079	1,162,570
029	DEPT OF NATURAL RESOURCES	19,133,340	17,975,622	27,353,580	26,176,563	26,314,373	26,176,563	26,455,284
030	NEBRASKA ELECTRICAL BOARD	1,489,115	1,434,732	1,572,515	1,588,037	1,605,133	1,588,037	1,627,061
031	MILITARY DEPARTMENT	90,834,421	92,038,023	29,379,745	28,991,475	29,145,131	29,092,583	29,403,329
032	BOARD OF EDUCATIONAL LANDS & FUNDS	11,135,168	11,617,751	11,908,562	14,352,880	14,393,709	15,086,899	15,170,234
033	GAME & PARKS COMMISSION	83,891,987	83,907,426	79,211,062	84,385,184	87,540,380	84,721,310	88,546,510
034	NEBRASKA LIBRARY COMMISSION	5,792,649	6,495,024	5,051,855	6,184,243	5,133,547	7,320,975	5,218,251

All Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
035	LIQUOR CONTROL COMMISSION	916,944	907,294	1,044,544	1,188,313	1,084,076	1,188,313	1,097,430
036	STATE RACING COMMISSION	825,024	726,831	1,049,019	1,129,019	1,039,226	1,129,019	1,049,661
037	WORKERS COMPENSATION COURT	5,860,443	5,627,356	5,665,026	5,665,696	5,717,853	5,665,696	5,773,233
039	NEBRASKA BRAND COMMITTEE	4,032,677	4,020,691	4,296,578	4,414,928	4,377,881	4,399,788	4,430,981
040	MOTOR VEHICLE INDUSTRY LICENSING	637,692	689,311	700,463	733,079	718,666	733,079	729,763
041	REAL ESTATE COMMISSION	1,146,613	1,056,789	1,105,285	1,145,285	1,137,187	1,125,285	1,130,817
045	BOARD OF BARBER EXAMINERS	129,562	123,911	151,907	195,084	189,037	155,402	154,756
046	DEPT OF CORRECTIONAL SERVICES	179,860,339	179,782,124	178,942,722	187,427,593	189,101,375	189,693,455	192,486,726
047	EDUCATIONAL TELECOMMUNICATIONS COMM	9,965,994	10,644,592	9,896,463	10,112,400	9,963,289	10,267,700	10,032,140
048	COORDINATING COMM FOR POSTSECONDARY	17,598,218	18,059,163	19,698,125	21,064,455	20,502,769	21,602,242	20,569,621
050	NEBRASKA STATE COLLEGES	127,132,596	127,891,838	131,133,837	134,472,894	133,183,837	135,669,364	135,283,837
051	UNIVERSITY OF NEBRASKA	1,686,436,783	1,734,948,196	1,966,710,762	1,979,160,954	1,985,810,762	1,991,136,192	2,009,710,762
052	STATE BOARD OF AGRICULTURE	3,240,995	3,450,499	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
053	REAL PROPERTY APPRAISER BOARD	180,567	281,476	311,781	473,123	390,800	353,053	313,165
054	STATE HISTORICAL SOCIETY	6,803,012	5,823,470	6,632,675	7,420,163	7,107,687	7,334,125	7,104,116
056	NEBRASKA WHEAT BOARD	1,143,454	1,007,505	1,498,330	1,700,000	1,501,516	1,950,000	1,504,472
057	OIL & GAS CONSERVATION COMM	630,452	675,384	872,940	872,940	884,223	872,940	895,761
058	BOARD OF ENGINEERS AND ARCHITECTS	585,617	578,488	695,816	706,077	701,408	695,817	708,872
059	BOARD OF GEOLOGISTS	29,684	31,119	44,902	27,971	27,955	28,406	28,390
060	NEBRASKA ETHANOL BOARD	547,142	465,213	535,708	631,458	638,331	631,458	645,359
061	DAIRY INDUSTRY DEVELOPMENT BOARD	1,163,030	1,258,571	1,399,957	1,399,957	1,399,957	1,399,957	1,399,957
062	BOARD OF EXAMINERS-LAND SURVEYORS	17,202	17,369	28,374	28,374	28,374	28,374	28,374
063	BOARD OF PUBLIC ACCOUNTANCY	381,320	366,664	416,852	417,213	419,730	417,213	423,866
064	NEBRASKA STATE PATROL	79,476,364	79,261,112	74,063,370	73,829,221	74,522,458	74,482,704	75,351,880
065	DEPT OF ADMINISTRATIVE SERVICES	214,322,840	215,635,595	199,644,736	210,504,633	211,286,641	210,495,942	213,232,578
066	BOARD OF EXAMINERS-ABSTRACTORS	46,991	46,288	50,105	51,894	49,195	52,584	49,720
067	EQUAL OPPORTUNITY COMM	1,785,709	1,713,924	1,856,087	1,831,435	1,858,749	1,831,435	1,887,440
068	COMMISSION ON LATINO-AMERICANS	198,121	192,100	178,681	222,926	181,824	222,926	185,036

All Funds

Ag#	Agency Name	FY2010-11 Actual Expenditures	FY2011-12 Actual Expenditures	FY2012-13 Appropriation	FY2013-14 Agency Request	FY2013-14 Governor's Recommendation	FY2014-15 Agency Request	FY2014-15 Governor's Recommendation
069	NEBRASKA ARTS COUNCIL	3,584,462	2,491,456	3,695,291	3,883,896	3,582,476	3,871,622	3,595,405
070	FOSTER CARE REVIEW	1,605,894	1,733,967	1,785,048	1,992,347	1,811,140	1,989,347	1,837,817
071	STATE ENERGY OFFICE	38,628,142	37,233,512	9,392,450	9,142,450	9,174,281	9,142,450	9,206,837
072	DEPT OF ECONOMIC DEVELOPMENT	61,000,687	48,954,461	53,714,603	53,964,603	54,040,916	54,014,603	54,169,974
073	BOARD OF LANDSCAPE ARCHITECTS	19,825	21,359	32,711	22,151	22,151	22,586	22,586
074	POWER REVIEW BOARD	346,938	466,264	641,776	597,659	598,521	567,659	572,791
075	NEBRASKA INVESTMENT COUNCIL	2,267,618	2,348,663	2,480,449	2,480,449	2,500,239	2,480,449	2,521,953
076	COMM ON INDIAN AFFAIRS	211,014	201,525	260,332	302,297	280,074	303,016	282,796
077	COMM ON INDUSTRIAL RELATIONS	276,478	287,662	302,708	321,764	306,579	309,129	310,048
078	COMM ON LAW ENFORCEMENT & CRIMINAL	22,490,290	18,551,507	18,153,636	17,811,041	17,857,595	17,785,700	17,883,410
081	COMM FOR BLIND & VISUALLY IMPAIRED	4,794,713	4,549,427	4,433,012	4,918,405	4,970,651	4,918,405	5,024,046
082	COMM FOR DEAF & HARD OF HEARING	786,479	836,461	867,018	867,018	876,308	863,618	882,406
083	AID TO COMMUNITY COLLEGES	86,758,025	86,758,025	87,870,147	101,370,147	91,370,147	101,370,147	95,070,147
084	DEPT OF ENVIRONMENTAL QUALITY	69,263,520	54,896,229	68,624,028	66,886,066	67,170,098	67,220,991	67,795,479
085	PUBLIC EMPLOYEES RETIREMENT SYSTEM	32,876,936	32,812,091	35,017,413	67,569,954	27,249,377	89,167,954	26,888,577
086	DRY BEAN COMMISSION	346,848	309,427	380,494	380,000	381,415	380,000	382,254
087	ACCOUNTABILITY & DISCLOSURE COMM	533,161	529,556	1,487,682	1,510,153	581,832	1,580,103	591,949
088	CORN DEVELOPMENT MARKETING BOARD	3,674,857	3,736,332	6,215,399	7,204,818	7,214,315	7,204,818	7,224,107
091	NEBRASKA TOURISM COMMISSION	0	0	5,189,592	5,275,262	4,787,183	5,275,262	4,799,371
092	GRAIN SORGHUM BOARD	134,083	144,883	290,724	290,724	292,021	290,724	293,414
093	TAX EQUALIZATION & REVIEW COMM	854,518	767,685	798,640	833,273	830,680	833,273	844,584
094	COMMISSION ON PUBLIC ADVOCACY	3,608,044	3,535,313	4,012,151	4,037,767	4,030,258	4,039,016	4,048,230
State Total		8,449,844,427	8,438,215,537	8,856,870,145	9,521,107,426	9,335,928,727	9,695,116,631	9,589,166,420

Appendix



Administrative Services – State Budget Division Staff Listing

Gerry A. Oligmueller, State Budget Administrator

Budget Analysts and Their Agency Assignments

Gary Bush – Administrative Services, AS-CIO, AS-Capital Commission, Department of Banking and Finance, Board of Barber Examiners, Abstracters Board of Examiners, Department of Economic Development, Board of Geologists, Employees Retirement Board, Engineers & Architects, Department of Insurance, Investment Council, Department of Labor, Land Surveyors, Landscape Architects, Liquor Control Commission, Board of Public Accountancy, Public Service Commission, Real Estate Commission, Real Property Appraiser Board, Tourism Commission

Matthew Eash – Arts Council, Blind and Visually Impaired, Community Colleges, Deaf and Hard of Hearing, Department of Education, Educational Lands and Funds, Educational Telecommunications Commission, Historical Society, Indian Commission, Library Commission, Latino-American Commission

Lyn Heaton, Deputy Budget Administrator – Department of Revenue, State Treasurer, Tax Equalization and Review

Elton Larson – Foster Care Review Office, Department of Health & Human Services, Industrial Relations, Veterans' Affairs

Cindy Miserez – Brand Committee, Nebraska Energy Office, Department of Environmental Quality, Ethanol Board, Game and Parks Commission, Department of Natural Resources, Oil and Gas Commission, Postsecondary Education, Power Review Board, Racing Commission, State College System, University Systemwide

Dave Spatz – Accountability & Disclosure Commission, Department of Aeronautics, Department of Agriculture, Auditor of Public Accounts, Corn Board, Nebraska Dairy Industry Development Board, Dry Bean Commission, State Fair Board, Governor's Office, Grain Sorghum Board, Legislative Council, Lieutenant Governor, Department of Motor Vehicles, Motor Vehicle Licensing Board, Department of Roads, Secretary of State, Nebraska Wheat Board

Joe Wilcox – Attorney General, Department of Correctional Services, Crime Commission, Electrical Board, Equal Opportunity Commission, State Fire Marshal, Military Department, Board of Pardons/Parole, State Patrol, Commission on Public Advocacy, Supreme Court, Workers' Compensation

John Heacock – Administrative Services – Building Division staff consulted for capital construction related issues.

Support Staff

Betty Hladky, Business Manager

