



**Dave Heineman**  
*Governor*

STATE OF NEBRASKA

DEPARTMENT OF ADMINISTRATIVE SERVICES  
Carlos Castillo, Jr.  
*Director*

## MEMORANDUM

DATE: October 5, 2009  
TO: All Agencies, Boards, and Commissions  
FROM: Gerry A. Oligmueller, State Budget Administrator  
SUBJECT: 2010 Deficit Budget Requests

Section 81-126 Reissue Revised Statutes of Nebraska, 2008, provides for the Governor to make recommendations to the Legislature as to the deficiency funding requirements of the various agencies, boards, and commissions of State government.

It is necessary to preface the remainder of this communication with an update on the status of tax revenue collections. First, we closed the fiscal year 2008-09 \$36.5 million below current projections of General Fund tax receipts. FY 2008-09 tax receipts were 4.4% less than in FY 2007-08. General Fund revenues have continued to fall short of projections so far this fiscal year (FY 2009-10). Actual General Fund tax receipts for FY 2009-10 through August 2009 were about \$16.7 million below projections and preliminary indications are that tax receipts for the month of September have fallen short by an additional \$40 million. Prior year and current year-to-date actual General Fund tax receipts are \$93.2 million below projections used by the Legislature at the time appropriations were enacted for the 2009-2011 budget biennium. This experience with actual General Fund tax receipts indicates a likely downward adjustment in projected tax receipts for the current fiscal year, FY 2009-10, and the next fiscal year, FY 2010-11, when the Nebraska Economic Forecasting Advisory Board meets later this month. It also portends the need for reductions in enacted appropriations for the two fiscal years of the current budget biennium.

With this backdrop, state agencies, boards, and commissions must consider the number of months remaining in your current budget plan and undertake necessary management actions that will allow you to not only operate within the current 2009-2011 appropriations but also prepare for possible reductions to current appropriations. A deficit budget request should only be submitted to address the most critical situations that cannot be managed within existing appropriations and other requirements of the enacted appropriation laws. The state has not received and will not likely be projected to receive additional revenues to fund deficit requests.

The State Budget Division continues to improve budget processes and will use a paperless process for the submission and consideration of mid-biennium budget adjustments. This will also aid the timely and transparent sharing of any deficit requests with the Legislature and the public. The Nebraska Budget Request and Reporting System (NBRRS) will be used by

agencies to prepare and submit necessary 2010 deficit budget requests. Specifically, the “Issue Details” screen under the “2010 Deficit” budget cycle will be used to identify funding requirements that cannot be managed within existing appropriations. Any necessary changes should be submitted with appropriate explanation for consideration as noted for deficit budget requests by October 23<sup>rd</sup>, 2009.

Go to <https://my.ne.gov/> to login to the NBRRS and begin preparing necessary 2010 mid-biennial budget adjustments. You should contact your assigned Administrative Services-State Budget Division Budget Analyst with the names of any individuals who will have deficit request preparation responsibilities but do not already have access to the NBRRS Issue Details screen. Screen instructions as well as step-by-step instructions to establish access to NBRRS or to reset a forgotten password can be found at [http://www.budget.state.ne.us/das\\_budget/bud/NBRRSInstructions.htm](http://www.budget.state.ne.us/das_budget/bud/NBRRSInstructions.htm).

Deficit budget requests submitted to the State Budget Administrator by agencies, boards, and commissions will be formally transmitted to the Legislature’s Legislative Fiscal Office. Higher Education submittals will also be formally transmitted to the Coordinating Commission for Postsecondary Education.

Please direct any questions regarding 2009-2011 biennium deficit requests to your assigned budget analyst in the Administrative Services-State Budget Division.

You must also complete the “IT Project Proposal” screen (and related “IT Issue”) and undergo review by the Nebraska Information Technology Commission for deficit requests for information technology projects. The deadline for completing entry of the IT Project Proposals for review by the NITC is also no later than October 23<sup>rd</sup>, 2009. Questions regarding submission of project proposals should be directed to Rick Becker of the Office of the CIO at [rick.becker@nebraska.gov](mailto:rick.becker@nebraska.gov) or (402) 471-7984.

Thank you very much for your serious attention to this communication.