

# State of Nebraska

## **FY2001-02 and FY2002-03 Biennial Budget**



**As Revised During the  
2002 Legislative Session**

**May 17 2002**

Prepared by the Legislative Fiscal Office

# TABLE OF CONTENTS

<b>I. Highlights</b>	1
<b>II. General Fund Financial Status</b>	4
A. General Fund Financial Status – Sine Die 2002 Session	5
B. Chronology of General Fund Financial Status Since Sine Die 2001 Session	6
C. Cash Reserve Fund	7
<b>III. General Fund Revenues</b>	9
A. General Fund Revenue Forecasts	10
B. Chronology of Revenue Forecasts	12
C. General Fund Transfers-Out	13
D. General Fund Transfers-In	13
E. Revenue Bills Enacted – 2002 Session	15
1. LB 905	15
2. LB 947	16
3. LB 1085	16
<b>IV. General Fund Appropriations: FY2001-02 and FY2002-03</b>	19
A. Overview	20
B. Breakdown by Operations and Aid	22
1. Agency Operations	23
2. State Aid to Individuals / Other	25
3. Aid to Local Governments	26
4. Capital Construction	27
B. Significant Increases and Reductions	28
C. Chronology of FY02 and FY03 Appropriations	29
D. Historical General Fund Appropriations	30
1. 20 Year by Operations and Aid	30
2. Breakdown of FY95 and FY03 General Fund Budgets (8 Year)	31
<b>V. General Fund Appropriations: 2002 Session Changes</b>	32
A. Summary	33
B. Aid to Local Governments - 2002 Session	35
1. TEEOSA State Aid to Schools	35
2. Special Education	35
3. Homestead Exemption	36
4. County Juvenile Services Aid	36
5. County Property Tax Relief Fund	36

6. Aid to Cities, Counties, NRD's.....	36
7. Across the Board Cuts – Aid to Local Governments.....	37
C. Aid to Individuals - 2002 Session .....	38
1. Value-Added Grant Program .....	38
2. Public Assistance Programs.....	38
3. Medicaid.....	39
4. Crime Victims Reparations.....	41
5. Higher Education Student Financial Aid Programs.....	41
6. Across the Board Cuts – Aid to Individuals.....	41
D. Agency Operations - 2002 Session.....	42
1. Across the Board Cuts - Operations .....	42
3. Public Service Commission.....	42
3. Health and Human Services System.....	42
4. Dept of Correctional Services .....	43
5. University of Nebraska .....	43
6. State Colleges.....	44
7. State Fair Board .....	44
8. Dept of Administrative Services (DAS) 309 Task Force .....	44
9. Dept of Property Assessment and Taxation.....	45
10. Public Employees Retirement Board .....	45
11. Dept of Environmental Quality.....	45
12. Rural Development Commission.....	45
E. Capital Construction - 2002 Session .....	46
1. Eliminate "Level 4" Funding-YRTC Kearney .....	46
2. State Capitol Masonry Project.....	46
3. NETC-Transponder replacement, digitize signal.....	46
4. Utilize Small NCCF Balance to Offset General Funds.....	47
5. Center for Women at York Facility Improvements – Cash Flow.....	47
6. Fitzgerald Veterans Home – Program Statement .....	47
E. Vetoes and Overrides - 2002 Session .....	48
<b>Appendix A General Fund Appropriations by Agency .....</b>	<b>52</b>
<b>Appendix B General Fund Appropriations by Aid Program .....</b>	<b>56</b>
<b>Appendix C Detailed Listing of Budget Adjustments-All Fund Sources.....</b>	<b>59</b>

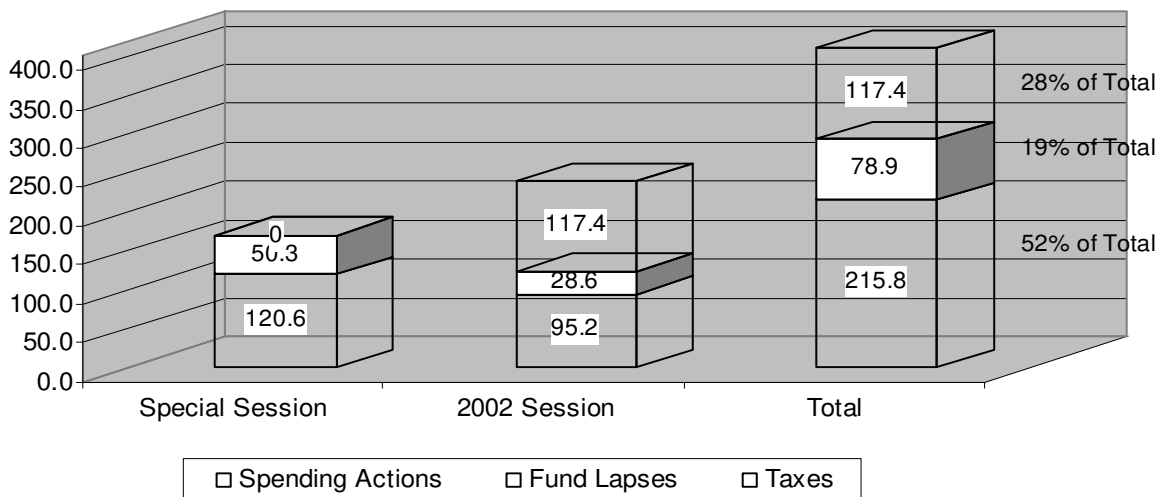
# Highlights

This report contains a summary of the FY2001-02 and FY2002-03 Biennial Budget. Included is a breakdown of current General Fund revenues and appropriations as enacted in the 2001 Session and subsequently revised in the Fall 2001 Special Session and the 2002 Session. Specific budget actions taken in the 2002 Session regarding appropriations are detailed and described separately in Section 3.

1. **Financial Status** Based on (a) the February 2002 revenue forecasts, (b) inclusion of an estimated \$35 million revenue loss due to recent federal tax changes, and (c) revenue and spending actions made during the 2002 Session, the projected financial status at Sine Die shows an ending balance \$16.4 million **above** the minimum reserve for the FY02/FY03 biennial budget. The projected status in the following biennium, using the "historical average" revenue estimate methodology capped at the "high year average growth", yields a projected ending balance which is \$52.7 million **below** the minimum reserve.

The Cash Reserve Fund is projected to reach an unobligated balance of \$109.6 million in FY04-05 with the two-year revenue from the cigarette tax increase in LB1085 and repayment of a \$22 million transfer used to balance this biennial budget.

2. **Revenue and spending actions to balance the budget are relatively even when looking at both the Special Session and 2002 Session.** The final budget actions in the 2002 session relied on \$146 million (60%) on the revenue side (\$6.1 million of cash fund lapse, \$22.5 million from the Cash Reserve Fund, and \$117.4 million of legislation) and \$95.2 million (40%) on the spending side (\$20.7 million in FY01-02 and \$74.5 million in FY02-03). However, these ratios were reversed in the 2001 Special Session where spending actions totaled \$121 million (70%) and revenue actions totaled \$50 million (30%). Combining the two sessions, total budget actions to offset revenue losses amounts to \$196.3 million (48%) in revenues and \$215.8 million (52%) in spending actions. The following table illustrates the total revenue loss since Sine Die of the 2001 Session and the budget actions taken to balance the budget.



<b>Revenue Declines</b> (millions of dollars)		FY2001-02	FY2002-03	2 Yr Total
1	FY00-01 Actual vs Sine Die Est. (net of CRF)	(23.9)	0.0	(23.9)
2	Fed Tax Changes (July 2001)	(3.7)	(13.4)	(17.1)
3	Revised Forecast (Oct 2001)	(97.2)	(86.2)	(183.4)
4	Revised Forecast (Feb 2002)	(57.8)	(75.0)	(132.8)
5	Fed Tax Changes (March 2002)	0.0	(35.6)	(35.6)
6	FY01-02 Actual vs Sine Die Est.	??	??	??
7	Total Revenue Decline	(182.6)	(210.2)	(392.8)
<b>Budget Actions</b> (millions of dollars)		FY2001-02	FY2002-03	2 Yr Total
8	<b><u>Revenue Actions</u></b>			
9	Special Session-Cash fund lapses/reallocations	20.5	29.8	50.3
10	2002 Session-Post Forecast Cash fund lapses (net)	0.0	6.2	6.2
11	2002 Session-Post Forecast Cash Reserve Fund transfer	0.0	22.5	22.5
12	2002 Session-LB 1085 and LB 947	0.0	117.4	117.4
13	Total Revenue Actions	20.5	175.9	196.4
14	<b><u>Spending Cuts</u></b>			
15	Special Session	54.7	65.9	120.6
16	2002 Session-Post Forecast TEEOSA school aid cut	0.0	22.3	22.3
17	2002 Session-Post Forecast Other Cuts	13.0	29.6	42.6
18	2002 Session-Vetoed (after overrides)	7.7	22.6	30.3
19	Total Spending Cuts	75.4	140.4	215.8
20	Total General Fund Budget Actions	95.9	316.3	412.2

3. **In total, the sales and income tax increases enacted this session are less than the income tax cut enacted five years ago.** Of the \$196.3 million of General Fund revenue actions over the two-year biennium, \$78.9 million was cash fund lapses, cash reserve fund transfers, or reallocation of existing revenues (ie.. lottery funds and documentary stamp tax monies in the Special Session). The remaining \$117.4 million consisted of the change in depreciation, ½ cent sales tax increase, sales tax on additional services, and income tax.

Excluding the depreciation changes which simply offset the accelerated federal law change, the sales and income tax increase amounts to \$83 million as compared to the \$100 million income tax cut enacted in 1997 (originally intended for two years only) and then extended in 1998.

4. **Spending growth** for this biennial budget averages 4.4% per year even after the Special Session budget cuts, post-February forecast cuts, and Governor vetoes (net of overrides). Growth is still fueled by (a) a large increase in state aid to schools due to the decline in the

statutory levy limit from \$1.10 to \$1.00, (b) large percentage increases in both Medicaid and Public Assistance programs, (c) full year operating costs for the new Tecumseh prison and (d) computer system, federal audit exception and fund shift increases in Health and Human Services. Spending growth in the following biennium is projected at 5.8% per year. This is slightly higher than “normal” due to replacing many of the one-time spending cuts related to fund shifts.

**5. Impact of budget cuts on agency operations will likely be more severe than the overall numbers would indicate.**

Total General Funds for agency operations in FY2002-03 are \$95.7 million higher than FY2000-01, the last year of the previous biennial budget. This is a 5% per year growth over the two years of the biennium. While on the surface, this would not indicate the need for budget cuts, there can be cuts in programs and staff even though the overall dollar amount increases.

There are two things to consider: (1) the aggregate numbers don't reflect the impact on individual agencies and/or programs, and (2) the actual dollar changes don't reflect the types of cost increases agencies have to absorb within those dollar amounts.

Even with the 5% per year growth in the aggregate, of the 52 agencies that receive General Fund appropriations for operations, 19 have FY02-03 appropriations actually less than FY00-01 amount, an average of 8.3% less.

And with the additional \$95.7 million in FY02-03 compared to FY00-01, agencies must absorb \$94 million of salary and health insurance increases (mostly bargained contracts) and \$35.6 million of “new” items including the opening of the Tecumseh prison (\$19.6 million), State Disbursement Unit (\$1.9 million), depreciation surcharge (\$6.4 million) and replacing federal funds with General Funds in HHS due to a revised cost allocation plan and audit exceptions (\$3.3 million). In order to absorb these additional costs within the revised FY03 appropriation amounts, agencies would have to cut about \$34 million (-3.6%) of other items.

Note that the 3.6% cut number noted above is a generalization at a state-wide level. Because many large areas were either excluded from cuts or applied a lower across the board cut (regional centers, veterans home, BSDC, YDC's in Geneva and Kearney, University and Colleges, Corrections and State Patrol), impacts are even higher on most other agencies, closer to a 7% to 8% range.

# **General Fund Financial Status**

# GENERAL FUND FINANCIAL STATUS

## SINCE DIE 2002 SESSION

	Actual FY2000-01	Biennial Budget FY2001-02	FY2002-03	Est for Following Biennium FY2003-04	FY2004-05
<b>1 BEGINNING BALANCE</b>					
2 Beginning Cash Balance	315,589,812	235,689,742	95,188,810	178,419,083	178,421,157
3 Cash Reserve Fund transfers-automatic	(77,576,670)	0	0	0	0
4 Carryover obligations from FY01	0	(106,205,668)	0	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	238,013,142	129,484,074	90,188,810	173,419,083	173,421,157
<b>7 REVENUES</b>					
8 Net Receipts (Feb 2002 Est + capped Hist Avg)	2,456,688,472	2,491,000,000	2,606,000,000	2,763,000,000	2,951,000,000
9 Impact of Federal Tax Changes (March 2002)	0	0	(35,600,000)	(32,400,000)	(25,300,000)
10 General Fund transfers-out (2001+Spec Sess)	(5,640,000)	(3,650,000)	(3,280,000)	(1,900,000)	(1,900,000)
11 General Fund transfers-in (2001+Spec Sess)	In Receipts	In Receipts	In Receipts	0	0
12 Cash Reserve Fund transfers-legislative (2001)	24,500,000	59,800,000	64,900,000	0	0
13 General Fund transfers-out (2002 Session)	0	0	1,630,000	0	0
14 General Fund transfers-in (2002 Session)	0	0	7,142,000	0	0
15 Cash Reserve Fund transfers (2002 Session)	0	0	22,500,000	0	(22,500,000)
16 Revenue Bills (2002 Session)	0	0	117,058,500	127,478,400	63,878,400
17 General Fund Net Revenues	2,475,548,472	2,547,150,000	2,780,350,500	2,856,178,400	2,965,178,400
<b>18 APPROPRIATIONS</b>					
19 Appropriations Per 2001 Special Session	2,477,871,872	2,606,951,336	2,747,240,962	2,747,240,962	2,747,240,962
20 Projected budget increases-next biennium	na	na	na	160,461,783	323,525,044
21 LB 1309-Mainline budget adjustments (2002 Session)	na	(25,655,019)	(32,875,675)	(33,566,419)	(29,754,488)
22 LB 898-TEEOSA school aid reductions (2002 Session)	na	0	(22,223,160)	(23,000,000)	(24,000,000)
23 LB 1040-State Claims (2002 Session)	na	148,947	0	0	0
24 "A" Bills-net of vetoes (2002 Session)	na	0	(21,900)	40,000	15,096
25 General Fund Appropriations	2,477,871,872	2,581,445,264	2,692,120,227	2,851,176,326	3,017,026,614
<b>26 ENDING BALANCE</b>					
27 Dollar ending balance	235,689,742	95,188,810	178,419,083	178,421,157	121,572,943
28 Biennial Reserve (%)	--	--	3.31%	--	2.07%
29 Variance from Minimum Reserve	--	--	16,384,416	--	(53,177,811)

### General Fund Budget

Annual % Change (with deficits)	5.6%	4.5%	4.3%	5.9%	5.8%
Two Year Average % Change (with deficits)	5.2%	--	4.4%	--	5.9%

### General Fund Revenues:

Est. Revenue Growth (adjusted for rates/legislation)	2.8%	2.2%	5.2%	7.2%	7.2%
Five Year Average	6.7%	--	4.9%	--	4.9%



# CHRONOLOGY OF THE GENERAL FUND FINANCIAL STATUS

Millions of Dollars	General Fund			Cash Reserve
	FY2001-02	FY2002-03	2 Yr Total	
<b>1 Sine Die 2001 Session</b>			<b>1.5</b>	<b>78.8</b>
2 Less: FY01 Actual Receipts vs Sine Die Est.	(57.2)	0.0	(57.2)	0.0
3 Plus: Nullified estimated "automatic" CRF transfer	33.3	0.0	33.3	(33.3)
4 Less: Adjust for 2001 bills (2)	(3.6)	0.0	(3.6)	0.0
5 Plus: Est Lapsed Appropriations	8.0	0.0	8.0	0.0
6 Less: Fed Tax Changes (July 2001)	(3.7)	(13.4)	(17.1)	0.0
7 Less: Change in Minimum Reserve	na	(2.0)	(2.0)	0.0
<b>8 July Tax Rate Review Committee</b>			<b>(37.1)</b>	<b>45.5</b>
9 Less: Lower lapsed appropriation number	(5.0)	0.0	(5.0)	0.0
10 Less: Revised Forecast (Oct 2001)	(97.2)	(86.2)	(183.4)	0.0
11 Plus: Change in Minimum Reserve	na	5.3	5.3	0.0
<b>12 After October NEFAB Revised Forecasts</b>			<b>(220.2)</b>	<b>45.5</b>
13 Plus: Special Session Actions-Revenue Items	20.5	29.8	50.3	0.0
14 Plus: Special Session Actions-Spending Reductions	54.7	65.9	120.6	0.0
15 Less: Change in Minimum Reserve	na	(1.4)	(1.4)	0.0
<b>16 After Special Session</b>			<b>(50.7)</b>	<b>45.5</b>
17 Plus: Delete original allocation for deficits	5.0	0.0	5.0	0.0
18 Less: Committee Pre-Forecast changes-appropriations	6.1	(18.1)	(12.0)	0.0
19 Plus: Committee Pre-Forecast changes-fund lapses	0.0	1.0	1.0	0.0
20 Less: Revised Forecast (Feb 2002)	(57.8)	(75.0)	(132.8)	0.0
21 Less: Fed Tax changes (March 2002)	na	(35.6)	(35.6)	0.0
22 Plus: Change in Minimum Reserve	na	3.8	3.8	0.0
<b>23 Status After Forecast Revisions/Fed Tax</b>			<b>(221.3)</b>	<b>45.5</b>
24 Plus: Committee Post Forecast changes-appropriations	13.0	29.9	42.9	0.0
24 Plus: Committee Post Forecast-TEEOSA cut (LB 898)	0.0	22.0	22.0	0.0
25 Plus: Committee Post Forecast-Cash Fund lapses	0.0	19.1	19.1	0.0
26 Plus: Committee Post Forecast-Cash Reserve Fund transfer	na	22.5	22.5	(22.5)
27 Plus: Floor Amendments	(0.2)	(0.2)	(0.2)	0.0
<b>28 Status with Committee Budget to the Floor</b>			<b>(114.9)</b>	<b>23.0</b>
29 Plus: LB 905 Offset fed tax change, estate tax	0.0	(FY04)	0.0	0.0
30 Plus: LB 1085 Offset fed tax change, depreciation	0.0	34.0	34.0	0.0
31 Plus: LB 1085 Income tax rate "rollback"	0.0	(FY04)	0.0	0.0
32 Plus: LB 1085 Sales tax base expansion	0.0	15.5	15.5	0.0
33 Plus: LB 1085 Sales tax rate (1/2 cent, Oct 1)	0.0	67.2	67.2	0.0
34 Plus: LB 1085 Sales tax rate (cigarette tax)	0.0	0.0	0.0	23.9
35 Plus: LB 947 Mobile Telecommunications	0.0	0.7	0.7	0.0
36 Plus: Governor vetoes (sustained)	0.0	30.3	30.3	0.0
37 Less: Governor vetoes (Banking lapse)	0.0	(13.0)	(13.0)	0.0
38 Less: "A" Bills and other revenue bills	0.0	(0.2)	(0.2)	0.0
39 Plus: Change in Minimum Reserve	na	(3.1)	(3.1)	0.0
<b>40 Sine Die 2002 Session</b>			<b>16.4</b>	<b>46.9</b>

# CASH RESERVE FUND

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the ending General Fund balance for a biennium) and was created as a separate and distinct fund to cover cash flow needs within a month or several month period. The Cash Reserve Fund also serves as a "rainy day fund" in that revenues in excess of a "certified forecast" are transferred from the General Fund to Cash Reserve fund at the end of a fiscal year. As the certified forecast is basically the revenue estimate at Sine Die when the budget is finalized, these transfers sequester revenues in excess of that which is needed to balance the budget.

**Automatic Transfers** Revenues in excess of "certified" forecasts are required by statute to be transferred from the General Fund to the Cash Reserve Fund. In FY00-01, \$77,576,670 is transferred reflecting the excess of FY99-00 actual receipts above the certified forecast. (line 3 on Financial Status)

**Legislative Transfers-To/ From General Fund** Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature.

There were two legislatively enacted transfers in place prior to actions taken in the 2001 Session. For FY2000-01 \$24.5 million to the General Fund (LB401-1997 as amended by LB63 -1998, LB880-1999, and LB1217-2000) and in FY2001-02 a \$35 million transfer from the Cash Reserve Fund to the General Fund to assist in paying for the first year cost of increased school aid attributed to the levy limit drop from \$1.10 to \$1.00. This transfer was also enacted in LB881-1999.

The budget enacted in the 2001 Session also included transfers from the Cash Reserve Fund to the General Fund totaling \$89.7 million over the two-year biennium, \$24.8 million in FY01-02 and \$64.9 million in FY02-03.

**Legislative Transfers-To/ From Other Funds** Transfers also are legislatively enacted transferring monies to and from funds other than the General Fund. The only CRF transfer to other funds shown in the five year financial status is \$25 million to the Relief to Property Taxpayers Fund for property tax credits in FY00-01 as originally provided for in LB881 (1999) as amended by LB1214 (2000) and a short term borrowing/repayment for the Municipal Natural Gas Revolving Fund for cash flow purposes.

**2002 Session Actions** Like the Governor, the Legislature approved the transfer of an additional \$22.5 million to the General Fund in FY02-03 with the funds being reversed back to the Cash Reserve Fund in FY04-05. In addition, LB1085 contained a 30 cent increase in the cigarette tax for two years with the revenues credited to the Cash Reserve Fund totaling \$64 million over the next three years.

**Table 1 Cash Reserve Fund Status**

	Actual FY2000-01	Est. FY2001-02	Est. FY2002-03	Est. FY2003-04	Est. FY2004-05
<b><i>Beginning Balance</i></b>	142,159,429	170,236,099	110,066,099	25,036,099	45,536,099
<b><i>Cash Reserve Fund Transfers-automatic</i></b>	77,576,670	0	0	0	0
To/ From GF (prior laws)	(24,500,000)	(59,800,000)	(64,900,000)	0	0
To/ From GF (LB 1310-2002)	0	0	(22,500,000)	0	22,500,000
Earmark cigarette tax increase (LB1085-2002)	0	0	23,929,000	32,196,000	7,980,000
<b><i>Subtotal - Transfers to/ from General Fund</i></b>	(24,500,000)	(59,800,000)	(63,471,000)	32,196,000	30,480,000
To Relief to Property Taxpayers Fund (LB881-1999)	(25,000,000)	0	0	0	0
To/ From Muni Natural Gas Rev Fund (LB541-2001)	0	(370,000)	370,000	0	0
<b><i>Subtotal - Transfers to/ from Other Funds</i></b>	(25,000,000)	(370,000)	370,000	0	0
<b><i>Ending Balance</i></b>	170,236,099	110,066,099	46,965,099	79,161,099	109,641,099

# **General Fund Revenues**

# GENERAL FUND REVENUE FORECASTS

## Current Biennium: FY2001-02 and FY2002-03

Revenue estimates for FY2001-02 and FY2002-03 are the February 2002 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). With the revised forecasts of the NEFAB, revenue growth implied by the current forecasts for the FY02/FY03 biennium are now 2.2% in FY01-02 and 5.8% in FY02-03. When including the 2.8% growth in FY00-01, this provides an average growth of 3.6% over the three years that affect the financial status for the current biennium (FY00-01, FY01-02 and FY02-03). These rates of growth are among the lowest in recent history.

## Following Biennium: FY2003-04 and FY2004-05

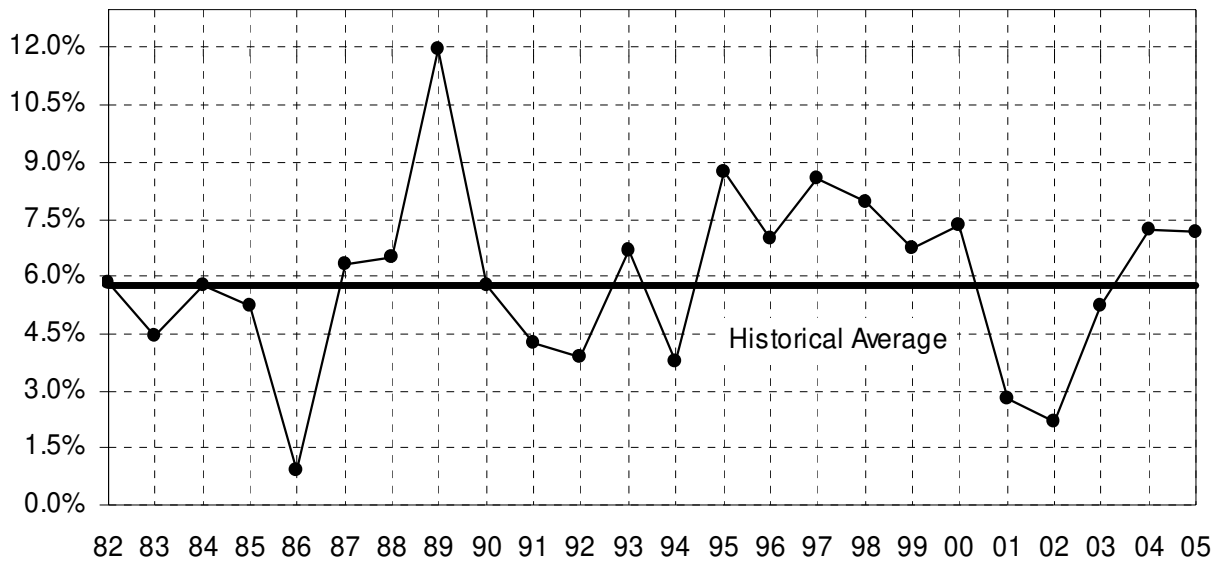
In previous years, preliminary estimates for the next two years (FY2003-04 and FY2004-05) were prepared by the Legislative Fiscal Office (LFO) and were arrived at by calculating the level of revenues that would yield a five year average growth (FY01 to FY05) roughly equal to the historical average revenue growth since FY81 (5.8%). With low growth in the first three years (average of 3.6%), the average growth in the two "out years" would have been 9.5% per year to achieve the 5-year average of 5.8%.

This methodology has been revised to calculate the growth needed in the out-years to achieve the historical average as before, but then "cap" the assumed growth in the out-years. This means if the historical average method calls for above average growth in the out years, then the growth rate is capped at the average of the "above average years". Likewise if the historical average method calls for below average growth in the out years, the growth is capped at the average of the "below average years". Over the past 20 years, there were nine years in which revenue growth was "below average" (average growth of 4.4%) and 11 years in which revenue growth was above average (average growth of 7.2%). Using this "capped" methodology, the out years revenue growth averages 7.2% which yields an average growth of 5% over the five-year Financial Status.

**Table 2 - General Fund Revenue Forecasts**

	Actual FY2000-01	NEFAB FY2001-02	NEFAB FY2002-03	LFO Prelim FY2003-04	LFO Prelim FY2004-05
<b><u>Dollar Amount</u></b>					
Sales and Use Tax	905,023,176	920,000,000	955,000,000	1,013,000,000	1,059,000,000
Individual Income Tax	1,233,363,553	1,275,000,000	1,340,000,000	1,463,000,000	1,599,000,000
Corporate Income Tax	138,040,082	119,000,000	134,000,000	141,000,000	148,000,000
Miscellaneous receipts	180,435,044	177,000,000	177,000,000	146,000,000	145,000,000
Total NEFAB Forecast	2,456,861,855	2,491,000,000	2,606,000,000	2,763,000,000	2,951,000,000
Fed Tax Change-March 2002	0	0	(35,600,000)	(32,400,000)	(25,300,000)
2002 Session Revenue Bills	0	0	117,308,500	127,478,400	63,878,400
2002 Session Transfers-In	0	0	7,142,000	0	0
Total Per 2002 Session	2,456,861,855	2,491,000,000	2,694,850,500	2,858,078,400	2,989,578,400
<b><u>Adjusted Growth</u></b>					
Total General Fund Revenues	2.8%	2.2%	5.2%	7.2%	7.2%
Five Yr Average	6.7%	--	4.9%	--	4.9%

## General Fund Adjusted Revenue Growth



## Impact of Federal Tax Law Changes

H.R. 3090 (Public Law 105-251) the "Job Creation and Worker Assistance Act of 2002," was approved by the House and Senate on March 8 and signed into law March 9, 2002. The major provision of the law that has the greatest affect on Nebraska tax receipts is the special expensing of the value of capital assets. This provision allows an additional first-year depreciation deduction equal to 30 percent of the adjusted basis of qualified property reducing state corporate and individual income tax receipts. Because depreciation is accelerated into the first year of the life a capital asset, depreciation in later years is reduced resulting in an increase in state tax receipts after FY 04-05.

*The passage of this law occurred after the February 22 meeting of the NEFAB. Therefore, these revenue impact estimates were not incorporated in their forecast of General Fund tax receipts. However, the Financial Status (line 10) includes an adjustment for this recent congressional action.*

Federal Changes	FY2002-03	FY2003-04	FY2004-05	Tax Type
Special depreciation allowance for certain property expensing of the value of capital assets.	(22,058,385)	(20,215,867)	(18,217,882)	Corporate
Special Depreciation Allowance, and 5-year carryback and waive the AMT 90% limit on the allowance of losses.	(13,272,040)	(11,929,298)	(7,042,132)	Individual
Above the line deductions: classroom expenses of teachers.	(262,500)	(262,500)	0	Individual
Total Impact – DOR Calculations	(35,592,925)	(32,407,666)	(25,260,014)	

# CHRONOLOGY OF REVENUE FORECASTS

Table 3 contains a chronology of revenue forecasts over the past year. This table illustrates the continued decline in the forecasts over the past year resulting in the actions taken during the Special and 2002 legislative sessions. Since February 2001, the three year average growth is almost halved since that time, a decline from 6.0% to 3.4%

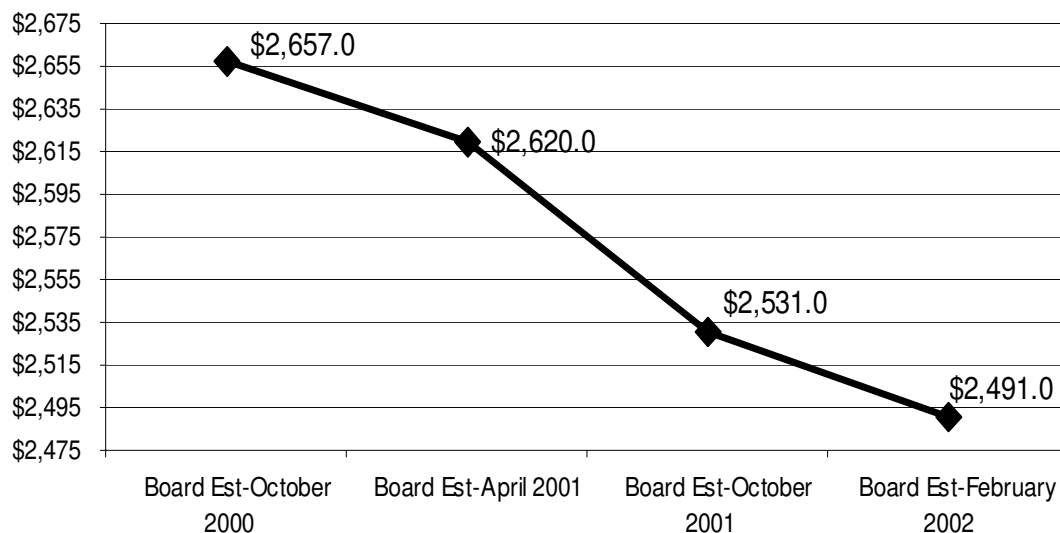
**Table 3 – Chronology of General Fund Revenue Forecasts**

(thousands of dollars)	NEFAB* Feb 2001	NEFAB April 2001	Sine Die 2001	TRR* ** July 2001	NEFAB Oct 2001	Spec Sess Oct 2001	NEFAB Feb 2002
<b><u>FORECAST</u></b>							
FY2000-01 NEFAB / Actual	2,522,000	2,514,000	2,517,618	2,456,862	2,456,862	2,456,862	2,456,862
FY2001-02 NEFAB	2,657,000	2,620,000	2,631,848	2,628,205	2,531,000	2,548,844	2,491,000
FY2002-03 NEFAB	2,807,000	2,762,000	2,753,617	2,740,199	2,654,000	2,680,985	2,606,000
<b><u>CHANGE IN FORECAST</u></b>							
FY2000-01 NEFAB / Actual	(8,000)	(8,000)	3,618	(60,756)	0	0	0
FY2001-02 NEFAB	0	(37,000)	11,848	(3,643)	(97,205)	17,844	(57,844)
FY2002-03 NEFAB	0	(45,000)	(8,383)	(13,418)	(86,199)	26,985	(74,985)
<b><u>CALCULATED "ADJUSTED GROWTH"</u></b>							
FY2000-01 NEFAB / Actual	6.1%	5.4%	5.4%	2.8%	2.8%	2.8%	2.8%
FY2001-02 NEFAB	6.1%	5.4%	5.4%	7.9%	4.5%	4.5%	2.2%
FY2002-03 NEFAB	5.8%	5.6%	5.6%	5.6%	5.7%	5.7%	5.2%
Three Year Average	6.0%	5.5%	5.5%	5.4%	4.3%	4.3%	3.4%

\* Nebraska Economic Forecasting Advisory Board

\*\* Tax Rate Review (Tax Commissioner, Speaker, Revenue, Appropriations, and Executive Board chairpersons)

**Chronology of FY2001-02 Revenue Forecasts**



## GENERAL FUND TRANSFERS-OUT

This section tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same affect as an appropriation but are not expended as such and thus are shown under the revenue category (see line 11 on the Financial Status).

**2002 Session Actions** The budget includes a one-year suspension in the General Fund transfer to the Child Abuse Prevention Cash Fund. Current statute requires that \$250,000 be transferred each year from the General Fund to the Child Abuse Prevention Cash Fund each year until the Child Abuse Prevention Cash Fund exceeds \$2.5 million. After the fund reaches \$2.5 million, only investment income will be disbursed and the General Fund transfers will cease. This change would suspend that transfer for one year, freeing up \$250,000 to address a small portion of the budget shortfall. The amount appropriated would not be impacted as the suspension of the one year transfer would only delay the time it would take for the fund to reach \$2.5 million. Another \$1,380,000 transfer-out was cancelled through the Governor's line-item veto of the transfer to the Information Technology Fund originally enacted last session. LB1003 also transferred \$250,000 to the Water Policy Task Force Cash Fund.

**Table 4 General Fund Transfers-Out**

(Excludes Cash Reserve Fund Transfers)	Biennial Budget		Est for Following Biennium	
	FY2001-02	FY2002-03	FY2003-04	FY2004-05
Ethanol Credits (EPIC Fund)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Child Abuse Prevention Fund	(250,000)	(250,000)	(250,000)	(250,000)
Trail Development Assistance Fund	(150,000)	(150,000)	(150,000)	(150,000)
Information Technology Fund	(1,500,000)	(1,380,000)	0	0
Internet Enhancement Fund (dark fiber bill)	(250,000)	0	0	0
<i>General Fund Transfers-Out (in Status)</i>	(3,650,000)	(3,280,000)	(1,900,000)	(1,900,000)
Cancel Child Abuse Prevention Fund	0	250,000	0	0
Cancel Information Technology Fund	0	1,380,000	0	0
LB1003 Water Policy Task Force Cash Fund	0	(250,000)	0	0
<i>Total-General Fund Transfers-Out</i>	(3,650,000)	(1,900,000)	(1,900,000)	(1,900,000)

## GENERAL FUND TRANSFERS-IN

For accounting purposes, lapses and transfers from cash funds (where authorized) are shown as "Transfers in" and are included as revenues. 2001 Session transfers include Securities Act Cash Fund transfers to the General Fund amounting to \$15.5 million in FY2001-02 and \$1.5 million in FY2002-03 (after \$14 million veto), and a \$2 million transfer from the Dept of Insurance Cash Fund in both FY01-02 and FY02-03.

Additional transfers were enacted in the Special Session including \$15 million from the Securities Act Cash Fund (FY02-03), \$4 million from the Dept of Insurance Cash Fund (FY01-02), \$2 million from the Dept of



Motor Vehicles Cash Fund (FY01-02), and \$2 million of leftover funds in the Relief to Property Taxpayers Fund (FY01-02). These transfers have already been incorporated into the “Net Receipts” figures.

**2002 Session Actions** Additional cash fund lapses were enacted during the 2002 Session totaling \$20,142,000 as shown in Table 3. However, the Governor line-item vetoed \$13 million of the \$16.5 million previously authorized lapse from the Securities Act Cash Fund lapse (2001 and Special Session) resulting in a net increase in cash fund lapses of \$7,142,000.

**Table 5 General Fund Transfers-In**

	Biennial Budget		Est for Following Biennium	
	FY2001-02	FY2002-03	FY2003-04	FY2004-05
Securities Act Cash Fund	15,500,000	16,500,000	0	0
Dept of Insurance Cash Fund	6,000,000	2,000,000	0	0
Collection Agency Cash Fund (LB 541-2001)	400,000	0	0	0
Dept of Motor Vehicles Cash Fund	2,000,000	0	0	0
Relief to Property Taxpayers Fund	2,009,452	0	0	0
<i>Transfers-In already in the forecast</i>	25,909,452	18,500,000	0	0
Dept of Motor Vehicles Cash Fund (LB 1100)	0	1,000,000	0	0
Charitable Gaming Oper Fund (LB 1310)	0	292,000	0	0
Tobacco Products Admin Cash Fund (LB 1310)	0	2,500,000	0	0
HHS Bureau of Examining Board (LB 1310)	0	4,000,000	0	0
DAS Recycling Fund (LB 1310)	0	250,000	0	0
MV Industry Licensing Board (LB 1310)	0	500,000	0	0
Education Innovation Fund (LB 1310)	0	1,600,000	0	0
Workers Comp Cash Fund (LB 1310)	0	4,000,000	0	0
Petroleum Release Remedial Action Fund (LB1310)	0	6,000,000	0	0
Securities Act Cash Fund (cancel previously authorized transfer)		(13,000,000)	0	0
<i>General Fund Transfers-In 2002 Session</i>	0	7,142,000	0	0
<i>Total General Fund Transfers-In</i>	25,909,452	25,642,000	0	0

# REVENUE BILLS ENACTED – 2002 SESSION

While there were few revenue bills enacted during the 2002 Session, the dollar amounts were relatively large in light of the budget problem and declining revenue forecasts, and the impacts of several federal tax changes including estate taxes and accelerated depreciation.

**Table 6 Revenue Bills Enacted - 2002 Session**

<b>General Fund Only</b>	FY2001-02	FY2002-03	FY2003-04	FY2004-05
LB 57 Sales tax exempt, court photocopies/public records	0	(87,000)	(119,000)	(119,000)
LB 123 Sales tax exempt, drainage districts, fair boards	0	(5,500)	(5,600)	(5,600)
LB 905 Estate and generation-skipping transfer tax	0	0	4,484,000	14,800,000
LB 947 Mobile telecommunications services	0	670,000	750,000	750,000
LB 1085 Depreciation, income tax, sales tax, cig tax	0	116,731,000	122,369,000	48,453,000
<b>Subtotal-Revenue Bills</b>	<b>0</b>	<b>117,308,500</b>	<b>127,478,400</b>	<b>63,878,400</b>
<b>Subtotal-Transfer Bills</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total-Revenue/Transfers Bills</b>	<b>0</b>	<b>117,308,500</b>	<b>127,478,400</b>	<b>63,878,400</b>

## LB 905

LB 905 amends the Nebraska estate and generation-skipping transfer tax to retain these taxes at a level similar to 2001 even though federal law eliminates them over the next three years. Currently, under the federal Economic Growth and Tax Relief Reconciliation Act of 2001, the state death tax credit, upon which all Nebraska state estate taxes were based, will be reduced by 25 percent in 2002, 50 percent in 2003, and 75 percent in 2004. In 2005, the entire state death tax credit is to be eliminated, thus repealing all state estate taxes that are based upon utilizing the maximum available state death tax credit, like Nebraska. Under the federal law, the federal estate tax rates are reduced from 55 percent to

<u>(Millions of Dollars)</u>	<u>FY2002-03</u>	<u>FY2003-04</u>	<u>FY2004-05</u>
Projected revenue loss, federal tax change	\$5.3	\$10.8	\$16.7
Projected revenue increase, LB905	0.0	4.5	14.8
Net Gain (Loss)	(5.3)	(6.3)	(1.9)

45 percent and the exemption amount increased to \$2 million by 2007, but the tax is not repealed until 2010. LB905 strikes references to federal estate tax liability and defines Nebraska

taxable transfers (Nebraska taxable transfer is to be the federal taxable generation-skipping transfer as determined under Chapter 13 of the Internal Revenue Code of 1986, minus an exemption amount of \$1 million) and provides a rate table for the state estate tax. The tax rate ranges from .8 percent for taxable estate amounts between \$40,000 and \$90,000 to 16 percent for taxable estate amounts greater than \$10,040,000. The tax rate for generation-skipping transfers is 16 percent.

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## LB 947

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LB 947 brings Nebraska sales and use tax law into compliance with the federal Mobile Telecommunications Sourcing Act. Essentially, that act requires states to change their sales tax sourcing provisions by August 1, 2002, so that cell phone and other mobile calls are taxed at the “place of primary use” of the contract holder. Place of primary use is the residential or business address of the customer. Projected sales tax receipts attributed to this change amount to \$670,000 in FY02-03 and \$750,000 thereafter.

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## LB 1085

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This bill increases the revenue to the state by about \$141 million for the 2001-03 biennium of which \$116.7 million would accrue to the General Fund in FY02-03 as summarized below. Estimates are based on an October 1, 2002 operative date for the sales tax related items and cigarette tax increase and assumes no change in Tax Year 2003 income tax withholding.

<b>Tax Item:</b>	<b>FY2002-03</b>	<b>FY2003-04</b>	<b>FY2004-05</b>
85% depreciation add-back revenues	34,000,000	31,200,000	28,100,000
Income tax increase (Tax Year 2003 only)	0	35,507,522	0
Sales tax rate increase to 5.5% for one year – October 1, 2002	67,273,000	33,148,000	(2,151,000)
Sales tax base expansion - October 1, 2002	15,538,615	22,483,726	22,325,612
Cigarette tax increase (30 cents, 2 yrs)	22,801,638	31,434,522	7,811,867
Tobacco products increase (15% to 20%, 2 yrs)	687,500	916,667	229,167
Sales tax related to cigarette & tobacco products increase	1,174,457	1,617,559	402,052
<b>TOTAL BY SOURCE</b>	<b>141,475,210</b>	<b>156,307,996</b>	<b>56,717,698</b>
<b>Fund Source rounded (000):</b>	<b>FY2002-03</b>	<b>FY2003-04</b>	<b>FY2004-05</b>
General Fund	116,731,000	122,913,000	48,453,000
Cash Fund	815,000	1,199,000	285,000
Cash Reserve Fund	23,929,000	32,196,000	7,980,000
<b>TOTAL BY FUND</b>	<b>141,475,000</b>	<b>156,308,000</b>	<b>56,718,000</b>

**Sales Tax Rate** Section 2 increases the sales tax rate from 5.0% to 5.5% only for one year, October 1, 2002 to October 1, 2003.

**Cigarette and Tobacco Products Tax** Section 1 and 20 increase the cigarette tax by 30 cents per pack and the tobacco products tax by one-third, to 20% of the wholesale price (Oct 1, 2002 to Oct 1, 2004). Monies generated from the two-year cigarette tax increase are earmarked for the Cash Reserve Fund.

**Expand Sales Tax Base** Section 3 to 16 expand the sales tax base to repeal certain exemptions for goods and include more services as summarized below. Note that these estimates do not include a projected \$5 million which cities will generate on the expanded tax base with their city sales tax.

<b>Expand Sales Tax Base (Items Included)</b>	<b>FY2002-03</b>	<b>FY2003-04</b>	<b>FY2004-05</b>
Maintenance & janitorial services, including window cleaning	2,681,836	4,099,205	4,172,015
Exterminating (includes termite services)	473,304	723,448	736,298
Security services	601,058	918,690	935,386
Automotive washing and waxing	966,867	1,480,730	1,511,161
Automotive road service and towing services	270,685	414,547	423,066
Auto service except repairs (includes auto body, paint, interior, glass repair)	3,721,708	5,699,696	5,816,830
Charges for training customersto use computer software.	1,435,751	2,218,236	2,284,783
Installation charges by persons selling property	864,622	1,369,439	1,440,984
Installation charges-other than seller of goods	864,622	1,369,439	1,440,984
Refractory materials, lime, synthetic slag, mill rolls, guides	468,773	724,254	745,982
Magazines or journals (at least monthly purchased through a subscription)	1,356,785	2,096,233	2,159,120
Total (Oct 2002 - Oct 2003 @ 5.5%, then 5%)	15,076,612	21,817,713	21,666,607

**Income Tax** Section 17 increases the various income tax factors halfway back to the level prior to the income tax cut initially enacted in 1997 for two years only and then extended in 1998. The increased rates would only be in effect for Tax Year 2003 only. The percent increase in rates range from 2.18% to 2.36% depending on the

<b>Tax Rates</b>	<b>Base Rate</b>	<b>Bracket 1</b>	<b>Bracket 2</b>	<b>Bracket 3</b>	<b>Bracket 4</b>
Tax Year 1996	3.70%	2.62%	3.65%	5.24%	6.99%
Tax Years 1997 to 2002	3.70%	2.51%	3.49%	5.01%	6.68%
Tax Year 2003	3.70%	2.56%	3.57%	5.12%	6.84%
Tax Year 2004	3.70%	2.51%	3.49%	5.01%	6.68%
<b>Income Brackets:</b>					
	<b>Bracket 1 Up to:</b>	<b>Bracket 2 Up to:</b>	<b>Bracket 3 Up to:</b>	<b>Bracket 4 Up to:</b>	
Married-Jointly	\$4,000	\$30,000	\$46,750	> \$46,750	
Married-Separately	\$2,000	\$15,000	\$23,375	> \$23,375	
Single	\$2,400	\$17,000	\$26,500	> \$26,500	
Head of Household	\$3,800	\$24,000	\$35,000	> \$35,000	

bracket. The statute actually contains factors for each tax bracket, which when multiplied by the base rate yields the tax rates for each bracket as shown below.

**Depreciation Allowance** Section 18 amends section 77-2716 dealing with adjustments to income from the federal AGI for individuals or taxable income for corporations or fiduciaries. This change would require taxpayers to add back 85 percent of any bonus depreciation received due to the federal Job

<b>(Millions of Dollars)</b>	<b>FY2002-03</b>	<b>FY2003-04</b>	<b>FY2004-05</b>
Projected revenue loss, federal tax change	\$35.6	\$32.4	\$25.3
Projected revenue increase, LB1085	34.0	31.2	28.1
Net Gain (Loss)	(1.6)	(1.2)	2.8

Creation and Worker Assistance Act of 2002 for any assets placed in service after September 10, 2001 and before September 11th, 2004. For pass-through

entities, the bonus depreciation is to be passed through to the owners or members in the same way that income is passed through and for multi-state corporations subject to unitary reporting, the bonus depreciation is to be apportioned as income is apportioned. This in essence allows Nebraska to "recapture" the projected revenue loss attributed to this federal tax change.

**School Levy Limit Exclusion** Section 19 allows a three-year property tax levy exception for schools to allow them to levy the amount of any difference between the certification of aid under LB 898 and what the aid would be without passage of that bill. For FY2002-03, LB898 reduces school aid by \$22 million below the original February certified amount under prior law.

# **General Fund Appropriations: FY2001-02 and FY2002-03**

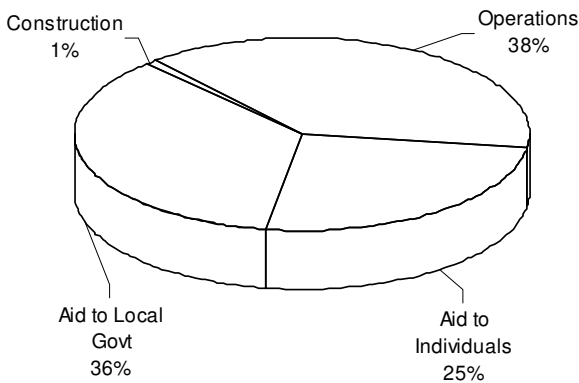
# OVERVIEW

This section of the report provides a summary of current General Fund appropriations which reflect the cumulative impact of (1) the original budget as enacted in the 2001 Session, (2) reductions made during the Fall 2001 Special Session, and (3) changes made during the 2002 Session. While this report provides a narrative description of the major changes enacted during the 2002 Session, the reader should refer to the 2001 Biennial Budget Report (August 2001) and Special Session Budget Actions report for a more detailed description of the budget actions taken in those sessions.

**Table 7 General Fund Appropriations  
FY2001-02 and FY2002-03**

<b>FY2000-01</b>	<b>Operations</b>	<b>State Aid</b>	<b>Construction</b>	<b>Total</b>
<i>Final Appropriation per 2001 Session</i>	934,731,188	1,489,317,474	46,345,744	2,470,394,406
<b>FY2001-02</b>	<b>Operations</b>	<b>State Aid</b>	<b>Construction</b>	<b>Total</b>
<b>Total Per 2001 Session</b>	1,011,549,961	1,614,226,896	33,797,441	2,659,574,298
Special Session Actions	(24,795,964)	(21,414,409)	(6,412,589)	(52,622,962)
<b>Total Per Special Session</b>	986,753,997	1,592,812,487	27,384,852	2,606,951,336
2002 Session Budget Actions	(6,704,976)	(12,655,596)	(6,145,500)	(25,506,072)
<b>Final Appropriation per 2002 Session</b>	980,049,021	1,580,156,891	21,239,352	2,581,445,264
<u>Change over prior year (with deficits)</u>				
Dollar	45,317,833	90,839,417	(25,106,392)	111,050,858
Percent	4.8%	6.1%	-54.2%	4.5%
<b>FY2002-03</b>	<b>Operations</b>	<b>State Aid</b>	<b>Construction</b>	<b>Total</b>
<b>Total Per 2001 Session</b>	1,077,995,121	1,705,038,293	30,133,356	2,813,166,770
Special Session Actions	(25,868,463)	(32,710,289)	(7,347,056)	(65,925,808)
<b>Total Per Special Session</b>	1,052,126,658	1,672,328,004	22,786,300	2,747,240,962
2002 Session Budget Actions	(21,446,402)	(30,826,490)	(2,847,843)	(55,120,735)
<b>Total Per 2002 Session</b>	1,030,680,256	1,641,501,514	19,938,457	2,692,120,227
<u>Change over prior year (with deficits)</u>				
Dollar	50,631,235	61,344,623	(1,300,895)	110,674,963
Percent	5.2%	3.9%	-6.1%	4.3%
<u>Change over FY00-01 (with deficits)</u>				
Dollar	95,949,068	152,184,040	(26,407,287)	221,725,821
Percent (Total)	10.3%	10.2%	-57.0%	9.0%
Percent (2 Yr Avg)	5.0%	5.0%	-34.4%	4.4%

### FY2002-03 General Fund Budget



The total General Fund biennial budget, after actions taken in the 2001 Session, the Special Session and finally during the 2002 Session amounts to \$2,581,445,264 in FY2001-02 and \$2,692,142,128 in FY2002-03, a 4.4% average growth over the two-year biennium.

FY01-02 reflects a \$111,050,858 (4.5%) increase over FY00-01, while FY02-03 includes an additional \$110,674,963 (4.3%) above FY01-02 or \$221,725,821 compared to the FY00-01 base year appropriation. Cumulatively, a total of \$332,776,679 is appropriated over the two year period compared to the FY00-01 level.

The following table highlights the major changes in the budget as compared to the FY00-01 base year appropriation. A more detailed list of the major increases and reductions by major area can be found on page 28. *All items shown reflect the cumulative impact of actions taken in the 2001 Session and subsequently modified in the Special Session and 2002 Session.*

<b>Major Changes in the General Fund Budget</b>	<b>\$ Change over FY01 Base Year</b>		<b>Sum Total for the Biennium</b>
	<b>FY2001-02</b>	<b>FY2002-03</b>	
TEEOSA School Aid	80,446,059	97,268,930	177,714,989
Salary and Health Insurance costs	47,103,269	94,068,230	141,171,499
Medicaid	13,474,937	60,260,983	73,735,920
Tecumseh Prison operations/staffing	11,282,825	19,550,724	30,833,549
Special Education	6,960,230	6,960,230	13,920,460
Public Assistance (TANF, child care, child welfare, etc..)	7,462,429	4,530,302	11,992,731
DAS facilities-utilities/depreciation surcharge	3,374,846	6,812,736	10,187,582
Developmental Disability aid-rate equity+transition	3,118,166	6,625,777	9,743,943
Mental Health/Substance Abuse aid increases	2,195,947	5,801,965	7,997,912
County jail cost reimbursement	4,080,000	3,910,000	7,990,000
Corrections, operations and staffing	3,303,402	3,655,500	6,958,902
Aid to Counties	(295,752)	(1,848,452)	(2,144,204)
Aid to Cities	(701,260)	(4,382,875)	(5,084,135)
Construction	(25,106,392)	(26,407,287)	(51,513,679)
Community Colleges	(27,030,714)	(25,598,486)	(52,629,200)
Across the Board Cuts-Operations	(19,287,663)	(38,316,322)	(57,603,985)
All Other (net)	670,529	8,833,867	9,504,396
<b>Total Dollar Change-General Fund</b>	<b>111,050,858</b>	<b>221,725,822</b>	<b>332,776,680</b>



# BREAKDOWN BY OPERATIONS AND AID

Table 8 provides a more detailed breakdown of General Fund appropriations with the major categories and includes the major agencies or programs within each category.

A complete breakdown by agency (operations and aid) can be found in Appendix A (page 48), and a complete breakdown of state aid by individual aid programs can be found in Appendix B (page 56)

**Table 8 General Fund Appropriations by Major Area**

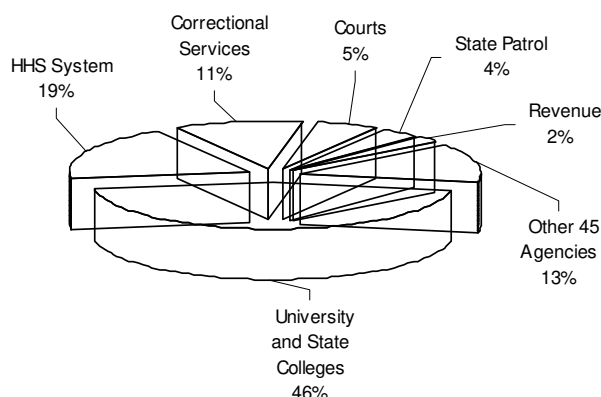
				Change over Prior Yr (with deficits)			
	Final FY2000-01	Total After 2002 Session FY2001-02	FY2002-03	FY2001-02		FY2002-03	
				\$ Chnge	% Chnge	\$ Chnge	% Chnge
<b><u>AGENCY OPERATIONS</u></b>							
University/Colleges (excludes aid)	422,311,850	440,447,138	463,656,986	18,135,288	4.3%	23,209,848	5.3%
Health/Human Services System	174,363,522	186,251,060	194,074,890	11,887,538	6.8%	7,823,830	4.2%
Correctional Services	90,592,253	102,056,932	117,485,755	11,464,679	12.7%	15,428,823	15.1%
Courts	49,960,972	53,981,584	56,528,055	4,020,612	8.0%	2,546,471	4.7%
State Patrol	34,448,113	38,152,179	39,266,782	3,704,066	10.8%	1,114,603	2.9%
Revenue	19,803,682	20,141,597	20,877,141	337,915	1.7%	735,544	3.7%
Other 45 Agencies	143,250,796	139,018,531	138,790,647	(4,232,265)	-3.0%	(227,884)	-0.2%
Total-GF Operations	934,731,188	980,049,021	1,030,680,256	45,317,833	4.8%	50,631,235	5.2%
<b><u>STATE AID TO INDIVIDUALS</u></b>							
Medicaid	365,258,419	378,733,356	425,519,402	13,474,937	3.7%	46,786,046	12.4%
Public Assistance	140,940,039	148,326,468	145,470,341	7,386,429	5.2%	(2,856,127)	-1.9%
Developmental disabilities	47,893,857	51,012,023	54,519,634	3,118,166	6.5%	3,507,611	6.9%
Community based mental health	20,433,411	22,629,358	26,235,376	2,195,947	10.7%	3,606,018	15.9%
Higher Ed Student Aid programs	5,674,026	6,949,026	6,203,996	1,275,000	22.5%	(745,030)	-10.7%
Other Aid to Individuals/Other	17,588,937	15,116,391	14,117,269	(2,472,546)	-14.1%	(999,122)	-6.6%
Other Aid to Other Entities	12,516,608	12,858,459	11,860,370	341,851	2.7%	(998,089)	-7.8%
Total-GF Aid to Individuals/Other	610,305,297	635,625,081	683,926,388	25,319,784	4.1%	48,301,307	7.6%
<b><u>STATE AID TO LOCAL GOVT</u></b>							
State Aid to Education (TEEOSA) *	551,382,437	631,828,496	648,428,207	80,446,059	14.6%	16,599,711	2.6%
Special Education	139,204,597	146,164,827	146,164,827	6,960,230	5.0%	0	0.0%
Aid to Community Colleges	92,387,138	65,356,424	66,788,652	(27,030,714)	-29.3%	1,432,228	2.2%
Homestead Exemption	35,693,302	37,880,000	37,880,000	2,186,698	6.1%	0	0.0%
Aid to Cities	17,531,500	16,830,240	13,148,625	(701,260)	-4.0%	(3,681,615)	-21.9%
Aid to ESU's	12,775,000	13,094,375	12,347,996	319,375	2.5%	(746,379)	-5.7%
Aid to Counties	7,393,808	7,098,056	5,545,356	(295,752)	-4.0%	(1,552,700)	-21.9%
County jail cost reimbursement	0	4,080,000	3,910,000	4,080,000	100.0%	(170,000)	-4.2%
County Property Tax Relief	6,007,165	6,007,165	4,505,374	0	0.0%	(1,501,791)	-25.0%
Other Aid to Local Govt	16,637,230	16,192,227	18,856,089	(445,003)	-2.7%	2,663,862	16.5%
Total-GF Aid to Local Govt	879,012,177	944,531,810	957,575,126	65,519,633	7.5%	13,043,316	1.4%
<b><u>CAPITAL CONSTRUCTION</u></b>	46,345,744	21,239,352	19,938,457	(25,106,392)	-54.2%	(1,300,895)	-6.1%
<b><u>TOTAL-GENERAL FUNDS</u></b>	2,470,394,406	2,581,445,264	2,692,120,227	111,050,858	4.5%	110,674,963	4.3%

## Agency Operations

Operations accounts for the costs of actually carrying out the functions of state agencies (including the University of Nebraska and State Colleges) and includes costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc...

State operations totals \$1.03 billion or 38.3% of all General Fund appropriations. About 42% of the total increase in the FY02/FY03 biennial budget is in this area with an average growth of 5% over the two years.

### General Fund Operations FY2002-03



About 97% of the net increase in operations (41% of the increase in the total budget) is employee salary and health insurance increases. Other large increases include operation of the new Tecumseh Prison, staffing and operating costs at other correctional facilities, and maintenance and depreciation surcharges.

The following lists the major changes in the agency operations budget over the two years and accounts for 88% of the total changes.

<b>Major Changes-Agency Operations</b>	\$ Change over FY01 Base Year Sum Total for		
	FY2001-02	FY2002-03	the Biennium
Salary and Health Insurance costs	47,103,269	94,068,230	141,171,499
Tecumseh Prison operations/staffing	11,282,825	19,550,724	30,833,549
Corrections, operations and staffing	3,303,402	3,655,500	6,958,902
DAS facilities-utilities/depreciation surcharge	3,374,846	6,812,736	10,187,582
HHS revised fed cost allocation, audit exception	2,301,933	3,301,933	5,603,866
State Disbursement Unit (operating)	1,956,430	1,956,430	3,912,860
Across the Board Cuts	(19,287,663)	(38,316,322)	(57,603,985)
All Other (net)	1,282,791	4,919,837	6,202,628
<b>Total Dollar Change-Agency Operations</b>	<b>45,317,833</b>	<b>95,949,068</b>	<b>141,266,901</b>

Large increases in several areas as noted above coupled with lower across the board cuts in the University and Colleges and areas such as HHS and Correctional institutions, has created significant reductions in many of the other agencies. In fact 19 of 52 agencies receiving General Funds for operations have a lower appropriation in FY02-03 than two years before in FY00-01. And with the additional \$95.9 million in FY02-03 compared to FY00-01, agencies must absorb \$94 million of salary and health insurance increases (mostly bargained contracts) and \$35.6 million of "new" items including the opening of the Tecumseh prison (\$19.6 million), State Disbursement Unit (\$1.9 million), depreciation surcharge (\$6.4 million) and replacing federal funds with General Funds in HHS due to a revised cost allocation plan and audit exceptions (\$3.3 million). In order to absorb these additional costs within the revised FY03 appropriation amounts, agencies would have to cut about \$34 million (-3.6%) of other items.

Note that the 3.6% cut number noted above is a generalization at a state-wide level. Because many large areas were either excluded from cuts or applied a lower across the board cut (regional centers, veterans home, BSDC, YDC's in Geneva and Kearney, University and Colleges, Corrections and State Patrol), impacts are even higher on most other agencies, closer to a 7% to 8% range.

Table 9 compares the General Fund appropriations for agency operations in FY2000-01 and FY2002-03. Also shown is the amount required to fund salary and health insurance increases and "new items" as noted above. The "All Other (net)" column shows the amount the agency would have to absorb in order to cover the cost of the salaries, health insurance and "new items", and is reflected as a percent change in the "Adjusted" column. The "Unadjusted" percent change column shows the actual percent change in appropriations without any adjustments.

**Table 9 Impact of Budget Actions on FY02-03 Agency Operations**

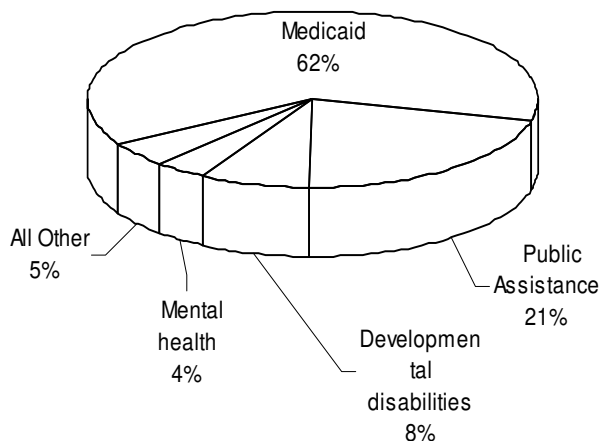
	Operations FY2000-01	Operations FY2002-03	FY2002-03 Operations: Change vs FY00-01				% Change	
			Salary +Health	New Items	All Other (net)	Total \$ Change	Adjusted	Un adjusted
#03 Legislative Council	14,614,449	14,408,229	1,076,876	0	(1,283,096)	(206,220)	-8.8%	-1.4%
#05 Supreme Court	49,960,972	56,528,055	6,262,132	1,052,755	(747,804)	6,567,083	-1.5%	13.1%
#07 Governor	1,437,673	1,508,724	112,333	0	(41,282)	71,051	-2.9%	4.9%
#08 Lt. Governor	101,865	111,459	4,085	0	5,509	9,594	5.4%	9.4%
#09 Secretary of State	733,132	730,017	35,436	0	(38,551)	(3,115)	-5.3%	-0.4%
#10 State Auditor	2,004,990	2,052,929	129,956	120,000	(202,017)	47,939	-10.1%	2.4%
#11 Attorney General	3,599,106	3,847,650	257,684	0	(9,140)	248,544	-0.3%	6.9%
#12 State Treasurer	1,838,380	2,200,653	44,138	416,221	(98,086)	362,273	-5.3%	19.7%
#13 Education	15,126,998	15,008,832	659,171	0	(777,337)	(118,166)	-5.1%	-0.8%
#14 Public Service Comm	2,372,247	2,209,621	162,395	(187,855)	(137,166)	(162,626)	-5.8%	-6.9%
#15 Parole Board	629,387	667,041	32,110	0	5,544	37,654	0.9%	6.0%
#16 Revenue	19,803,682	20,877,141	1,385,599	0	(312,140)	1,073,459	-1.6%	5.4%
#18 Agriculture	6,258,263	6,040,307	494,200	0	(712,156)	(217,956)	-11.4%	-3.5%
#20 HHS-Regulation	6,807,370	6,878,771	893,886	0	(822,485)	71,401	-12.1%	1.0%
#21 Fire Marshal	1,199,520	642,757	83,140	(614,697)	(25,206)	(556,763)	-2.1%	-46.4%
#23 Labor	612,677	565,118	37,482	0	(85,041)	(47,559)	-13.9%	-7.8%
#25 HHS-Services	133,405,115	152,035,433	15,370,653	5,464,115	(2,204,450)	18,630,318	-1.7%	14.0%
#26 HHS-Finance	34,151,037	35,160,736	1,076,732	1,636,061	(1,703,094)	1,009,699	-5.0%	3.0%
#27 Roads	0	18,400	0	0	18,400	18,400	NA	NA
#28 Veterans Affairs	639,553	673,005	57,421	0	(23,969)	33,452	-3.7%	5.2%
#29 Natural Resources	11,207,131	10,198,048	460,353	(158,252)	(1,311,184)	(1,009,083)	-11.7%	-9.0%
#31 Military Dept	3,027,882	3,152,719	157,544	0	(32,707)	124,837	-1.1%	4.1%
#32 Ed Lands & Funds	396,455	403,542	33,821	0	(26,734)	7,087	-6.7%	1.8%
#33 Game & Parks	9,920,816	9,689,372	654,720	0	(886,164)	(231,444)	-8.9%	-2.3%
#34 Library Commission	2,209,512	2,213,621	189,598	0	(185,489)	4,109	-8.4%	0.2%
#35 Liquor Control	768,435	749,132	56,353	0	(75,656)	(19,303)	-9.8%	-2.5%
#38 Status of Women	195,518	195,908	16,172	0	(15,782)	390	-8.1%	0.2%
#46 Correctional Services	90,592,253	117,485,755	7,496,085	22,281,011	(2,883,594)	26,893,502	-3.2%	29.7%
#47 NETC	7,937,294	8,679,116	390,512	879,192	(527,882)	741,822	-6.7%	9.3%
#48 Coordinating Comm	1,041,554	1,039,503	77,810	0	(79,861)	(2,051)	-7.7%	-0.2%
#50 State Colleges	32,928,712	38,405,376	4,308,136	537,806	630,722	5,476,664	1.9%	16.6%
#51 University of Nebraska	389,383,138	425,251,610	46,944,551	3,757,574	(14,833,653)	35,868,472	-3.8%	9.2%
#52 State Fair Board	243,967	0	0	0	(243,967)	(243,967)	-100.0%	-100.0%
#54 Historical Society	4,014,299	4,068,046	311,779	0	(258,032)	53,747	-6.4%	1.3%
#64 State Patrol	34,448,113	39,266,782	3,096,169	1,669,868	52,632	4,818,669	0.2%	14.0%
#65 Admin Services (DAS)	11,401,303	9,291,900	482,234	(328,000)	(2,263,637)	(2,109,403)	-19.9%	-18.5%
#67 Equal Opportunity	1,359,717	993,342	100,244	(400,000)	(66,619)	(366,375)	-4.9%	-26.9%
#68 Mexican-American	172,236	213,680	11,053	0	30,391	41,444	17.6%	24.1%
#69 Arts Council	527,713	543,589	53,272	0	(37,396)	15,876	-7.1%	3.0%

	Operations FY2000-01	Operations FY2002-03	FY2002-03 Operations: Change vs FY00-01				% Change	
			Salary +Health	New Items	All Other (net)	Total \$ Change	Adjusted	Un adjusted
#70 Foster Care Review	1,145,465	1,161,558	81,222	0	(65,129)	16,093	-5.7%	1.4%
#72 Economic Development	4,038,389	3,879,056	215,288	(87,500)	(287,121)	(159,333)	-7.1%	-3.9%
#76 Indian Commission	177,418	185,802	11,541	0	(3,157)	8,384	-1.8%	4.7%
#77 Industrial Relations	231,938	234,715	12,733	0	(9,956)	2,777	-4.3%	1.2%
#78 Crime Commission	2,520,932	2,564,052	80,505	376,598	(413,983)	43,120	-16.4%	1.7%
#81 Blind & Visually Impaired	362,169	399,864	3,451	0	34,244	37,695	9.5%	10.4%
#82 Deaf & Hard of Hearing	638,524	752,875	44,456	0	69,895	114,351	10.9%	17.9%
#84 Environmental Quality	7,982,716	6,817,582	205,540	0	(1,370,674)	(1,165,134)	-17.2%	-14.6%
#85 Retirement Board	14,523,142	15,389,214	0	0	866,072	866,072	6.0%	6.0%
#87 Account/Disclosure	421,875	422,526	32,509	0	(31,858)	651	-7.6%	0.2%
#90 Railway Council	6,651	6,118	0	0	(533)	(533)	-8.0%	-8.0%
#93 Tax Equal/Review Comm	575,252	726,684	36,189	0	115,243	151,432	20.0%	26.3%
#94 Public Advocacy	485,978	684,610	36,991	145,000	16,641	198,632	3.4%	40.9%
#95 Rural Develop Comm	355,792	0	21,788	0	(377,580)	(355,792)	-106.1%	-100.0%
#96 Property Assess/Tax	4,192,483	3,449,734	291,252	(900,000)	(134,001)	(742,749)	-3.2%	-17.7%
<b>Total Gen Fund Operations</b>	<b>934,731,188</b>	<b>1,030,680,309</b>	<b>94,089,300</b>	<b>35,659,897</b>	<b>(33,800,076)</b>	<b>95,949,121</b>	<b>-3.6%</b>	<b>10.3%</b>
Lower than FY01 (19)	93,436,240	85,718,668	5,114,282	(2,676,304)	(10,155,550)	(7,717,572)	-10.9%	-8.3%
Higher than FY01(33)	841,294,948	944,961,641	88,975,018	38,336,201	(23,644,526)	103,666,693	-2.8%	12.3%
<b>Total (52)</b>	<b>934,731,188</b>	<b>1,030,680,309</b>	<b>94,089,300</b>	<b>35,659,897</b>	<b>(33,800,076)</b>	<b>95,949,121</b>	<b>-3.6%</b>	<b>10.3%</b>

## State Aid to Individuals / Other

This category includes payments that are made to individuals (or on behalf of individuals), or quasi-government units and accounts for 25.4% of total General Fund appropriations. State aid to individuals would include programs such as Medicaid, Aid to Temporary Assistance to Needy Families (TANF), student scholarships, etc... Aid to other entities includes payments to those quasi-government local agencies that do not have the authority to levy property taxes such as area agencies on aging, mental health regions and developmental disability regions.

### General Fund Aid to Individuals FY2002-03



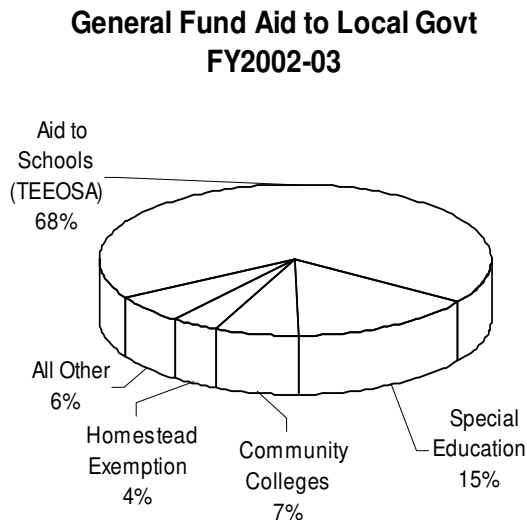
This area totals \$683.9 million and accounts for about 30% of the total increase in the budget over the two years with an average growth of 5.9% over the two year biennium.

Medicaid accounts for 76% of the budget growth in this area (22% of the increase in the total budget) with an average growth of 7.9% over the two years even with the fund shifts and cost reductions enacted during the Special and 2002 Sessions.

<b>Major Changes: Aid to Individuals</b>	<u>\$ Change over FY01 Base Year</u>		Sum Total for the Biennium
	FY2001-02	FY2002-03	
Medicaid	13,474,937	60,260,983	73,735,920
Public Assistance (TANF, child care, child welfare, etc..)	7,462,429	4,530,302	11,992,731
Developmental Disability aid-(rate equity+ transition)	3,118,166	6,625,777	9,743,943
Mental Health/Substance Abuse aid increases	2,195,947	5,801,965	7,997,912
All Other (net)	(931,635)	(3,597,935)	(4,529,630)
Total Dollar Change-Aid to Individuals	25,319,784	73,621,092	98,940,876

## Aid to Local Governments

Aid to Local Governments reflects payments made to local governments and includes programs such as state aid to schools (TEEOSA), special education, aid to community colleges, and homestead exemption reimbursements. Local governments under this category are those which have the authority to levy a property tax. This helps isolate those aid amounts which directly relate to "property tax relief".



Aid to local governments totals \$957.6 million or 35.6% of the total FY2002-03 General Fund budget. This area accounts for 43% of the overall budget growth in the FY02/FY03 biennium with an average growth of 4.4% over the two year biennium.

Large increases in TEEOSA school aid (8.4% average growth over the two years even after enactment of LB898) accounts for 53% of the net increase in the total budget and over

100% of the increase in aid to local governments. This large increase in TEEOSA aid was partially offset by removal of the one-time, two-year \$30 million property tax relief aid funded through the Community Colleges in FY99-00 and FY00-01 and a 25% reduction in the basic aid to cities and counties (FY03 compared to FY01)

<b>Major Changes: Aid to Local Govts</b>	<u>\$ Change over FY01 Base Year</u>		Sum Total for the Biennium
	FY2001-02	FY2002-03	
TEEOSA School Aid	80,446,059	97,268,930	177,714,989
Special Education	6,960,230	6,960,230	13,920,460
Homestead Exemption	2,186,698	2,186,698	4,373,396
County jail cost reimbursement	4,080,000	3,910,000	7,990,000
Aid to Counties	(295,752)	(1,848,452)	(2,144,204)
Aid to Cities	(701,260)	(4,382,875)	(5,084,135)
Community Colleges	(27,030,714)	(25,598,486)	(52,629,200)
All Other (net)	(125,628)	66,905	(58,724)
Total Dollar Change-Aid to Local Governments	65,519,633	78,562,950	144,082,583

## Capital Construction

Capital construction includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used as relatively small or on-going repair or renovation projects are routinely done within an agencies operating budget. Road construction and maintenance is not included in this category but is included under cash fund agency operations.

Capital construction accounts for only .7% of total General Fund appropriations. The appropriations for capital construction in both FY01-02 and FY02-03 are significantly less than \$46.3 million appropriated in FY00-01 (FY01-02 is \$25.1 million less, FY02-03 is \$26.4 million less). This large reduction is mostly due to completion of the Tecumseh Prison where FY00-01 included \$22 million and was the last of four years of construction appropriations for the project.

The following table lists the construction projects for which General funds are appropriated in FY01-02 and FY02-03, and estimated amounts for the two years of following biennium. The projects are broken down into REAFFIRMATIONS and NEW CONSTRUCTION. New Construction refers to projects initiated in the 2001 Session while Reaffirmations refers to funding needed to complete projects authorized and initial funding provided in prior legislative sessions.

Capital Construction-General Funds Only		2001-02	2002-03	2003-04	2004-05
<b><u>REAFFIRMATIONS</u></b>					
#25-HHS	Geneva YRTC-Replace/renovate facilities	970,848	0	0	0
#47-NETC	NEB*SAT-replace Network 3 equipment	100,000	100,000	100,000	100,000
#47-NETC	Transponder replacement, digitize NETC signal	5,700,000	5,700,000	5,700,000	5,700,000
#50-Colleges	PSC-Library Building / WSC Power Plant	490,858	586,769	2,009,360	2,009,360
#50-Colleges	Deferred maintenance/repair (LB1100-1998)	400,000	400,000	400,000	400,000
#51-University	Deferred maintenance/repair (LB1100-1998)	1,000,000	5,500,000	5,500,000	5,500,000
#65-DAS	Masonry/Structural repair-State Capitol	5,284,876	3,220,923	3,147,000	2,708,285
<b><u>NEW CONSTRUCTION</u></b>					
#25-HHS	West Nebr Vets Home-Multipurpose building	492,945	0	0	0
#25-HHS	Geneva YRTC-Replace/renovate facilities	128,800	0	0	0
#25-HHS	Kearney YRTC-Nine bed level 4 housing (five units)	50,000	0	0	0
#25-HHS	Program Statement, Fitzgerald Vets Home	0	100,000	0	0
#46-Corrections	Center for Women York-facility additions/upgrades	2,601,588	1,894,200	3,000,000	0
#47-NETC	Carpenter (NETC) Building renovations	0	425,865	1,858,671	1,858,671
#47-NETC	Replace KUON Transmitter (Lincoln)	300,000	0	0	0
#47-NETC	Replace KPNE Transmitter (North Platte)	0	325,000	0	0
#47-NETC	NEB*SAT #1 projects	164,000	310,000	0	0
#47-NETC	UNO TV equipment	145,000	0	0	0
#51-University	NCTA-Johnson acreage acquisition	184,937	0	0	0
#51-University	NCTA-instructional facility improvements	75,000	75,000	0	0
#51-University	UNL-Sheldon Art Gallery, vapor barrier	1,520,000	0	0	0
#52-Fair Board	Repairs, utility/electrical distribution systems	500,000	0	0	0
#54-Hist Society	Museum of Nebraska History-planning	50,000	0	0	0
#65-DAS	Lincoln Reg Center-city water system connection	186,500	800,700	0	0
#65-DAS	State Capitol-renovations/improvements	894,000	500,000	1,000,000	1,000,000
Reaffirmation		13,666,643	15,507,692	16,856,360	16,417,645
New Construction		7,572,709	4,430,765	5,858,671	2,858,671
Total General Fund Capital Construction		21,239,352	19,938,457	22,715,031	19,276,316



# SI GNI FI CANT I NCREASES AND REDUCTIONS

(Reflect Cumulative Impact of Budget Actions in the 2001 Session, Special Session, and 2002 Session)

	Change over FY00-01 Base		Sum Total for the Biennium	
	FY2001-02	FY2002-03	Total \$	% of Total
Aid to K-12 Schools (TEEOSA)	80,446,059	97,268,930	177,714,989	53.4%
Special Education	6,960,230	6,960,230	13,920,460	4.2%
Community Colleges	(27,030,714)	(25,598,486)	(52,629,200)	-15.8%
Resources Development Fund	1,593,200	1,436,400	3,029,600	0.9%
Early Childhood projects	937,600	1,795,200	2,732,800	0.8%
County Juvenile services aid	0	2,670,600	2,670,600	0.8%
Aid to Cities	(701,260)	(4,382,875)	(5,084,135)	-1.5%
Aid to Counties	(295,752)	(1,848,452)	(2,144,204)	-0.6%
Homestead Exemption	2,186,698	2,186,698	4,373,396	1.3%
County jail cost reimbursement	4,080,000	3,910,000	7,990,000	2.4%
County juvenile evaluation (Marie E case)	(3,700,000)	(3,700,000)	(7,400,000)	-2.2%
Indigent defense reimbursement (LB 335)	424,800	874,000	1,298,800	0.4%
Other Not Listed (net)	618,772	(3,009,296)	(2,390,524)	-0.7%
<b>AID TO LOCAL GOVERNMENTS</b>	<b>65,519,633</b>	<b>78,562,950</b>	<b>144,082,583</b>	<b>43.3%</b>
Medicaid	13,474,937	60,260,983	73,735,920	22.2%
Public Assistance	7,462,429	4,530,302	11,992,731	3.6%
Developmental Disability aid-rate equity+transition	3,118,166	6,625,777	9,743,943	2.9%
Mental Health/Substance Abuse aid increases	2,195,947	5,801,965	7,997,912	2.4%
Higher Ed Student aid programs	1,275,000	529,970	1,804,970	0.5%
Aid to Aging/Care Management	500,000	750,000	1,250,000	0.4%
Other Not Listed (net)	(2,706,695)	(4,877,905)	(7,584,600)	-2.3%
<b>AID TO INDIVIDUALS / OTHER</b>	<b>25,319,784</b>	<b>73,621,092</b>	<b>98,940,876</b>	<b>29.7%</b>
Salaries (State Agencies+Colleges+NU)	38,075,297	75,649,725	113,725,022	34.2%
Health Insurance (State Agencies+Colleges+NU)	6,911,407	15,679,188	22,590,595	6.8%
County court/court reporter salary upgrades	1,694,975	1,697,974	3,392,949	1.0%
Increase judges salaries (LB 357)	421,590	1,041,343	1,462,933	0.4%
Operating costs, utilities, depreciation (St Colleges)	1,094,189	1,941,118	3,035,307	0.9%
Operating costs, utilities, depreciation (University)	1,828,927	4,430,992	6,259,919	1.9%
DAS facilities-utilities/depreciation surcharge	3,374,846	6,812,736	10,187,582	3.1%
State Disbursement Unit (operating)	1,956,430	1,956,430	3,912,860	1.2%
State Disbursement Unit (systems development)	(2,134,342)	(2,134,342)	(4,268,684)	-1.3%
Data processing costs-HHS	1,519,883	1,519,883	3,039,766	0.9%
Computer projects-HHS	1,737,408	1,468,470	3,205,878	1.0%
Revised cost allocation plan-HHS	1,301,933	2,301,933	3,603,866	1.1%
Federal audit exception, IV-E funds-HHS	1,000,000	1,000,000	2,000,000	0.6%
Facility operating costs-HHS	963,806	1,996,539	2,960,345	0.9%
Juvenile programs, community based-HHS	499,904	1,552,628	2,052,532	0.6%
Corrections-Tecumseh Prison, oper/staffing	11,282,825	19,550,724	30,833,549	9.3%
Corrections, operations and staffing	3,303,402	3,655,500	6,958,902	2.1%
Corrections, one-time cut in carryover funds	(6,000,000)	0	(6,000,000)	-1.8%
NETC-digital transmission/operating	300,012	980,015	1,280,027	0.4%
COPS MORE replace fed funds-Patrol	747,879	747,879	1,495,758	0.4%
Patrol officers/comm spec/drug investigators-Patrol	700,003	921,989	1,621,992	0.5%
Across the Board Cut-All Operations	(19,287,663)	(38,316,322)	(57,603,985)	-17.3%
Other Not Listed (net)	(5,974,878)	(8,505,334)	(14,480,212)	-4.4%
<b>AGENCY OPERATIONS</b>	<b>45,317,833</b>	<b>95,949,068</b>	<b>141,266,901</b>	<b>42.5%</b>
<b>CAPITAL CONSTRUCTION</b>	<b>(25,106,392)</b>	<b>(26,407,287)</b>	<b>(51,513,679)</b>	<b>-15.5%</b>
<b>TOTAL GEN FUND \$CHANGE (with deficits)</b>	<b>111,050,858</b>	<b>221,725,822</b>	<b>332,776,680</b>	<b>100.0%</b>

# CHRONOLOGY OF FY2001-02 AND FY2002-03 GENERAL FUND APPROPRIATIONS

	Dollar Change over FY00-01		Sum Total for
	FY2001-02	FY2002-03	the Biennium
<u>FY00-01 Base (with deficits)</u>	2,470,394,406	2,470,394,406	4,940,788,812
Plus: Salary and Health Insurance costs *	44,986,704	91,109,292	136,095,996
Plus: TEEOSA School Aid *	87,198,296	105,881,379	193,079,675
Plus: Medicaid *	40,247,513	81,925,039	122,172,552
Plus: Tecumseh Prison operations/staffing	11,282,825	19,550,724	30,833,549
Plus: Special Education *	6,960,230	14,268,471	21,228,701
Plus: Public Assistance programs *	4,876,446	12,187,513	17,063,959
Plus: DAS facilities-utilities/depreciation surcharge *	5,054,945	6,780,500	11,835,445
Less: Community Colleges *	(26,857,620)	(23,584,738)	(50,442,358)
Plus: All Other (net)	15,430,553	34,654,184	50,084,737
<i>Total Budget Actions - 2001 Session</i>	<i>189,179,892</i>	<i>342,772,364</i>	<i>531,952,256</i>
<b>Total After 2001 Session</b>	<b>2,659,574,298</b>	<b>2,813,166,770</b>	<b>5,472,741,068</b>
Less: Budget Cuts FY02/ FY03	(52,622,962)	(65,925,808)	(118,548,770)
Less: Lapse FY01 reappropriation	(2,084,122)	0	(2,084,122)
<i>Total Budget Actions - Special Session</i>	<i>(54,707,084)</i>	<i>(65,925,808)</i>	<i>(120,632,892)</i>
<b>Total After Special Session</b>	<b>2,606,951,336</b>	<b>2,747,240,962</b>	<b>5,354,192,298</b>
Plus: Actions <i>before</i> February forecast revisions	(5,966,346)	18,047,932	12,081,586
Less: Budget Cuts <i>after</i> February forecast revisions	(12,818,526)	(51,910,136)	(64,728,662)
Less: Budget Cuts from vetoes (net of overrides)	(6,721,200)	(21,236,631)	(27,957,831)
Plus: "A" Bills 2002 Session	0	(21,900)	(21,900)
<i>Total Budget Actions - 2002 Session</i>	<i>(25,506,072)</i>	<i>(55,120,735)</i>	<i>(80,626,807)</i>
<b>Total After 2002 Session</b>	<b>2,581,445,264</b>	<b>2,692,120,227</b>	<b>5,273,565,491</b>
<b><u>% Change over Prior Year</u></b>			
Total After 2001 Session:	7.7%	5.8%	13.9%
Total After Special Session	5.5%	5.4%	11.2%
Total After 2002 Session	4.5%	4.3%	9.0%

\* *These increases noted here are based on actions taken during the 2001 Session.* The numbers shown in the Significant Increases and Reductions table on page 28 may differ due to subsequent revisions during the Special Session and 2002 Session actions.



# HISTORICAL GENERAL FUND APPROPRIATIONS

**Table 10 Historical General Fund Appropriations**

<i><b>Includes Deficits</b></i>	Agency Operations	State Aid	Construction	Total	% Change
FY1983-84 Approp	357,533,112	399,593,041	2,098,643	759,224,796	na
FY1984-85 Approp	398,017,241	420,336,125	13,296,677	831,650,043	9.5%
FY1985-86 Approp	392,195,153	421,561,233	10,838,460	824,594,846	-0.8%
FY1986-87 Approp	400,000,333	448,496,972	4,460,408	852,957,713	3.4%
FY1987-88 Approp	426,528,953	463,432,280	5,847,592	895,808,825	5.0%
FY1988-89 Approp	472,072,720	507,439,716	11,305,470	990,817,906	10.6%
FY1989-90 Approp	537,495,269	669,627,591	25,263,566	1,232,386,426	24.4%
FY1990-91 Approp	630,208,567	765,456,102	25,996,290	1,421,660,959	15.4%
FY1991-92 Approp	635,334,500	881,765,477	17,661,861	1,534,761,838	8.0%
FY1992-93 Approp	662,267,089	937,096,666	4,876,777	1,604,240,532	4.5%
FY1993-94 Approp	672,886,680	948,707,260	7,144,545	1,628,738,485	1.5%
FY1994-95 Approp	693,603,460	1,012,520,110	5,954,449	1,712,078,019	5.1%
FY1995-96 Approp	720,976,348	1,063,606,929	19,591,655	1,804,174,932	5.4%
FY1996-97 Approp	749,751,041	1,111,938,632	20,739,933	1,882,429,606	4.3%
FY1997-98 Approp	780,989,767	1,159,685,181	39,180,743	1,979,855,691	5.2%
FY1998-99 Approp	824,574,555	1,345,612,115	63,778,475	2,233,965,145	12.8%
FY1999-00 Approp	878,512,757	1,406,032,757	54,536,163	2,339,081,677	4.7%
FY2000-01 Approp	934,731,188	1,489,317,474	46,345,744	2,470,394,406	5.6%
FY2001-02 Approp	979,900,074	1,580,156,891	21,239,352	2,581,296,317	4.5%
FY2002-03 Approp	1,030,452,156	1,641,751,515	19,938,457	2,692,142,128	4.3%
<b>Average Annual Growth</b>					
FY01-02/FY02-03 Biennium	<b>5.0%</b>	<b>5.0%</b>	<b>-34.4%</b>	<b>4.4%</b>	
Avg Growth FY83 to FY93 (10 yr)	7.1%	9.9%	9.8%	8.7%	
Avg Growth FY93 to FY03 (10 yr)	4.5%	5.8%	15.1%	5.3%	
Avg Growth FY83 to FY03 (20 yr)	5.7%	7.7%	12.6%	6.9%	

**Table 11 General Fund Budget Comparison: FY94-95 and FY02-03**

	New Approp FY1994-95	New Approp FY2002-03	8 Year Change: FY95 to FY03		
			Avg % Chnge	Total \$ Chnge	Total % Chnge
<b><u>AGENCY OPERATIONS</u></b>					
University/ Colleges (excludes aid)	328,133,096	463,656,986	4.4%	135,523,890	41.3%
Health & Human Services System	127,123,854	194,074,890	5.4%	66,951,036	52.7%
Correctional Services	57,329,364	117,485,755	9.4%	60,156,391	104.9%
Supreme Court	36,049,152	56,528,055	5.8%	20,478,903	56.8%
State Patrol	25,414,753	39,266,782	5.6%	13,852,029	54.5%
Revenue	18,560,561	20,877,141	1.5%	2,316,580	12.5%
Other 45 Agencies	100,299,027	138,790,647	4.1%	38,491,620	38.4%
Total-GF Operations	692,909,807	1,030,680,256	5.1%	337,770,449	48.7%
<b><u>STATE AID TO INDIVIDUALS</u></b>					
Medicaid	224,888,806	425,519,402	8.3%	200,630,596	89.2%
Public Assistance	99,678,056	145,470,341	4.8%	45,792,285	45.9%
Developmental disabilities	28,174,653	54,519,634	8.6%	26,344,981	93.5%
Mental health/substance abuse	16,787,090	31,756,515	8.3%	14,969,425	89.2%
Higher Ed Student Aid	2,204,909	6,203,996	13.8%	3,999,087	181.4%
Aging services	2,585,155	5,496,975	9.9%	2,911,820	112.6%
Nebr Water Conservation Fund	3,454,147	2,715,610	-3.0%	(738,537)	-21.4%
Health Aid	1,499,022	2,488,349	6.5%	989,327	66.0%
Other Aid to Individuals/Other	8,020,136	9,755,566	2.5%	1,735,430	21.6%
Total-State Aid to Ind/Other	387,291,974	683,926,388	7.4%	296,634,414	76.6%
<b><u>STATE AID TO LOCAL GOVT</u></b>					
State Aid to Education	400,230,135	648,428,207	6.2%	248,198,072	62.0%
Special Education	115,370,661	146,164,827	3.0%	30,794,166	26.7%
Aid to Community Colleges	35,366,263	66,788,652	8.3%	31,422,389	88.8%
Homestead Exemption	36,394,078	37,880,000	0.5%	1,485,922	4.1%
Aid to Cities	17,631,500	13,148,625	-3.6%	(4,482,875)	-25.4%
Aid to Counties	13,297,500	5,545,356	-10.4%	(7,752,144)	-58.3%
Aid to ESU's	0	12,347,996	100.0%	12,347,996	100.0%
County jail cost reimbursement	0	3,910,000	100.0%	3,910,000	100.0%
County Property Tax Relief	0	4,505,374	100.0%	4,505,374	100.0%
Prop Tax Reimburse (LB84/LB829)	0	0	100.0%	0	100.0%
Resources Development Fund	1,970,000	3,606,400	7.9%	1,636,400	83.1%
County Juvenile Services aid	0	2,670,600	100.0%	2,670,600	100.0%
High ability learner programs	0	3,156,211	100.0%	3,156,211	100.0%
Early Childhood program	435,000	2,355,200	23.5%	1,920,200	441.4%
Other Aid to Local Govt	12,105,712	7,067,678	-6.5%	(5,038,034)	-41.6%
Total-GF State Aid to Local Govt	632,800,849	957,575,126	5.3%	324,774,277	51.3%
<b><u>CAPITAL CONSTRUCTION</u></b>					
	5,954,449	19,938,457	16.3%	13,984,008	234.8%
<b><u>GENERAL FUND TOTAL</u></b>					
	1,718,957,079	2,692,120,227	5.8%	973,163,148	56.6%

# **General Fund Appropriations: 2002 Session Changes**

# SUMMARY – 2002 SESSION CHANGES

Total General Fund budget actions taken during the 2002 Session resulted in a net reduction in appropriations of \$80.6 million over the two years of the biennium. This was in addition to the \$120.6 million of reductions made in the Special Session. The following table shows the chronology of budget actions as they occurred during the 2002 Session.

<u>Summary-2002 Session Changes</u>	<u>FY2001-02</u>	<u>FY2002-03</u>	<u>Two Yr Total</u>
<b>Total After Special Session</b>	<b>2,606,951,336</b>	<b>2,747,240,962</b>	<b>5,354,192,298</b>
Plus: Actions before February forecast revisions	(5,966,346)	18,047,932	12,081,586
Less: Reductions after February forecast revisions	(12,818,526)	(51,910,136)	(64,728,662)
Less: Reductions-Vetoed (net of overrides)	(6,721,200)	(21,236,631)	(27,957,831)
Plus: "A" Bills 2002 Session	0	(21,900)	(21,900)
Total Budget Actions - 2002 Session	(25,506,072)	(55,120,735)	(80,626,807)
<b>Total Per 2002 Session</b>	<b>2,581,445,264</b>	<b>2,692,120,227</b>	<b>5,273,565,491</b>

There were just a handful of budget increases enacted this session, the largest being a \$1,880,000 increase in homestead exemption reimbursements in both FY01-02 and FY02-03 and a \$1.1 million increase in FY02-03 for the State Capitol Masonry project.

Other major increases were offset with either fund shifts or subsequent cuts. A \$7.9 million deficit in FY01-02 in child welfare costs was partially funded with \$4 million of "excess" TANF funds. A \$4 million General Fund deficit in FY01-02 for the low-level radioactive waste lawsuit was financed with cash funds from a \$4 million cash lapse from the Landfill Closure Fund. A \$20 million increase in FY02-03 TEEOSA school aid appropriations based on the original certification was offset by the enactment of LB898 which lowered aid by \$22 million.

Other large reductions include: (1) across the board cuts amounting to \$16.4 million and ranging from 1% to 3% in addition to those across the board cuts in the special session, and (2) \$22 million of sustained vetoes including a reduction in child care subsidy eligibility (\$4.6 million), reductions in city and county aid to 75% of the original FY02-03 appropriation (\$5.4 million), and elimination of the following: Hastings Correctional Center (\$2.5 million), family support program (\$2 million), value-added grants (\$920,000), community justice funding (\$531,465), Rural Development Commission (\$347,374), Cowboy Trail funding (\$239,688) and Crimes Against Children local prosecution aid (\$54,600).

Table 12 provides a listing of the major General Fund budget changes enacted during the 2002 Session. The list is limited to items of \$250,000 or more. General Fund reductions are further divided into two components: those which reduced total dollar amounts and those associated with shifting dollars from the General Fund to another fund source.

**A complete list of 2002 budget actions by agency by item can be found in Appendix C Detailed Listing of 2002 Session Budget Adjustments -- All Funds on page 59**

**Table 12 Major General Fund Budget Changes - 2002 Session**

* increases offset with fund shift	Stage	FY2001-02	FY2002-03	Two Yr Total
<b><u>Increases</u></b>				
TEEOSA state aid to schools	Pre-Forecast	0	20,151,367	20,151,367
* Child Welfare placement costs (HHS-Finance)	Pre-Forecast	7,985,983	0	7,985,983
* Low Level Radioactive Waste lawsuit costs (DEQ)	Pre-Forecast	4,000,000	0	4,000,000
Homestead exemption (Revenue)	Pre-Forecast	1,880,000	1,880,000	3,760,000
State Capitol masonry project (DAS)	Pre-Forecast	0	1,152,157	1,152,157
Juvenile services programs/staffing (HHS-Services)	Pre-Forecast	0	503,700	503,700
Revised costs for retirement plans (Retirement)	Pre-Forecast	0	516,584	516,584
All Other	Not applicable	279,652	438,317	717,969
Subtotal-Increases		14,145,635	24,642,125	38,787,760
<b><u>Reductions (dollar cuts)</u></b>				
TEEOSA school aid (LB 898)	Post-Forecast	0	(22,223,160)	(22,223,160)
Projected one-time department savings (Corrections)	Veto	(6,000,000)	0	(6,000,000)
Return non-ADC child care subsidy eligibility to 120% FPL (HHS-Finance)	Veto	0	(4,581,211)	(4,581,211)
Special Education (Education)	Post-Forecast	0	(4,050,000)	(4,050,000)
Medicaid-administrative cost savings (HHS-Finance)	Post-Forecast	0	(3,800,000)	(3,800,000)
Reduce Aid to Municipalities to 75% of FY03 original (Treasurer)	Veto	0	(2,980,355)	(2,980,355)
Close Hastings Correctional Center (Corrections)	Veto	0	(2,484,043)	(2,484,043)
Eliminate "Level 4" funding- YRTC Kearney (HHS)	Post-Forecast	0	(2,100,000)	(2,100,000)
County Juvenile Aid-delayed, reduce 2nd year increase (HHS-Finance)	Post-Forecast	(1,483,200)	(600,000)	(2,083,200)
Eliminate family support funding (HHS-Finance)	Veto	0	(2,000,000)	(2,000,000)
Reduce Aid to Counties to 75% of FY03 original (Treasurer)	Veto	0	(1,256,948)	(1,256,948)
Additional lump sum reduction (Corrections)	Post-Forecast	0	(1,079,171)	(1,079,171)
Eliminate Value-Added grants (Agriculture)	Veto	0	(920,000)	(920,000)
Reduce County Property Tax Relief to 75% of FY03 original (Revenue)	Veto	0	(780,931)	(780,931)
Reduce Water Conservation Fund to 75% of FY03 original (Nat Resources)	Veto	0	(672,206)	(672,206)
Eliminate Community Justice funding (Corrections)	Veto	0	(531,465)	(531,465)
Establish base funding level at \$500,000 (Admin Services)	Veto	0	(500,000)	(500,000)
Use FY01 grant savings for FY02 grants (Admin Services)	Veto	(450,000)	0	(450,000)
Reduce Aid to NRD's to 75% of FY03 original (Treasurer)	Veto	0	(391,194)	(391,194)
Eliminate General Fund appropriations (Rural Development)	Veto	0	(347,374)	(347,374)
Adjust county general assistance fee (HHS-Services)	Veto	0	(300,000)	(300,000)
Reduce PEAP scholarship aid by 10% (Postsecond Coord.)	Veto	0	(273,686)	(273,686)
Depreciation surcharge changes (LB1235) (University & Colleges)	Post-Forecast	0	(479,392)	(479,392)
Across the Board Cuts-University+ Colleges	Post-Forecast	0	(4,801,898)	(4,801,898)
Across the Board Cuts-Other Agency Operations	Post-Forecast	0	(9,257,530)	(9,257,530)
Across the Board Cuts-State Aid	Post-Forecast	0	(2,342,366)	(2,342,366)
All Other	Not applicable	(978,198)	(2,774,804)	(3,753,002)
Subtotal-Reductions		(8,411,398)	(72,002,734)	(80,414,132)
<b><u>Reductions (fund shifts / cash flow)</u></b>				
Health Care Cash Funds to offset Medicaid (HHS)	Pre-Forecast	(11,485,983)	0	(11,485,983)
Medicaid-offset with "unused" Tobacco Prevention funds (HHS)	Post-Forecast	(5,000,000)	0	(5,000,000)
Cash flow of bonded project (NETC)	Post-Forecast	(4,500,000)	0	(4,500,000)
Increased Medicaid match rate (HHS)	Pre-Forecast	0	(4,413,007)	(4,413,007)
* Child Welfare placement costs, use excess TANF funds (HHS)	Pre-Forecast	(4,400,000)	0	(4,400,000)
* Landfill Closure Funds to offset LLRW lawsuit costs (DEQ)	Pre-Forecast	(4,000,000)	0	(4,000,000)
Cash flow York project (Corrections)	Post-Forecast	(1,500,000)	(1,500,000)	(3,000,000)
Use available cash funds (LB1310) (DPAT)	Post-Forecast	0	(900,000)	(900,000)
Cash fund 309 Task Force operations (LB1235) (DAS)	Post-Forecast	(248,326)	(297,413)	(545,739)
Utilize rural development fed funds to offset GF (Fair Board)	Post-Forecast	0	(293,450)	(293,450)
All Other	Not applicable	(106,000)	(356,256)	(462,256)
Subtotal-Fund Shifts		(31,240,309)	(7,760,126)	(39,000,435)
General Fund Total-Appropriations		(25,506,072)	(55,120,735)	(80,626,807)

# AID TO LOCAL GOVERNMENTS - 2002 SESSION

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## TEEOSA State Aid to Schools

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The February 1, 2002 certified TEEOSA state aid to K-12 schools for FY02-03 was \$20,151,367 above the appropriation based on TEEOSA projections in the Special Session. About half of this under-estimation was attributed to the minimum levy calculation, the other half to higher NEEDS calculation and lower yield from local effort rate. These additional funds were added prior to the revenue forecast revisions.

**LB 898** enacted during the 2002 Session basically removed this “deficit” amount with a subsequent \$22 million reduction in TEEOSA school aid. LB 898 changes the calculation of state aid to education for 2002-03, 2003-04, and 2004-05. The bill establishes a temporary aid adjustment factor that reduces each local school system’s “NEED”, allocated income tax funds and net option funding by 1.25%. The bill reduces the factors used to compute the stabilization factor and small stabilization adjustment by 1.25%. The lop-off provision is adjusted to reflect receipts from other school districts related to annexation. LB 898 also requires the recertification of 2002-03 state aid before May 1, 2002. The state Dept of Education estimates the general fund fiscal impact of the bill to be a \$22,223,160 decrease in state aid in 2002-03 compared to the original February 1 certification. The statewide average decrease in aid from the amount certified in February 2002 is 3.26%.

The following table shows the chronology of school aid appropriations starting in the 2001 Session where much of the large increase in aid was attributed to the drop in the local effort rate corresponding to the drop in the school levy limit from \$1.10 to \$1.00

<u>Chronology -State Aid to Education (TEEOSA)</u>	<u>FY2001-02</u>	<u>FY2002-03</u>
2000-01 Base (with deficits)	551,382,437	551,382,437
2001 Session increase	87,198,296	105,881,379
Spec Session-reduce per revised estimate	(3,368,591)	(4,763,816)
Spec Session-Excess FY01-02 base year incentives	(383,646)	0
Spec Session-repeal consolidation incentives-LB313	(3,000,000)	(2,000,000)
2002 Session-shortfall from Certified Aid		20,151,367
2002 Session-LB 898		(22,223,160)
Revised Total	631,828,496	648,428,207
<u>Change over Prior Year:</u>		
\$ Change	80,446,059	16,599,711
% Change	14.6%	2.6%

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## Special Education

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The budget includes a reduction of \$4,050,000 in Special Education aid in FY02-03. This would leave Special Education aid at the same level as FY01-02 and retain a maintenance of effort level of funding for FY2002-03 in light of an increase in federal funds.

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## Homestead Exemption

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Based on a review of actual claims for the Homestead Exemption program, an additional \$1,880,000 General Funds is required in FY01-02. This amount is included in the FY01-02 deficit appropriations as well as continuing the same amount into FY02-03. In the original budget enacted in the 2001 Session, funding for homestead exemptions had been reduced by approximately \$2.7 million for both FY01-02 and FY02-03. Note that these changes in funding do not reflect a change in the scope of the Homestead Exemption program, but rather a recognition of the actual number of participants in the program and the level of their property tax exemptions.

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## County Juvenile Services Aid

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This new aid program was established in LB640, passed in the 2001 session, with General Funds totaling \$1,483,200 in FY01-02 and \$3,555,000 in FY02-03. The FY02-03 amount was reduced to \$3,377,250 in the special session. During the 2002 Session, there were two other changes in the county juvenile services aid program. First, funding is eliminated in FY01-02 (\$1,483,200 General Fund savings) due to a delayed start for the program. Second, in FY02-03, a \$600,000 reduction is included in addition to the 3% across the board cut (\$106,650). This \$600,000 cut in this program offsets the same amount of the cut recommended by the Governor in the juvenile services aid under the Crime Commission but not reduced in the budget as enacted. With these reductions, this new program will have an appropriation of \$2,670,000 in FY02-03.

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## County Property Tax Relief Fund

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The County Property Tax Relief program was reduced by a total of 25% when comparing the FY02-03 appropriation with FY00-01. For FY01-02 there was no reduction as aid payments under this program had already been made prior to the Special Session. For FY02-03, a 9% reduction was applied in the Special Session which was the 5% reduction as applied to other programs plus 4% to in essence recapture the FY02 amount. FY02-03 was also reduced an additional 3% in the Appropriations Committee budget recommendation after the February forecast revisions, and the Governor's vetoes reduced the amount by an additional 13% to arrive at a total reduction of 25%.

<b>County Property Tax Relief Fund</b>	<b>FY2001-02</b>	<b>FY2002-03</b>
2000-01 Base	6,007,165	6,007,165
2001 Session	0	0
Spec Session 0% / 9% ATB Cut	0	(540,645)
2002 Session 0% / 3% ATB Cut	0	(180,215)
2002 Session Veto to 75% of FY01 level	0	(780,931)
Revised Total	6,007,165	4,505,374

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## Aid to Cities, Counties, NRD's

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The general aid programs for cities, counties, and NRD's were reduced by a total of 25% when comparing the FY02-03 appropriation with FY00-01. FY01-02 was reduced by 4% in the Special Session. FY02-03 was also reduced by 5% in the Special Session, an additional 3% in the Appropriations Committee budget recommendation after the February forecast revisions, and an additional 17% by the Governor's vetoes to arrive at a total reduction of 25%. A chronology for each program is shown on the following page.

<b>Aid to Cities</b>	<b>FY2001-02</b>	<b>FY2002-03</b>
2000-01 Base	17,531,500	17,531,500
2001 Session	0	0
Spec Session 4% / 5% ATB Cut	(701,260)	(876,575)
2002 Session 0% / 3% ATB Cut	0	(525,945)
2002 Session Veto to 75% of FY01 level	0	(2,980,355)
Revised Total 2002 Session	16,830,240	13,148,625
<b>Aid to Counties</b>	<b>FY2001-02</b>	<b>FY2002-03</b>
2000-01 Base	7,393,808	7,393,808
2001 Session	0	0
Spec Session 4% / 5% ATB Cut	(295,752)	(369,690)
2002 Session 0% / 3% ATB Cut	0	(221,814)
2002 Session Veto to 75% of FY01 level	0	(1,256,948)
Revised Total 2002 Session	7,098,056	5,545,356
<b>Aid to NRD's</b>	<b>FY2001-02</b>	<b>FY2002-03</b>
2000-01 Base	2,301,138	2,301,138
2001 Session	0	0
Spec Session 4% / 5% ATB Cut	(92,046)	(115,057)
2002 Session 0% / 3% ATB Cut	0	(69,034)
2002 Session Veto to 75% of FY01 level	0	(391,194)
Revised Total 2002 Session	2,209,092	1,725,853

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## Across the Board Cuts – Aid to Local Governments

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In general, the across the board percentage applied to aid to local governments was the same as the Governor's recommendation, 3% in FY02-03. This is in addition to the 5% across-the-board reduction in General Fund appropriations generally enacted during the special legislative session in November 2001 for FY2002-03 for many State agencies and programs.

The 3% across the board cut was applied to most aid to local governments programs except TEEOSA school aid, special education aid, aid to community colleges, and homestead exemption reimbursement. Although TEEOSA school aid, special education aid and community college aid were excluded from the across the board cut, some specific cuts were applied. A list of impacts by individual aid program can be found in Appendix B.



# AID TO INDIVIDUALS - 2002 SESSION

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## Value-Added Grant Program

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In the 2000 Session, the Legislature enacted the Nebraska Agriculture Opportunities and Value-Added Partnership Act (LB1348). This grant program, initially funded at \$1 million per year for FY00-01, FY01-02 and FY02-03, provided up to \$75,000 in grant funds to agricultural groups working cooperatively to develop value-added products. Funds were reduced in the Special Session by 4% in FY01-02 and 5% in FY02-03. In the 2002 Session, the FY02-03 amount was reduced by an additional 3% and then a Governor's veto of \$920,000 eliminated all funding for FY02-03.

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## Public Assistance Programs

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**Child Welfare Placement Costs:** When HHS submitted their original budget request in September 2000, a 10 percent increase in expenditures in child welfare was projected. The Governor recommended a six percent increase and the Legislature concurred. The current trend however shows a 10 percent increase. State wards increased from 6,431 to 6,970, an 8.4% increase from August 1999 to August 2000. In addition to the numbers of wards, the level and length of placement also influences the costs. Further compounding the situation the actual expenditures for FY00-01 were \$2.7 million higher than the projected FY00-01 amount on which the agency based its original request. Subsequently HHS requested an increase of \$7,985,983 in both FY01-02 and FY02-03 for child welfare costs.

The budget as enacted (and as recommended by the Governor) funded only the FY01-02 amount with \$3,485,983 General Funds and \$4,400,000 Federal Funds. The \$4.4 million is from excess federal TANF funds. Under TANF, up to 10 percent of TANF funds can be transferred to the Social Services Block Grant. General funds in the social services program were replaced with federal funds from the balance. The freed up general funds were applied to child welfare. There will be approximately \$6.6 million left in the TANF balance at the end of the fiscal year for use to cover increased ADC costs, child care or work related expenses. The Legislature and Governor funded only the first year of the deficit waiting to see if funding is needed in FY02-03 depending on the effectiveness of the Nebraska Family Portrait (which has as a goal the reduction of out-of-home placements) and changes in the Medicaid mental health contract.

**Adoption assistance payments** The original appropriation for adoption assistance payments for FY01-02 is \$600,000 and \$900,000 in FY02-03. It appears that less will be needed. The Governor vetoed \$76,000 General Funds in both FY01-02 and FY02-03.

**Reduce Child Care Eligibility Income Level** Under the welfare reform provisions which went into effect statewide in July 1997, families with incomes up to 185% of poverty and transitioning off of ADC were eligible for twenty-four months of child care coverage. Other low-income families were eligible for a child care subsidy on a sliding fee scale with incomes up to 120% of poverty. In 1998, HHS administratively increased the income limits for non-ADC transitioning low-income families from the 120% level to the same 185% of poverty level. In essence, this eliminated the statutory cap of two years imposed on families transitioning off of ADC since all families qualifying under the income guidelines qualify as long as their income remains below 185%.

With the Governor's veto of \$4,581,211 General Funds in FY02- 03, the program would return to the eligibility standards in effect prior to 1998. Approximately 1,000 families with 1,500 children in child care will be impacted.

**Eliminate Family Support program** This program contracted to provide skill-based services and transportation tailored to a family at risk of having a child (children) removed from the home or had a child (children) out-of-home but with a plan for reunification. The family support workers teach families skills to keep children safe, manage difficult behaviors, manage anger, find support, become independent or monitor visits. The agency has been looking into the contracts to see if the benefits are justified by the costs. The Governor's veto of \$2,000,000 General Funds in FY02-03 eliminates this program.

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## Medicaid

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There were many changes enacted which modified Medicaid appropriations as enacted in the 2001 Session and revised in the Special Session

**Federal Match Rate** The federal medical assistance percentage for the State's Medicaid program is calculated annually based on the relationship between each State's per capita personal income and that of the nation as a whole for the three most recent years. The rate for federal fiscal year 2003 was announced this fall and Nebraska's is greater than originally estimated. The higher federal match rate results in a reduction of \$4.4 million General Funds for FY2002-03 and an increase of the same amount in federal funds. While the bulk of this savings is in the Medicaid Program (# 26-348 Medicaid \$3,888,869), savings are also contained in # 26-38 Behavioral Health aid (\$35,262), # 26-424 Developmental Disabilities aid (\$351,198), # 25-365 Regional Centers (\$6,489) and # 25-421 Beatrice State Developmental Center (\$131,189).

**Use "Excess" Health Care Cash Funds to offset General Funds** The revised budget uses \$11,485,983 from the Health Care Cash Fund to offset General Funds in the Medicaid program in FY01-02. There are three parts to how the amount of the general fund offset was derived. The first and largest amount is from the balance left in the fund at the beginning of FY01-02. The balance was derived from investment earnings transferred from the Medicaid Intergovernmental Trust Fund and the Tobacco Settlement Trust Fund prior to the passage of LB 692. The balance was \$7,896,185 on July 1. Second, when LB 692 was passed, the state investment officer was instructed to transfer \$50 million by July 15th. The amount of the appropriation out of the Health Care Cash Fund was \$47,035,000, leaving \$2,965,000 unallocated. And third, additional investment earnings since the beginning of FY01-02 provides the remaining balance. The three added together totals the \$11,485,983 used to offset state General Funds in FY01-02.

**Use Tobacco Prevention and Control Cash Funds to offset General Funds** The Governor recommended, and the Legislature concurred, with the transfer of \$5,000,000 from the Tobacco Prevention and Control Cash Fund to the Health and Human Services Finance & Support Cash Fund in FY2001-02 to offset \$5,000,000 General Funds in the Medicaid program. This amount is excess balance available in the fund as a result of a delayed start while HHS engaged in a lengthy planning process and public engagement period to develop program activities and objectives. This balance is in excess of the \$14,000,000 needed by HHS during this biennium to fund budgeted program activities.

The Governor's recommendation supported allocation of \$7,000,000 of a \$.50 increase in the cigarette tax beginning in FY2003-04 for the Tobacco Prevention and Control Cash Fund in order to continue the program when the current \$16 million balance is exhausted. No such provision was enacted by the Legislature during the 2002 Session.

**Cost Savings-Administrative Actions** The budget includes assumed revised regulations and administrative actions to reduce Medicaid spending by \$3,800,000 annually beginning with FY2002-03 as described below.

- a) Reduce budgeted Medicaid practitioner rate increases scheduled for July 1, 2002 – The provider rates would reflect a 2% increase rather than 4% increase as previously planned and affect rates for chiropractors, dentists, home health agencies, certain laboratory services, mental health professionals, speech, physical and occupational therapists, physicians, podiatrists, optical providers, private duty nurses, and psychologists. This change reduces Medicaid expenditures by \$1,500,000 General Funds in FY2002-03. The Governor's recommendation was to freeze rates at the FY02 level thus eliminating the entire 4% rate increase.
- b) Increase the prescription drug co-payment from \$1 to \$2 – Nebraska currently requires selected Medicaid recipients to participate in the cost of their medical care by imposing nominal client co-payments. With the rapid increase in drug costs experienced in recent years, the average state payment for drugs now supports a \$2 co-payment per prescription, according to federal guidelines. This regulatory action will reduce Medicaid expenditures by \$600,000 General Funds annually beginning in FY2002-03.
- c) Reduce contracts to provide care for special needs clients. HHS will implement a contract amendment to reduce the number of admissions, reduce daily rates, and reduce lengths of stay where appropriate. This change will reduce expenditures by \$200,000 General Funds annually beginning in FY02-03. A voluntary agreement has been reached with one of the providers to work toward achieving these savings.
- d) Require prior authorization for an expanded group of prescribed drugs - The purpose of prior authorization is to promote proper prescribing of medications for patients using medically accepted standards. Savings are generated by curbing excessive utilization and promoting lower cost, equally effective therapies. Medicaid currently has prior authorization requirements for very limited types of drugs. The annual net savings to the Medicaid program will be \$1,500,000 General Funds beginning in FY2002-03.

Several other cost reducing proposals were included in the Governor's vetoes (and in his revised recommendations). These vetoed amounts were overridden and ***THE CUTS WERE NOT INCLUDED*** in the enacted budget. These cost reducing proposals included reducing pharmacy dispensing fees, eliminating direct medical education (DME) payments and capping disproportionate share payments to hospitals, reducing the Medicaid cost-to-charge ratio for outpatient hospital payments from 85% to 75%, and reducing drug payments to Average Wholesale Price (AWP) minus 12 percent from AWP minus 10 percent.

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## **Crime Victims Reparations**

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The revised budget includes a cut of \$179,500 which reduces the appropriation for the Crime Victim Reparations program to \$20,000.

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## **Higher Education Student Financial Aid Programs**

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Per the Appropriations Committee recommendation, the higher education student financial aid programs (SAP, SSAP, and PEAP) were excluded from the 3% across the board cut. However, the Committee's recommendation was amended so as to reduce PEAP by 3% and reallocate the related savings to the SAP and SSAP programs. Subsequently the Governor vetoed funding from each of the three programs in an amount equal to 10% of the level after the special session.

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## **Across the Board Cuts – Aid to Individuals**

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Most aid to individual programs were excluded from the across the board cuts including Medicaid, Public Assistance, aging programs, public health programs, vocational rehabilitation, community-based developmental disability and behavioral health aid, visually impaired aid, and aid to the arts and humanities.

# AGENCY OPERATIONS - 2002 SESSION

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## Across the Board Cuts - Operations

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**State Agencies** A 3% across the board reduction was generally applied to agency operations in FY2002-03. Major exclusions to this cut level include constitutional officers salaries, the Court System, Dept of Revenue, Fire Marshal, 24 hour care/treatment facilities (regional centers, veterans homes, Beatrice State Developmental Center and YRTC's in Geneva and Kearney), vocational rehabilitation, Blind and Visually Impaired, Deaf and Hard of Hearing, industry recruitment in DED, low-level radioactive waste lawsuit costs in DEQ, and public employees retirement.

A 2% reduction is applied to the Department of Corrections and the State Patrol (which were exempted from across the board reductions in the special session), the Dept of Labor and Arts Council. Note that a subsequent lump-sum cut to Corrections totaling \$1,079,171 brings the overall cut to the Dept. of Correctional Services closer to 3%.

This 3% cut in FY02-03 was in addition to the Special Session across the board cut which generally amounted to 4% in FY01-02 and 5% in FY02-03. The cumulative across the board cut to state agency operations for FY2002-03 amounts to an 8% reduction from the original appropriations enacted in the 2001 Session.

**University and State Colleges** A 1% across the board reduction was applied to the University of Nebraska and State Colleges for FY2002-03. This is in addition to the across the board cuts made in the special session; 2% in FY01-02 and 2.5% in FY02-03 for the University and 1% in both years for the State Colleges.

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## Public Service Commission

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The 2002 Session budget actions reduce PSC General Funds by \$187,855 to shift administrative overhead costs currently being expended from General Funds in Program 54 (Enforcement of Standards - Common Carriers) that could be charged to four cash funded programs. The breakdown of costs being transferred to cash funded programs is as follows: \$16,102 to Program 64 (Nebraska Telecommunications Relay System), \$21,469 to Program 583 (Enhanced Wireless 911 Fund), \$69,775 to Program 19 (Modular Housing Units Program), and \$80,509 to Program 686 (Nebraska Telecommunications Universal Service Fund).

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## Health and Human Services System

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**Juvenile Services** Three new funding items were provided in the 2002 Session for juvenile services. Juvenile secure facility contract An additional \$365,000 General Funds is included in FY2002-03, for HHS to contract with a private provider to provide a 5-bed facility for children identified with behaviors requiring a more secure facility than the staff-secure facility provided at the Kearney YRTC. The facility will be located in a wing of the Lancaster Juvenile Detention Center which has excess capacity. Juvenile sexual offender treatment The budget included \$87,600 General and \$788,400

Federal in FY02-03 for HHS to contract with a private provider to provide a 10-bed program for children with serious sexual perpetration issues. One-time federal Violent Offender Incarceration and Truth-In-Sentencing (VOI/TIS) funds will be used in FY02-03 and should be available for use for about 3 years. Juvenile transitional care An additional \$51,100 General and \$459,900 Federal is provided in FY02-03 for HHS to contract with a private provider to provide a 10-bed facility for children leaving Kearney and transitioning back to the community. One-time federal VOI/TIS funds will be used in FY02-03 and should be available for use for about 3 years. Eliminate "Level 4" funding-YRTC Kearney To cover the costs of the funding for a 5-bed secure facility, a 10-bed sexual offender treatment program and a 10-bed transitional facility as noted above, this action deleted funds previously approved for the construction of the new "Level 4" housing.

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## Dept of Correctional Services

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There were several budget reductions and program eliminations affecting the Dept of Correctional Services, although the reductions were hidden by the overall large increase in the budget due to the initial operating costs for the new Tecumseh Prison.

**Across the Board and Lump Sum Cut** A 2% reduction was applied to the Department of Corrections totaling \$2,448,721 as part of the across the board cuts. An additional lump-sum cut of \$1,079,171 brings the overall cut to the Dept of Corrections closer to 3%. With these cuts, along with absorbing higher medical costs, the Department has indicated the Correctional Treatment Center in Airpark (Lincoln) will be closed and relocated at the Penitentiary. Other cuts include eliminating college credit, computer and vocational classes.

**Reduce Funding in FY01-02, One-Time Savings** The Governor vetoed \$6 million in FY01-02 which represents funds accumulated from vacancy and other savings either in FY01-02 or reappropriated and carried forward from the prior biennium. Traditionally, these savings have been utilized for both the Department's contingency and equipment funds.

**Eliminate Community Corrections Program** Starting in FY1997-98, funds were appropriated for the community corrections program as authorized in LB765 passed in 1993. Funding of this program was designed to begin establishment of alternative sanctions at the local level. With the addition of prohibitive intent language in LB1309, and subsequent veto of \$531,465 from the FY02-03 budget, the program has been eliminated.

**Close the Hastings Correctional Center** Hastings Correctional Center is a minimum-security facility that houses up to 186 male inmates and employs approximately 62 FTE staff. HCC is located on the Hastings Regional Center grounds and started receiving inmates June 22, 1987. HCC offers a minimum-security setting for inmates who are close to being released back into society. The Governor's veto of \$2,484,043 in FY02-03 results in the closure of this facility and relocation of inmates to other facilities.

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## University of Nebraska

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**Reduce Depreciation Surcharge** Substantive law changes in LB1310 alter the timing of the initial assessment of certain facility depreciation charges (often referred to as LB1100 depreciation

charges). Under the revised language, these charges would be first assessed in the fiscal year that commences subsequent to the calendar year when a relevant capital project is completed. Under previous law, such charges began in the fiscal year that commenced subsequent to project completion. This change results in a one-year deferral in initiation of depreciation charges for certain capital construction projects completed or anticipated to be completed during the January through June 2002 time frame. Under the change, initial assessment of depreciation charges for one University of Nebraska project would be delayed from FY2002-03 to FY2003-04 allowing appropriations to the University of Nebraska to be reduced by \$253,700 for FY02-03.

**Across the Board Cut** During the 2002 Session, a 1% across the board reduction was applied to the General Fund appropriation for the University of Nebraska for FY2002-03. This was in addition to the across the board cuts made in the special session; 2% in FY01-02 and 2.5% in FY02-03. The net effect for FY2002-03 is a 3.5% reduction from the original General Fund amount enacted in the 2001 Session.

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## State Colleges

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**Reduce Depreciation Surcharge** As noted under the University section, LB1310 alters the timing of the initial assessment of certain facility depreciation charges (often referred to as LB1100 depreciation charges). Under the change, initial assessment of depreciation charges for four State College projects would be delayed from FY2002-03 to FY2003-04 allowing appropriations for the State Colleges to be reduced by \$225,692 for FY02-03.

**Across the Board Cut** A 1% across the board reduction was applied to the General Fund appropriation for the State Colleges for FY2002-03. This was in addition to the across the board cuts made in the special session; 1% in both years of the biennium. The net effect for FY2002-03 is a 2% reduction from the original General Fund amount enacted in the 2001 Session.

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## State Fair Board

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The 2002 Session budget changes reduced funding for the operating costs of the Nebraska State Fair 4-H and FFA programs and State Fair exhibitor premiums by 3% and approved a one-time shift in the funding source of the program. The budget eliminated the FY2002-03 General Fund appropriation for the 4-H and FFA program and directed the Department of Agriculture to provide \$293,450 in funding from federal funds appropriated to the Agriculture Development program in FY2002-03. The Agriculture Development program provides funding for rural youth in Nebraska. This was considered a one-time fund shift in FY02-03.

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## Dept of Administrative Services (DAS) 309 Task Force

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**Cash fund the 309 Task Force** Historically, General Funds have been appropriated to support the operating budget of the Task Force for Building Renewal (a division of the Department of Administrative Services [DAS]). The budget recognizes enactment of substantive law changes in LB1310 that specifically authorize up to 2.0% of the revenue credited to four cash funds administered by DAS to be appropriated to support the operating budget of the Task Force for Building Renewal. These cash funds include: Building Renewal Allocation Fund (cigarette taxes), State Building Renewal Assessment Fund (depreciation charges), University Building Renewal Assessment Fund (depreciation charges), and



State College Building Renewal Assessment Fund (depreciation charges). The related statutory changes facilitate Cash Fund appropriations of \$248,326 for FY2001-02 and \$297,326 for FY2002-03 to support the Task Force for Building Renewal operating budget. General Fund appropriations for the Task Force operating budget are reduced correspondingly.

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## **Dept of Property Assessment and Taxation**

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A statute change regarding the Department of Property Assessment and Taxation Cash Fund allows the agency to charge the cash fund for items now being charged to the General Fund. This change allows the agency's General Fund appropriation to be reduced by \$900,000 in FY2002-03, and its Cash Fund appropriation is increased by the same amount. This fund shift will draw down the agency cash fund balance significantly. This is a one-time fund shift as this level of cash cannot be sustained into the next biennium.

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## **Public Employees Retirement Board**

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The Public Employees Retirement Board requested \$516,584 General Funds in FY02-03 in increased General Funds for funding of defined benefit plans based on an actuarial analysis. The \$516,584 reflects a net figure resulting from an increase of \$519,512 to fund the 7/10 of 1% component of the School Retirement Plan, combined with a decrease of \$2,928 in the LB137 payment to the State Patrol Plan.

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## **Dept of Environmental Quality**

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**Low-Level Radioactive Waste Lawsuit** Additional funding of \$4 million is provided to pay for pre-trial preparation expenses in the lawsuit filed against the State regarding the licensing process for the low-level radioactive waste site. It is anticipated that the case will go to trial in June 2002 and costs will include special expert and legal expenses.

Although requested as General Funds, the additional \$4 million was appropriated as cash funds, financed by transferring the balance of the Landfill Closure Assistance Fund.

This \$4 million cash fund appropriation is in addition to previously enacted appropriations of \$2,835,178 General Funds in FY2001-02 and \$3,333,019 General Funds in FY2002-03.

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## **Rural Development Commission**

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At the end of the 2001 Session, the FY02-03 budget for the Rural Development Commission was established at \$522,580 of which \$377,580 was General Funds, \$20,000 cash funds and an estimated \$125,000 federal funds. After a 5% reduction in the Special Session and 3% in the Committee recommendation, the Governor's veto of \$347,374 removed all General Fund support for the Commission leaving only the relatively small amount of federal and cash funds.



# CAPITAL CONSTRUCTION - 2002 SESSION

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## **Eliminate "Level 4" Funding-YRTC Kearney**

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To cover the costs of the funding for a 5-bed secure facility, a 10-bed sexual offender treatment program and a 10-bed transitional facility as noted under earlier "HHS-Juvenile Services", funds for the construction of the new "Level 4" housing at the YRTC in Kearney is deleted, \$2.1 million in FY02-03.

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## **State Capitol Masonry Project**

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The 2002 budget adjustments include an additional \$1,152,157 General Funds in FY2002-03 for the State Capitol Masonry Project. Masonry work on the Capitol over the last three years has resulted in a better understanding of the original construction of the building, and has enabled the Building Division to identify additional structural and waterproofing issues beyond the original Capitol Masonry Project scope. These additional funds will allow the dismantling and rebuilding of the south and east entrances. An additional \$542,699 will be needed in FY2003-04 to complete the work on these entrances.

The original project, funded during the 1997 session, totaled \$20,640,358 for a five-phase project to restore and repair the exterior of the Capitol over a period spanning FY97-98 through FY04-05. In reaction to the low bid for Phases 1, 2 and 3 of the project, the Legislature increased the scheduled appropriations for the project during the 1999 session to a total of \$23,360,802 (an increase of \$2,720,444) and extended the project timeline by an additional fiscal year through FY05-06. Responding to a change in project scope (unforeseen work required at the buttresses below the Capitol dome), the Legislature once again increased scheduled appropriations for the project during the 2001 session to a total of \$25,114,734 (an increase of \$1,753,932) and the project timeline was again adjusted with the final year of scheduled appropriations revised back to FY04-05. As the contracted phases 1, 2 and 3 of the project near completion, a fundamental change in total project scope, phasing and timeline is now proposed. Total additional appropriations (including the additional \$1,152,157 requested for FY02-03) amounting to \$26,657,362 over a period extending through FY13-14 are proposed.

The revised funding will facilitate completion of two critical components of the proposed changes in project scope (south and east entrances) but decisions with respect to the balance of the proposed project scope changes are deferred to future funding periods.

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## ***NETC-Transponder replacement, digitize signal***

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In 1999, the Legislature authorized the issuance of bonds and a funding stream for replacing the NETC transponder and conversion to a digital signal. Annual appropriations were scheduled at \$5.7 million per year until 2010. The appropriation for FY01-02 can be reduced by \$4.5 million due to a delay in the issuance of bonds for the equipment necessary to convert public television and public radio to a digital format. The \$4.5 million will be necessary for the retirement of bonds in 2010 and is therefore added to future appropriations.

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### ***Utilize Small NCCF Balance to Offset General Funds***

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Formerly a portion of the state's cigarette tax receipts were allocation to the Nebraska Capital Construction Fund (NCCF). Amounts were appropriated from the fund to support capital construction projects. Over the past several years however, the level of cigarette tax receipts credited to this fund was effectively reduced to zero. A relatively small balance remains in the fund. LB1309 appropriates \$106,000 from this fund to replace \$100,000 of General Funds originally appropriated to DAS for projects in the State Capitol.

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### **Center for Women at York Facility Improvements – Cash Flow**

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In the 2001 Session, the Legislature approved a \$12 million project at the Center for Women at York consisting of a 150 bed multi-custody housing unit, a 15 bed segregation unit, a food service and laundry facility, water tower, and fire sprinklers for existing and new housing units. The 40% state match for the project totaled \$4,101,588 in FY01-02 and \$3,394,000 in FY02-03. A revised cash flow of the project indicates that \$3 million (\$1.5 million from both FY02 and FY03) can be shifted to FY03-04.

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### **Fitzgerald Veterans Home – Program Statement**

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Under LR 218, 2001, a committee was formed to examine the administration and operation of Nebraska's Veterans' Homes. The committee found that there were many concerns about the Thomas Fitzgerald Veterans' Home Facility. The lease agreement for this facility with Douglas County expires in 2005. The committee gathered information about the facility and recommended that a new facility be built rather than renovate the existing facility. A total of \$100,000 General Funds is provided in FY02-03 for development of a program statement for the construction of a new veterans' home to replace the Thomas Fitzgerald Veterans' Home. The program statement is a necessary requirement for the state to be put on a priority list to receive federal funds for construction of a new facility. These funds, originally in LB929, have been incorporated into the main budget bill.

# GENERAL FUND VETOES AND OVERRIDES

Agency	Prog	Item	Type	Governor Veto		Overrides	
				FY2001-02	FY2002-03	FY2001-02	FY2002-03
5 Supreme Court	52	Eliminate Dispute Resolution funding	Oper	0	(175,998)	0	175,998
5 Supreme Court	52	Eliminate Dispute Resolution funding	Aid	0	(248,400)	0	248,400
5 Supreme Court	67	Use available cash	Oper	0	(500,000)	0	500,000
5 Supreme Court	67	Reduce half of new staff added in FY02	Oper	0	(372,378)	0	372,378
5 Supreme Court	67	3% General Fund reduction	Oper	0	(453,648)	0	453,648
12 Treasurer	119	Reduce Aid to NRD's to 75% of FY03 original	Aid	0	(391,194)	0	0
12 Treasurer	120	Reduce Aid to Municipalities to 75% of FY03 original	Aid	0	(2,980,355)	0	0
12 Treasurer	149	Reduce Aid to Counties to 75% of FY03 original	Aid	0	(1,256,948)	0	0
13 Education	25	Eliminate Option Enrollment transportation funding	Aid	0	(181,424)	0	181,424
13 Education	25	Delay new funding for Early Childhood projects	Aid	(1,000,000)	(1,000,000)	1,000,000	1,000,000
13 Education	25	Reduce Textbook Loan program funding	Aid	0	(195,144)	0	195,144
13 Education	25	Eliminate Teacher World aid	Aid	0	(34,268)	0	34,268
13 Education	25	Eliminate Economic Education aid	Aid	0	(25,300)	0	25,300
13 Education	25	Reduce ESU aid to original funding level	Aid	0	(2,647,996)	0	2,647,996
13 Education	25	Reduce gifted education funding	Aid	0	(1,578,106)	0	1,578,106
13 Education	25	Eliminate volunteer coordination funding in Adult Ed	Oper	0	(231,733)	0	231,733
13 Education	25	Eliminate GF for NE Diagnostic Resource Center	Oper	(24,000)	0	24,000	0
13 Education	25	Eliminate administration funding for option transportation	Oper	0	(65,371)	0	65,371
13 Education	25	Reduce GF for assessment/reporting	Oper	0	(759,000)	0	759,000
16 Revenue	104	Reduce County Property Tax Relief to 75% of FY03 original	Aid	0	(780,931)	0	0
18 Agriculture	27	Eliminate Value-Added grants	Aid	0	(920,000)	0	0
18 Agriculture	27	Reduce GF for Animal Damage Control Program	Oper	0	(23,000)	0	0
18 Agriculture	27	Eliminate market news service	Oper	0	(12,000)	0	0
18 Agriculture	333	Reduce GF for noxious weed program	Oper	0	(125,000)	0	0
18 Agriculture	333	Reduce GF for entomology program	Oper	0	(20,000)	0	0
18 Agriculture	385	Reduce GF for agricultural statistics program	Oper	0	(35,000)	0	0
20 HHS-Regulation	177	Reduce GF for Statewide Trauma System	Oper	0	(152,329)	0	0
20 HHS-Regulation	177	Use available cash	Oper	(80,000)	(80,000)	0	0

				Governor Veto		Overrides		
Agency	Prog	Item	Type	FY2001-02	FY2002-03	FY2001-02	FY2002-03	
25	HHS-Services	33	Adjust county general assistance fee	Oper	0	(300,000)	0	0
25	HHS-Services	250	Reduce Juvenile secure facility contract to 5 beds	Oper	0	(365,000)	0	0
26	HHS-Finance	136	Maximize federal funds for parental rights termination	Oper	(115,200)	(106,800)	0	0
26	HHS-Finance	316	Lapse predispositional detention excess reappropriation	Aid	Lapse \$1M	0	Lapse \$1M	0
26	HHS-Finance	341	Reduce managed care enrollment broker contract	Oper	0	(75,000)	0	0
26	HHS-Finance	347	Reduce adoption incentive appropriation to awarded levels	Aid	(76,000)	(76,000)	0	0
26	HHS-Finance	347	Return non-ADC child care subsidy eligibility to 120% FPL	Aid	0	(4,581,211)	0	0
26	HHS-Finance	347	Reduce family support funding	Aid	0	(2,000,000)	0	0
26	HHS-Finance	348	Suspend practitioner rate increases	Aid	0	(1,500,000)	0	1,500,000
26	HHS-Finance	348	Reduce pharmacy dispensing fee	Aid	0	(840,000)	0	840,000
26	HHS-Finance	348	Reduce direct med. education and disproportionate share	Aid	0	(2,500,000)	0	2,500,000
26	HHS-Finance	348	Reduce outpatient cost-to-charge ratio	Aid	0	(1,450,000)	0	1,450,000
26	HHS-Finance	348	Reduce drug payments to avg. wholesale price less 12%	Aid	0	(1,160,000)	0	1,160,000
26	HHS-Finance	348	Savings for chemical dependency unit delay	Aid	(100,000)	0	100,000	0
26	HHS-Finance	348	Reduce Indirect medical education rates	Aid	0	(2,840,000)	0	2,840,000
26	HHS-Finance	348	Reduce disproportionate share payments to federal only	Aid	0	(2,600,000)	0	2,600,000
26	HHS-Finance	348	Freeze nursing facility rates at CY02 level	Aid	0	(2,917,500)	0	2,917,500
26	HHS-Finance	348	Freeze assisted living rates at CY02 level	Aid	0	(111,438)	0	111,438
26	HHS-Finance	348	Reduce special needs contracts	Aid	0	(70,000)	0	70,000
26	HHS-Finance	348	Expand client cost participation to maximum allowable	Aid	0	(60,000)	0	60,000
26	HHS-Finance	424	Delay DD rate equity	Aid	0	(2,105,342)	0	2,105,342
27	Roads	305	Eliminate Local Transit Assistance	Aid	0	(621,000)	0	621,000
29	Natural Resources	304	Reduce soil and conservation aid to 75% of FY03 original	Aid	0	(672,206)	0	0
29	Natural Resources	307	Eliminate funding for new unapproved projects	Aid	0	(1,599,000)	0	1,599,000
29	Natural Resources	331	Water rights litigation savings	Oper	0	(475,000)	0	0
29	Natural Resources	334	Establish new base operations appropriation	Oper	0	(195,000)	0	0
32	Ed Lands & Funds	529	Establish new base operations appropriation	Oper	0	(15,000)	0	15,000
33	Game and Parks	550	Eliminate FY03 funding for Cowboy Trail	Oper	0	(239,688)	0	0

Agency	Prog	Item	Type	Governor Veto		Overrides	
				FY2001-02	FY2002-03	FY2001-02	FY2002-03
34 Library Comm.	302	Reduce Library aid to 50% of FY03 original	Aid	0	(635,548)	0	635,548
46 Corrections	200	Eliminate Community Justice funding	Oper	0	(531,465)	0	0
46 Corrections	200	Close Hastings Correctional Center	Oper	0	(2,484,043)	0	0
46 Corrections	200	Projected one-time department savings	Oper	(6,000,000)	0	0	0
46 Corrections	750	Reduce Jail Reimbursement Aid to 75% of FY03 original	Aid	0	(722,500)	0	722,500
48 Postsecond Coord.	499	Reduce SSAP/SSIG scholarship aid by 10%	Aid	0	(207,823)	0	0
48 Postsecond Coord.	500	Reduce SAP scholarship aid by 10%	Aid	0	(207,823)	0	0
48 Postsecond Coord.	650	Reduce PEAP scholarship aid by 10%	Aid	0	(273,686)	0	0
50 State Colleges	48	Reduce State Colleges to 3% reduction	Oper	0	(784,351)	0	784,351
51 University of Nebr.	781	Reduce University to 3% reduction	Oper	0	(8,820,761)	0	8,820,761
51 University of Nebr.	781	Eliminate new funding for Juvenile Justice Institute-UNO	Oper	0	(97,640)	0	97,640
54 Historical Society	648	Eliminate GF for Ford Conservation Center	Oper	0	(230,000)	0	230,000
65 Admin Services	101	Use FY01 grant savings for FY02 grants	Oper	(450,000)	0	0	0
65 Admin Services	101	Establish new base funding level	Oper	0	(139,616)	0	0
65 Admin Services	240	Eliminate FY03 transfer to Info. Tech. Infrastructure Fund		0	0	0	0
65 Admin Services	901	Establish base funding level at \$500,000	Const	0	(500,000)	0	0
69 Arts Council	327	Reduce Aid to the Arts to 75% of FY03 original	Aid	0	(164,630)	0	0
69 Arts Council	328	Reduce Aid to the Humanities to 75% of FY03 original	Aid	0	(22,309)	0	0
72 Economic Develop	600	Reduce Mainstreet program	Aid	0	(115,000)	0	115,000
72 Economic Develop	600	Reestablish base staffing level	Oper	0	(488,600)	0	488,600
72 Economic Develop	601	Reduce Microenterprise Loan program	Aid	0	(210,000)	0	0
72 Economic Develop	618	Reduce GF appropriation to 50% of FY03 original	Oper	0	(40,026)	0	40,026
78 Crime Commission	198	Eliminate Local Prosecution Aid	Oper	0	(600)	0	0
78 Crime Commission	198	Eliminate Local Prosecution Aid	Aid	0	(54,600)	0	0

				Governor Veto		Overrides		
Agency		Prog	Item	Type	FY2001-02	FY2002-03	FY2001-02	FY2002-03
81	Blind/Vis. Impaired	357	3% General Fund operating reduction	Oper	0	(11,996)	0	11,996
83	Comm. Colleges	152	Reduce to Governor's level	Aid	0	(781,914)	0	781,914
84	Environ. Quality	513	Reduce Superfund non-federal cost share	Oper	0	(110,300)	0	0
84	Environ. Quality	513	Reduce Superfund non-federal cost share	Aid	0	(119,700)	0	0
94	Public Advocacy	427	Eliminate Indigent Defense Aid	Aid	(424,800)	(874,000)	424,800	874,000
95	Rural Development	134	Eliminate General Fund appropriations	Oper	0	(347,374)	0	0
Securities Act Cash Fund transfer to the General Fund is reduced by \$13.0 million in FY02-03.					Reduce lapse		Sustain	
					(6,669,200)	(18,863,717)	24,000	13,046,502
					(1,600,800)	(44,333,296)	1,524,800	29,413,880
					0	(500,000)	0	0
					(8,270,000)	(63,697,013)	1,548,800	42,460,382

# APPENDIX A

## GENERAL FUND APPROPRIATIONS BY AGENCY

(Includes original appropriations per 2001 Session, changes during the Special and 2002 Sessions, and Revised Appropriation after the 2002 Session)

Agency	Type	Final FY2000-01	FY2001-02				FY2002-03				Two Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess. Changes	Revised Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
#03 Legislative Council	Oper	14,614,449	15,252,199	(818,025)	0	14,434,174	15,765,888	(908,467)	(449,192)	14,408,229	-0.7%	-1.4%	(206,220)
#03 Legislative Council	Total	14,614,449	15,252,199	(818,025)	0	14,434,174	15,765,888	(908,467)	(449,192)	14,408,229	-0.7%	-1.4%	(206,220)
05 Supreme Court	Aid	270,000	270,000	(10,800)	0	259,200	270,000	(13,500)	(8,100)	248,400	-4.1%	-8.0%	(21,600)
#05 Supreme Court	Oper	49,960,972	55,661,666	(1,680,082)	0	53,981,584	58,096,131	(1,568,076)	0	56,528,055	6.4%	13.1%	6,567,083
#05 Supreme Court	Total	50,230,972	55,931,666	(1,690,882)	0	54,240,784	58,366,131	(1,581,576)	(8,100)	56,776,455	6.3%	13.0%	6,545,483
#07 Governor	Oper	1,437,673	1,494,572	(79,961)	0	1,414,611	1,631,501	(76,736)	(46,041)	1,508,724	2.4%	4.9%	71,051
#07 Governor	Total	1,437,673	1,494,572	(79,961)	0	1,414,611	1,631,501	(76,736)	(46,041)	1,508,724	2.4%	4.9%	71,051
#08 Lt. Governor	Oper	101,865	105,785	(3,521)	0	102,264	114,874	(2,136)	(1,282)	111,456	4.6%	9.4%	9,591
#08 Lt. Governor	Total	101,865	105,785	(3,521)	0	102,264	114,874	(2,136)	(1,282)	111,456	4.6%	9.4%	9,591
#09 Secretary of State	Oper	733,132	768,117	(28,057)	0	740,060	786,992	(35,610)	(21,365)	730,017	-0.2%	-0.4%	(3,115)
#09 Secretary of State	Total	733,132	768,117	(28,057)	0	740,060	786,992	(35,610)	(21,365)	730,017	-0.2%	-0.4%	(3,115)
#10 State Auditor	Oper	2,004,990	2,149,899	(83,398)	0	2,066,501	2,225,206	(107,673)	(64,604)	2,052,929	1.2%	2.4%	47,939
#10 State Auditor	Total	2,004,990	2,149,899	(83,398)	0	2,066,501	2,225,206	(107,673)	(64,604)	2,052,929	1.2%	2.4%	47,939
#11 Attorney General	Oper	3,599,106	3,927,822	(76,844)	0	3,850,978	4,066,204	(99,343)	(119,211)	3,847,650	3.4%	6.9%	248,544
#11 Attorney General	Total	3,599,106	3,927,822	(76,844)	0	3,850,978	4,066,204	(99,343)	(119,211)	3,847,650	3.4%	6.9%	248,544
#12 State Treasurer	Aid	27,226,446	27,226,446	(1,089,058)	0	26,137,388	27,226,446	(1,361,322)	(5,445,290)	20,419,834	-13.4%	-25.0%	(6,806,612)
#12 State Treasurer	Oper	1,838,380	2,294,056	(89,212)	0	2,204,844	2,325,795	(112,771)	(12,371)	2,200,653	9.4%	19.7%	362,273
#12 State Treasurer	Total	29,064,826	29,520,502	(1,178,270)	0	28,342,232	29,552,241	(1,474,093)	(5,457,661)	22,620,487	-11.8%	-22.2%	(6,444,339)
#13 Education	Aid	710,427,873	806,300,966	(6,882,795)	54,604	799,472,775	833,756,340	(11,081,112)	(6,732,930)	815,942,298	7.2%	14.9%	105,514,425
#13 Education	Oper	15,126,998	15,664,905	(586,330)	0	15,078,575	16,136,862	(705,018)	(423,012)	15,008,832	-0.4%	-0.8%	(118,166)
#13 Education	Total	725,554,871	821,965,871	(7,469,125)	54,604	814,551,350	849,893,202	(11,786,130)	(7,155,942)	830,951,130	7.0%	14.5%	105,396,259
#14 Public Service Comm	Oper	2,372,247	2,392,164	(84,804)	0	2,307,360	2,507,982	(110,506)	(187,855)	2,209,621	-3.5%	-6.9%	(162,626)
#14 Public Service Comm	Total	2,372,247	2,392,164	(84,804)	0	2,307,360	2,507,982	(110,506)	(187,855)	2,209,621	-3.5%	-6.9%	(162,626)
#15 Parole Board	Oper	629,387	659,540	(11,584)	0	647,956	691,208	(15,104)	(9,063)	667,041	2.9%	6.0%	37,654
#15 Parole Board	Total	629,387	659,540	(11,584)	0	647,956	691,208	(15,104)	(9,063)	667,041	2.9%	6.0%	37,654
#16 Revenue	Aid	41,700,467	42,007,165	0	1,880,000	43,887,165	42,007,165	(540,645)	918,854	42,385,374	0.8%	1.6%	684,907
#16 Revenue	Oper	19,803,682	20,550,579	(408,982)	0	20,141,597	21,212,703	(527,662)	192,100	20,877,141	2.7%	5.4%	1,073,459
#16 Revenue	Total	61,504,149	62,557,744	(408,982)	1,880,000	64,028,762	63,219,868	(1,068,307)	1,110,954	63,262,515	1.4%	2.9%	1,758,366
#17 Aeronautics	Aid	35,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(35,000)
#17 Aeronautics	Total	35,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(35,000)

			FY2001-02				FY2002-03				Two Yr Change: FY03 over FY01			
Agency		Type	Final FY2000-01	Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess. Changes	Revised Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
#18	Agriculture	Aid	1,000,000	1,000,000	(40,000)	0	960,000	1,000,000	(50,000)	(950,000)	0	-100.0%	-100.0%	(1,000,000)
#18	Agriculture	Oper	6,258,263	6,325,558	(253,023)	0	6,072,535	6,810,114	(340,505)	(429,302)	6,040,307	-1.8%	-3.5%	(217,956)
#18	Agriculture	Total	7,258,263	7,325,558	(293,023)	0	7,032,535	7,810,114	(390,505)	(1,379,302)	6,040,307	-8.8%	-16.8%	(1,217,956)
#20	HHS-Regulation	Oper	6,807,370	7,194,398	(1,312,096)	(105,308)	5,776,994	7,706,575	(391,979)	(435,825)	6,878,771	0.5%	1.0%	71,401
#20	HHS-Regulation	Total	6,807,370	7,194,398	(1,312,096)	(105,308)	5,776,994	7,706,575	(391,979)	(435,825)	6,878,771	0.5%	1.0%	71,401
#21	Fire Marshal	Oper	1,199,520	1,268,005	(330,610)	0	937,395	1,296,568	(653,811)	0	642,757	-26.8%	-46.4%	(556,763)
#21	Fire Marshal	Total	1,199,520	1,268,005	(330,610)	0	937,395	1,296,568	(653,811)	0	642,757	-26.8%	-46.4%	(556,763)
#23	LaborOper	612,677	559,784	0	0	559,784	576,651	0	(11,533)	565,118	-4.0%	-7.8%	(47,559)	
#23	LaborTotal	612,677	559,784	0	0	559,784	576,651	0	(11,533)	565,118	-4.0%	-7.8%	(47,559)	
#25	HHS-Services	Aid	185,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(185,000)
#25	HHS-Services	Oper	133,405,115	146,678,621	(1,980,169)	(100,219)	144,598,233	156,039,192	(2,558,257)	(1,445,552)	152,035,383	6.8%	14.0%	18,630,268
#25	HHS-Services	Total	133,590,115	146,678,621	(1,980,169)	(100,219)	144,598,233	156,039,192	(2,558,257)	(1,445,552)	152,035,383	6.7%	13.8%	18,445,268
#26	HHS-Finance	Aid	592,542,705	641,711,277	(11,487,768)	(14,459,200)	615,764,309	700,631,959	(15,343,255)	(15,480,377)	669,808,327	6.3%	13.0%	77,265,622
#26	HHS-Finance	Oper	34,151,037	37,359,902	(1,494,396)	10,327	35,875,833	38,279,358	(1,913,968)	(1,204,654)	35,160,736	1.5%	3.0%	1,009,699
#26	HHS-Finance	Total	626,693,742	679,071,179	(12,982,164)	(14,448,873)	651,640,142	738,911,317	(17,257,223)	(16,685,031)	704,969,063	6.1%	12.5%	78,275,321
#27	Roads	Aid	596,000	796,000	(31,840)	0	764,160	796,000	(39,800)	(23,880)	732,320	10.8%	22.9%	136,320
#27	Roads	Oper	0	25,000	(1,000)	0	24,000	20,000	(1,000)	(600)	18,400	100.0%	100.0%	18,400
#27	Roads	Total	596,000	821,000	(32,840)	0	788,160	816,000	(40,800)	(24,480)	750,720	12.2%	26.0%	154,720
#28	Veterans Affairs	Oper	639,553	658,726	(26,349)	0	632,377	693,820	0	(20,815)	673,005	2.6%	5.2%	33,452
#28	Veterans Affairs	Total	639,553	658,726	(26,349)	0	632,377	693,820	0	(20,815)	673,005	2.6%	5.2%	33,452
#29	Natural Resources	Aid	6,324,147	8,224,147	(328,966)	0	7,895,181	8,324,147	(416,207)	(1,171,930)	6,736,010	3.2%	6.5%	411,863
#29	Natural Resources	Oper	11,207,131	11,069,916	(595,843)	0	10,474,073	11,813,096	(590,655)	(1,024,393)	10,198,048	-4.6%	-9.0%	(1,009,083)
#29	Natural Resources	Total	17,531,278	19,294,063	(924,809)	0	18,369,254	20,137,243	(1,006,862)	(2,196,323)	16,934,058	-1.7%	-3.4%	(597,220)
#31	Military Dept	Aid	1,400,000	630,622	(36,000)	0	594,622	900,000	(45,000)	(27,000)	828,000	-23.1%	-40.9%	(572,000)
#31	Military Dept	Oper	3,027,882	3,065,336	0	0	3,065,336	3,152,719	0	0	3,152,719	2.0%	4.1%	124,837
#31	Military Dept	Total	4,427,882	3,695,958	(36,000)	0	3,659,958	4,052,719	(45,000)	(27,000)	3,980,719	-5.2%	-10.1%	(447,163)
#32	Ed Lands & Funds	Oper	396,455	421,758	(16,870)	0	404,888	438,633	(21,932)	(13,159)	403,542	0.9%	1.8%	7,087
#32	Ed Lands & Funds	Total	396,455	421,758	(16,870)	0	404,888	438,633	(21,932)	(13,159)	403,542	0.9%	1.8%	7,087
#33	Game & Parks	Aid	25,000	50,000	(2,000)	0	48,000	50,000	(2,500)	(1,500)	46,000	35.6%	84.0%	21,000
#33	Game & Parks	Oper	9,920,816	10,488,389	(419,535)	0	10,068,854	10,792,458	(539,623)	(563,463)	9,689,372	-1.2%	-2.3%	(231,444)
#33	Game & Parks	Total	9,945,816	10,538,389	(421,535)	0	10,116,854	10,842,458	(542,123)	(564,963)	9,735,372	-1.1%	-2.1%	(210,444)
#34	Library Commission	Aid	1,412,254	1,499,704	(59,988)	0	1,439,716	1,513,208	(75,660)	(45,396)	1,392,152	-0.7%	-1.4%	(20,102)
#34	Library Commission	Oper	2,209,512	2,310,738	(92,430)	0	2,218,308	2,406,110	(120,306)	(72,183)	2,213,621	0.1%	0.2%	4,109
#34	Library Commission	Total	3,621,766	3,810,442	(152,418)	0	3,658,024	3,919,318	(195,966)	(117,579)	3,605,773	-0.2%	-0.4%	(15,993)
#35	Liquor Control	Oper	768,435	803,575	(32,143)	0	771,432	814,274	(40,714)	(24,428)	749,132	-1.3%	-2.5%	(19,303)
#35	Liquor Control	Total	768,435	803,575	(32,143)	0	771,432	814,274	(40,714)	(24,428)	749,132	-1.3%	-2.5%	(19,303)
#38	Status of Women	Oper	195,518	204,477	(8,179)	0	196,298	212,943	(10,647)	(6,388)	195,908	0.1%	0.2%	390
#38	Status of Women	Total	195,518	204,477	(8,179)	0	196,298	212,943	(10,647)	(6,388)	195,908	0.1%	0.2%	390
#46	Correctional Services	Aid	0	4,250,000	(170,000)	0	4,080,000	4,250,000	(212,500)	(127,500)	3,910,000	100.0%	100.0%	3,910,000
#46	Correctional Services	Oper	90,592,253	110,716,807	(2,659,875)	(6,000,000)	102,056,932	124,029,155	0	(6,543,400)	117,485,755	13.9%	29.7%	26,893,502
#46	Correctional Services	Total	90,592,253	114,966,807	(2,829,875)	(6,000,000)	106,136,932	128,279,155	(212,500)	(6,670,900)	121,395,755	15.8%	34.0%	30,803,502



Agency	Type	Final FY2000-01	FY2001-02				FY2002-03				Two Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess. Changes	Revised Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
#47 NETC	Oper	7,937,294	8,496,709	(339,869)	0	8,156,840	9,398,782	(469,939)	(249,727)	8,679,116	4.6%	9.3%	741,822
#47 NETC	Total	7,937,294	8,496,709	(339,869)	0	8,156,840	9,398,782	(469,939)	(249,727)	8,679,116	4.6%	9.3%	741,822
#48 Coordinating Comm	Aid	5,674,026	6,949,026	0	0	6,949,026	7,106,526	(213,197)	(689,333)	6,203,996	4.6%	9.3%	529,970
#48 Coordinating Comm	Oper	1,041,554	1,088,867	(43,555)	0	1,045,312	1,129,895	(56,495)	(33,897)	1,039,503	-0.1%	-0.2%	(2,051)
#48 Coordinating Comm	Total	6,715,580	8,037,893	(43,555)	0	7,994,338	8,236,421	(269,692)	(723,230)	7,243,499	3.9%	7.9%	527,919
#50 State Colleges	Aid	200,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(200,000)
#50 State Colleges	Oper	32,928,712	35,935,636	(394,234)	0	35,541,402	39,217,545	(413,923)	(398,246)	38,405,376	8.0%	16.6%	5,476,664
#50 State Colleges	Total	33,128,712	35,935,636	(394,234)	0	35,541,402	39,217,545	(413,923)	(398,246)	38,405,376	7.7%	15.9%	5,276,664
#51 University of Nebraska	Aid	3,259,367	2,547,110	(95,184)	0	2,451,926	2,585,054	(108,868)	0	2,476,186	-12.8%	-24.0%	(783,181)
#51 University of Nebraska	Oper	389,383,138	413,169,119	(8,263,383)	0	404,905,736	440,972,322	(11,154,929)	(4,565,783)	425,251,610	4.5%	9.2%	35,868,472
#51 University of Nebraska	Total	392,642,505	415,716,229	(8,358,567)	0	407,357,662	443,557,376	(11,263,797)	(4,565,783)	427,727,796	4.4%	8.9%	35,085,291
#52 State Fair Board	Oper	243,967	318,967	(12,759)	0	306,208	318,967	(15,948)	(303,019)	0	-100.0%	-100.0%	(243,967)
#52 State Fair Board	Total	243,967	318,967	(12,759)	0	306,208	318,967	(15,948)	(303,019)	0	-100.0%	-100.0%	(243,967)
#54 Historical Society	Oper	4,014,299	4,265,687	(170,628)	11,934	4,106,993	4,410,137	(220,507)	(121,584)	4,068,046	0.7%	1.3%	53,747
#54 Historical Society	Total	4,014,299	4,265,687	(170,628)	11,934	4,106,993	4,410,137	(220,507)	(121,584)	4,068,046	0.7%	1.3%	53,747
#64 State Patrol	Oper	34,448,113	38,152,179	0	0	38,152,179	40,068,145	0	(801,363)	39,266,782	6.8%	14.0%	4,818,669
#64 State Patrol	Total	34,448,113	38,152,179	0	0	38,152,179	40,068,145	0	(801,363)	39,266,782	6.8%	14.0%	4,818,669
#65 Admin Services (DAS)	Aid	200,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(200,000)
#65 Admin Services (DAS)	Oper	11,401,303	10,381,824	(719,365)	(521,710)	9,140,749	10,784,176	(834,875)	(657,401)	9,291,900	-9.7%	-18.5%	(2,109,403)
#65 Admin Services (DAS)	Total	11,601,303	10,381,824	(719,365)	(521,710)	9,140,749	10,784,176	(834,875)	(657,401)	9,291,900	-10.5%	-19.9%	(2,309,403)
#67 Equal Opportunity	Oper	1,359,717	1,019,810	(440,792)	0	579,018	1,079,720	(53,986)	(32,392)	993,342	-14.5%	-26.9%	(366,375)
#67 Equal Opportunity	Total	1,359,717	1,019,810	(440,792)	0	579,018	1,079,720	(53,986)	(32,392)	993,342	-14.5%	-26.9%	(366,375)
#68 Mexican-American	Oper	172,236	215,014	(8,601)	0	206,413	220,289	0	(6,609)	213,680	11.4%	24.1%	41,444
#68 Mexican-American	Total	172,236	215,014	(8,601)	0	206,413	220,289	0	(6,609)	213,680	11.4%	24.1%	41,444
#69 Arts Council	Aid	927,013	927,013	(21,020)	0	905,993	927,013	(26,274)	(205,480)	695,259	-13.4%	-25.0%	(231,754)
#69 Arts Council	Oper	527,713	556,836	(22,273)	0	534,563	584,504	(29,225)	(11,690)	543,589	1.5%	3.0%	15,876
#69 Arts Council	Total	1,454,726	1,483,849	(43,293)	0	1,440,556	1,511,517	(55,499)	(217,170)	1,238,848	-7.7%	-14.8%	(215,878)
#70 Foster Care Review	Oper	1,145,465	1,213,605	(48,544)	0	1,165,061	1,262,563	(63,128)	(37,877)	1,161,558	0.7%	1.4%	16,093
#70 Foster Care Review	Total	1,145,465	1,213,605	(48,544)	0	1,165,061	1,262,563	(63,128)	(37,877)	1,161,558	0.7%	1.4%	16,093
#72 Economic Development	Aid	2,130,305	2,225,305	(875,000)	0	1,350,305	2,225,305	(1,031,250)	(228,750)	965,305	-32.7%	-54.7%	(1,165,000)
#72 Economic Development	Oper	4,038,389	3,936,178	(157,448)	0	3,778,730	4,146,437	(207,322)	(60,059)	3,879,056	-2.0%	-3.9%	(159,333)
#72 Economic Development	Total	6,168,694	6,161,483	(1,032,448)	0	5,129,035	6,371,742	(1,238,572)	(288,809)	4,844,361	-11.4%	-21.5%	(1,324,333)
#76 Indian Commission	Oper	177,418	196,096	(7,844)	0	188,252	201,959	(10,098)	(6,059)	185,802	2.3%	4.7%	8,384
#76 Indian Commission	Total	177,418	196,096	(7,844)	0	188,252	201,959	(10,098)	(6,059)	185,802	2.3%	4.7%	8,384
#77 Industrial Relations	Oper	231,938	247,798	(9,912)	0	237,886	255,125	(12,756)	(7,654)	234,715	0.6%	1.2%	2,777
#77 Industrial Relations	Total	231,938	247,798	(9,912)	0	237,886	255,125	(12,756)	(7,654)	234,715	0.6%	1.2%	2,777
#78 Crime Commission	Aid	1,164,586	1,209,725	(71,429)	0	1,138,296	1,209,725	(85,737)	(241,592)	882,396	-13.0%	-24.2%	(282,190)
#78 Crime Commission	Oper	2,520,932	2,885,817	(344,776)	0	2,541,041	2,977,457	(157,897)	(255,508)	2,564,052	0.9%	1.7%	43,120
#78 Crime Commission	Total	3,685,518	4,095,542	(416,205)	0	3,679,337	4,187,182	(243,634)	(497,100)	3,446,448	-3.3%	-6.5%	(239,070)

Agency	Type	Final FY2000-01	FY2001-02				FY2002-03				Two Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess. Changes	Revised Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
#81 Blind & Visually Impaired	Aid	104,147	156,646	0	0	156,646	167,005	0	0	167,005	26.6%	60.4%	62,858
#81 Blind & Visually Impaired	Oper	362,169	380,636	0	0	380,636	399,864	0	0	399,864	5.1%	10.4%	37,695
#81 Blind & Visually Impaired	Total	466,316	537,282	0	0	537,282	566,869	0	0	566,869	10.3%	21.6%	100,553
#82 Deaf & Hard of Hearing	Oper	638,524	729,360	(29,174)	0	700,186	752,875	0	0	752,875	8.6%	17.9%	114,351
#82 Deaf & Hard of Hearing	Total	638,524	729,360	(29,174)	0	700,186	752,875	0	0	752,875	8.6%	17.9%	114,351
#83 Community Colleges	Aid	92,387,138	65,529,518	(42,094)	(131,000)	65,356,424	68,802,400	(1,795,662)	(218,086)	66,788,652	-15.0%	-27.7% (25,598,486)	
#83 Community Colleges	Total	92,387,138	65,529,518	(42,094)	(131,000)	65,356,424	68,802,400	(1,795,662)	(218,086)	66,788,652	-15.0%	-27.7% (25,598,486)	
#84 Environmental Quality	Aid	126,000	273,726	(152,767)	0	120,959	340,000	(220,300)	(119,700)	0	-100.0%	-100.0%	(126,000)
#84 Environmental Quality	Oper	7,982,716	6,842,367	(346,587)	0	6,495,780	7,415,901	(370,795)	(227,524)	6,817,582	-7.6%	-14.6%	(1,165,134)
#84 Environmental Quality	Total	8,108,716	7,116,093	(499,354)	0	6,616,739	7,755,901	(591,095)	(347,224)	6,817,582	-8.3%	-15.9%	(1,291,134)
#85 Retirement Board	Oper	14,523,142	14,872,630	0	0	14,872,630	14,872,630	0	516,584	15,389,214	2.9%	6.0%	866,072
#85 Retirement Board	Total	14,523,142	14,872,630	0	0	14,872,630	14,872,630	0	516,584	15,389,214	2.9%	6.0%	866,072
#87 Account/Disclosure	Oper	421,875	443,298	(17,732)	0	425,566	459,267	(22,963)	(13,778)	422,526	0.1%	0.2%	651
#87 Account/Disclosure	Total	421,875	443,298	(17,732)	0	425,566	459,267	(22,963)	(13,778)	422,526	0.1%	0.2%	651
#90 Railway Council	Oper	6,651	6,651	(266)	0	6,385	6,651	(333)	(200)	6,118	-4.1%	-8.0%	(533)
#90 Railway Council	Total	6,651	6,651	(266)	0	6,385	6,651	(333)	(200)	6,118	-4.1%	-8.0%	(533)
#93 Tax Equal/Review Comm	Oper	575,252	714,538	(28,582)	0	685,956	764,931	(38,247)	0	726,684	12.4%	26.3%	151,432
#93 Tax Equal/Review Comm	Total	575,252	714,538	(28,582)	0	685,956	764,931	(38,247)	0	726,684	12.4%	26.3%	151,432
#94 Public Advocacy	Aid	0	442,500	(17,700)	0	424,800	950,000	(47,500)	(28,500)	874,000	100.0%	100.0%	874,000
#94 Public Advocacy	Oper	485,978	682,445	(27,298)	0	655,147	744,141	(37,207)	(22,324)	684,610	18.7%	40.9%	198,632
#94 Public Advocacy	Total	485,978	1,124,945	(44,998)	0	1,079,947	1,694,141	(84,707)	(50,824)	1,558,610	79.1%	220.7%	1,072,632
#95 Rural Develop Comm	Oper	355,792	365,305	(14,612)	0	350,693	377,580	(18,879)	(358,701)	0	-100.0%	-100.0%	(355,792)
#95 Rural Develop Comm	Total	355,792	365,305	(14,612)	0	350,693	377,580	(18,879)	(358,701)	0	-100.0%	-100.0%	(355,792)
#96 Property Assess/Tax	Oper	4,192,483	4,360,295	(174,412)	0	4,185,883	4,530,246	(226,512)	(854,000)	3,449,734	-9.3%	-17.7%	(742,749)
#96 Property Assess/Tax	Total	4,192,483	4,360,295	(174,412)	0	4,185,883	4,530,246	(226,512)	(854,000)	3,449,734	-9.3%	-17.7%	(742,749)
Construction-Total	Total	46,345,744	33,797,441	(6,412,589)	(6,145,500)	21,239,352	30,133,356	(7,347,056)	(2,847,843)	19,938,457	-34.4%	-57.0% (26,407,287)	
OPERATIONS		934,731,188	1,011,549,961	(24,795,964)	(6,704,976)	980,049,021	1,077,995,121	(25,868,463)	(21,446,402)	1,030,680,256	5.0%	10.3%	95,949,068
STATE AID		1,489,317,474	1,614,226,896	(21,414,409)	(12,655,596)	1,580,156,891	1,705,038,293	(32,710,289)	(30,826,490)	1,641,501,514	5.0%	10.2%	152,184,040
CONSTRUCTION		46,345,744	33,797,441	(6,412,589)	(6,145,500)	21,239,352	30,133,356	(7,347,056)	(2,847,843)	19,938,457	-34.4%	-57.0% (26,407,287)	
TOTAL GENERAL FUNDS		2,470,394,406	2,659,574,298	(52,622,962)	(25,506,072)	2,581,445,264	2,813,166,770	(65,925,808)	(55,120,735)	2,692,120,227	4.4%	9.0%	221,725,821

# APPENDIX B

## GENERAL FUND APPROPRIATIONS BY INDIVIDUAL AID PROGRAM

(Includes original appropriations per 2001 Session, changes during the Special and 2002 Sessions, and Revised Appropriation after the 2002 Session)

Agency	Aid Program	Final FY2000-01	FY2001-02				FY2002-03				2 Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess Changes	2002 Session Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
Courts	Dispute resolution	270,000	270,000	(10,800)	0	259,200	270,000	(13,500)	(8,100)	248,400	-4.1%	-8.0%	(21,600)
Treasurer	Aid to NRD's	2,301,138	2,301,138	(92,046)	0	2,209,092	2,301,138	(115,057)	(460,228)	1,725,853	-13.4%	-25.0%	(575,285)
Treasurer	Aid to Cities	17,531,500	17,531,500	(701,260)	0	16,830,240	17,531,500	(876,575)	(3,506,300)	13,148,625	-13.4%	-25.0%	(4,382,875)
Treasurer	Aid to Counties	7,393,808	7,393,808	(295,752)	0	7,098,056	7,393,808	(369,690)	(1,478,762)	5,545,356	-13.4%	-25.0%	(1,848,452)
Education	State Aid to Education (TEEOSA)	551,382,437	638,580,733	(6,752,237)	0	631,828,496	657,263,816	(6,763,816)	(2,071,793)	648,428,207	8.4%	17.6%	97,045,770
Education	Special Education	139,204,597	146,164,827	0	0	146,164,827	153,473,068	(3,258,241)	(4,050,000)	146,164,827	2.5%	5.0%	6,960,230
Education	Aid to ESU's	12,775,000	13,094,375	0	0	13,094,375	13,421,735	(671,087)	(402,652)	12,347,996	-1.7%	-3.3%	(427,004)
Education	High ability learner programs	3,151,875	3,331,221	0	15,351	3,346,572	3,430,664	(171,533)	(102,920)	3,156,211	0.1%	0.1%	4,336
Education	Early Childhood program	560,000	1,560,000	(62,400)	0	1,497,600	2,560,000	(128,000)	(76,800)	2,355,200	105.1%	320.6%	1,795,200
Education	School Lunch	492,500	492,500	(19,700)	0	472,800	492,500	(24,625)	0	467,875	-2.5%	-5.0%	(24,625)
Education	Textbook loan program	349,225	424,225	(16,969)	0	407,256	424,225	(21,211)	(12,727)	390,287	5.7%	11.8%	41,062
Education	School Breakfast reimbursement	232,390	317,390	(12,696)	0	304,694	317,390	(15,870)	0	301,520	13.9%	29.7%	69,130
Education	Adult Education	201,884	251,884	(10,075)	0	241,809	251,884	(12,594)	(7,557)	231,733	7.1%	14.8%	29,849
Education	Option Enrollment	218,854	197,200	(7,888)	39,253	228,565	197,200	(9,860)	(5,916)	181,424	-9.0%	-17.1%	(37,430)
Education	Economic education program	0	27,500	0	0	27,500	27,500	(1,375)	(825)	25,300	100.0%	100.0%	25,300
Education	School reorganization (LB1050)	20,000	20,000	(800)	0	19,200	20,000	(1,000)	(600)	18,400	-4.1%	-8.0%	(1,600)
Education	Teacher certification reimbursement	750	750	(30)	0	720	750	(38)	(23)	689	-4.2%	-8.1%	(61)
Education	Teacher World Program	0	0	0	0	0	37,247	(1,862)	(1,117)	34,268	100.0%	100.0%	34,268
Education	Vocational Rehabilitation	1,838,361	1,838,361	0	0	1,838,361	1,838,361	0	0	1,838,361	0.0%	0.0%	0
Revenue	County Property Tax Relief	6,007,165	6,007,165	0	0	6,007,165	6,007,165	(540,645)	(961,146)	4,505,374	-13.4%	-25.0%	(1,501,791)
Revenue	Homestead Exemption	35,693,302	36,000,000	0	1,880,000	37,880,000	36,000,000	0	1,880,000	37,880,000	3.0%	6.1%	2,186,698
Aeronautics	Civil Air Patrol	35,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(35,000)
Agriculture	Ag Opportunities/Value-Added grants	1,000,000	1,000,000	(40,000)	0	960,000	1,000,000	(50,000)	(950,000)	0	-100.0%	-100.0%	(1,000,000)
HHS-Services	Nebr lifespan respite services	185,000	To Pub Assist	0	0	0	to Public Assist	0	0	0	-100.0%	-100.0%	(185,000)
HHS-Finance	Substance Abuse programs	5,521,139	5,521,139	0	0	5,521,139	5,521,139	0	0	5,521,139	0.0%	0.0%	0
HHS-Finance	Community mental health	20,433,411	22,629,358	0	0	22,629,358	26,270,638	0	(35,262)	26,235,376	13.3%	28.4%	5,801,965
HHS-Finance	Family practice residency	517,500	517,500	(20,700)	0	496,800	517,500	(25,875)	(15,525)	476,100	-4.1%	-8.0%	(41,400)
HHS-Finance	Medical student assistance	355,400	155,400	(6,216)	0	149,184	155,400	(7,770)	(4,662)	142,968	-36.6%	-59.8%	(212,432)
HHS-Finance	Nursing student assistance	0	140,000	(5,600)	0	134,400	280,000	(14,000)	(8,400)	257,600	100.0%	100.0%	257,600

Agency	Aid Program	Final FY2000-01	FY2001-02				FY2002-03				2 Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess Changes	2002 Session Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
HHS-Finance	Juvenile predisposition detention	3,700,000	420,000	(16,800)	0	403,200	420,000	(21,000)	(12,600)	386,400	-67.7%	-89.6%	(3,313,600)
HHS-Finance	County Juvenile Services aid	0	1,545,000	(61,800)	(1,483,200)	0	3,555,000	(177,750)	(706,650)	2,670,600	100.0%	100.0%	2,670,600
HHS-Finance	Comm. developmental disabilities	47,893,857	51,012,023	0	0	51,012,023	54,870,832	0	(351,198)	54,519,634	6.7%	13.8%	6,625,777
HHS-Finance	Public Assistance	140,940,039	145,816,485	(1,000,000)	3,509,983	148,326,468	153,127,552	(1,000,000)	(6,657,211)	145,470,341	1.6%	3.2%	4,530,302
HHS-Finance	Medicaid	365,258,419	405,505,932	(10,286,593)	(16,485,983)	378,733,356	447,183,458	(13,975,187)	(7,688,869)	425,519,402	7.9%	16.5%	60,260,983
HHS-Finance	Renal disease/tuberculosis	854,653	854,653	0	0	854,653	854,653	(10,000)	0	844,653	-0.6%	-1.2%	(10,000)
HHS-Finance	Pap/Chlamydia testing	550,000	550,000	(60,059)	0	489,941	550,000	(75,673)	0	474,327	-7.1%	-13.8%	(75,673)
HHS-Finance	Native American health services	500,000	500,000	0	0	500,000	500,000	0	0	500,000	0.0%	0.0%	0
HHS-Finance	Immunization/vaccinations	320,000	320,000	0	0	320,000	320,000	(2,000)	0	318,000	-0.3%	-0.6%	(2,000)
HHS-Finance	Nebr Advocacy Services	179,250	204,750	(10,000)	0	194,750	236,750	(12,000)	0	224,750	12.0%	25.4%	45,500
HHS-Finance	Emergency Medical Svcs, training	200,000	200,000	(20,000)	0	180,000	200,000	(22,000)	0	178,000	-5.7%	-11.0%	(22,000)
HHS-Finance	Ryan White HIV/AIDS treatment	150,000	150,000	0	0	150,000	150,000	0	0	150,000	0.0%	0.0%	0
HHS-Finance	Mammography screening	125,000	125,000	0	0	125,000	125,000	0	0	125,000	0.0%	0.0%	0
HHS-Finance	Metabolic screening, food supplement	42,000	42,000	0	0	42,000	42,000	0	0	42,000	0.0%	0.0%	0
HHS-Finance	Genetic testing	34,369	34,369	0	0	34,369	34,369	0	0	34,369	0.0%	0.0%	0
HHS-Finance	Voter regist, WIC/MCH	16,760	16,760	0	0	16,760	16,760	0	0	16,760	0.0%	0.0%	0
HHS-Finance	Community health services	3,933	3,933	0	0	3,933	3,933	0	0	3,933	0.0%	0.0%	0
HHS-Finance	Care Management	1,561,558	1,716,558	0	0	1,716,558	1,771,558	0	0	1,771,558	6.5%	13.4%	210,000
HHS-Finance	Area agencies on aging	3,185,417	3,530,417	0	0	3,530,417	3,725,417	0	0	3,725,417	8.1%	17.0%	540,000
HHS-Finance	Senior Companion Volunteer	200,000	200,000	0	0	200,000	200,000	0	0	200,000	0.0%	0.0%	0
Roads	Local transit authorities	475,000	675,000	(27,000)	0	648,000	675,000	(33,750)	(20,250)	621,000	14.3%	30.7%	146,000
Roads	Intercity bus subsidy	121,000	121,000	(4,840)	0	116,160	121,000	(6,050)	(3,630)	111,320	-4.1%	-8.0%	(9,680)
Nat Resources	Small Watershed Fund	200,000	100,000	(4,000)	0	96,000	200,000	(10,000)	(6,000)	184,000	-4.1%	-8.0%	(16,000)
Nat Resources	Nebr Water Conservation Fund	3,954,147	3,954,147	(158,166)	0	3,795,981	3,954,147	(197,707)	(1,040,830)	2,715,610	-17.1%	-31.3%	(1,238,537)
Nat Resources	Resources Development Fund	2,170,000	3,920,000	(156,800)	0	3,763,200	3,920,000	(196,000)	(117,600)	3,606,400	28.9%	66.2%	1,436,400
Nat Resources	Nat Resources Water Quality Fund	0	250,000	(10,000)	0	240,000	250,000	(12,500)	(7,500)	230,000	100.0%	100.0%	230,000
Military Dept	Governors Emergency Fund	500,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(500,000)
Military Dept	Guard tuition assistance	900,000	630,622	(36,000)	0	594,622	900,000	(45,000)	(27,000)	828,000	-4.1%	-8.0%	(72,000)
Game & Parks	Niobrara Council	25,000	50,000	(2,000)	0	48,000	50,000	(2,500)	(1,500)	46,000	35.6%	84.0%	21,000
Library Comm	Local libraries	1,412,254	1,499,704	(59,988)	0	1,439,716	1,513,208	(75,660)	(45,396)	1,392,152	-0.7%	-1.4%	(20,102)
Corrections	County jail cost reimbursement	0	4,250,000	(170,000)	0	4,080,000	4,250,000	(212,500)	(127,500)	3,910,000	100.0%	100.0%	3,910,000
Coord. Comm	SSIG grants	803,965	803,965	0	0	803,965	803,965	0	0	803,965	0.0%	0.0%	0
Coord. Comm	Scholarship Award Prog (SSAP)	816,023	1,241,023	0	0	1,241,023	1,293,523	(62,925)	(164,150)	1,066,448	14.3%	30.7%	250,425
Coord. Comm	Scholarship Assistance Prog (SAP)	1,619,988	2,044,988	0	0	2,044,988	2,097,488	(62,925)	(164,150)	1,870,413	7.5%	15.5%	250,425
Coord. Comm	Postsecond Ed Award Prog (PEAP)	2,434,050	2,859,050	0	0	2,859,050	2,911,550	(87,347)	(361,033)	2,463,170	0.6%	1.2%	29,120
St Colleges	Minority student scholarship	200,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(200,000)

Agency	Aid Program	Final FY2000-01	FY2001-02				FY2002-03				2 Yr Change: FY03 over FY01		
			Original Total	Spec Sess Changes	2002 Sess Changes	Revised Total	Original Total	Spec Sess Changes	2002 Sess Changes	2002 Session Total	Avg % Chnge	Total % Chnge	Total \$ Chnge
University	Vet student contracts-UNL	1,816,000	1,895,568	(37,911)	0	1,857,657	1,933,512	(48,338)	0	1,885,174	1.9%	3.8%	69,174
University	Optometry student contracts	577,635	585,810	(55,958)	0	529,852	585,810	(58,887)	0	526,923	-4.5%	-8.8%	(50,712)
University	Other misc aid (NU)	65,732	65,732	(1,315)	0	64,417	65,732	(1,643)	0	64,089	-1.3%	-2.5%	(1,643)
University	Minority student scholarship	800,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(800,000)
DAS	Local govt technology grants	200,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(200,000)
Arts Council	Aid to arts programs	803,075	803,075	(16,062)	0	787,013	803,075	(20,077)	(180,692)	602,306	-13.4%	-25.0%	(200,769)
Arts Council	Council on Humanities	123,938	123,938	(4,958)	0	118,980	123,938	(6,197)	(24,788)	92,953	-13.4%	-25.0%	(30,985)
Econ Develop	Microenterprise Development Act	500,000	500,000	(20,000)	0	480,000	500,000	(25,000)	(225,000)	250,000	-29.3%	-50.0%	(250,000)
Econ Develop	Managing Mainstreet	0	125,000	(5,000)	0	120,000	125,000	(6,250)	(3,750)	115,000	100.0%	100.0%	115,000
Econ Develop	Community redevelop analysis fund	30,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(30,000)
Econ Develop	Industrial training grants	1,600,305	1,600,305	(850,000)	0	750,305	1,600,305	(1,000,000)	0	600,305	-38.8%	-62.5%	(1,000,000)
Crime Comm	Juvenile services grants	625,000	125,000	475,000	0	600,000	125,000	468,750	0	593,750	-2.5%	-5.0%	(31,250)
Crime Comm	Juvenile services planning grants	0	625,000	(505,000)	0	120,000	625,000	(512,500)	0	112,500	100.0%	100.0%	112,500
Crime Comm	Law Enforce-Indian affairs	97,681	97,820	(3,913)	0	93,907	97,820	(4,891)	(2,935)	89,994	-4.0%	-7.9%	(7,687)
Crime Comm	Crimes Against Children Fund	60,000	80,000	(26,240)	0	53,760	80,000	(23,000)	(57,000)	0	-100.0%	-100.0%	(60,000)
Crime Comm	Byrne Incentive Grant	100,000	0	0	0	0	0	0	0	0	-100.0%	-100.0%	(100,000)
Crime Comm	Crimestoppers program	14,775	14,775	(591)	0	14,184	14,775	(739)	(443)	13,593	-4.1%	-8.0%	(1,182)
Crime Comm	Victim Witness assistance	57,130	57,130	(2,285)	0	54,845	57,130	(2,857)	(1,714)	52,559	-4.1%	-8.0%	(4,571)
Crime Comm	Crime Victims reparations	210,000	210,000	(8,400)	0	201,600	210,000	(10,500)	(179,500)	20,000	-69.1%	-90.5%	(190,000)
Blind & Vis Imp	Blind rehabilitation	104,147	156,646	0	0	156,646	167,005	0	0	167,005	26.6%	60.4%	62,858
Comm Colleges	Aid to Community Colleges	92,387,138	65,529,518	(42,094)	(131,000)	65,356,424	68,802,400	(1,795,662)	(218,086)	66,788,652	-15.0%	-27.7%	(25,598,486)
Environ Cntrl	Superfund cleanup	126,000	273,726	(152,767)	0	120,959	340,000	(220,300)	(119,700)	0	-100.0%	-100.0%	(126,000)
Public Advocacy	Indigent defense reimbursement	0	442,500	(17,700)	0	424,800	950,000	(47,500)	(28,500)	874,000	100.0%	100.0%	874,000
Local Government		879,012,177	952,952,213	(8,740,807)	320,404	944,531,810	986,326,996	(15,837,745)	(12,914,125)	957,575,126	4.4%	8.9%	78,562,949
Individuals		529,461,421	574,641,244	(12,540,003)	(12,976,000)	549,125,241	624,337,265	(16,703,996)	(16,322,261)	591,311,008	5.7%	11.7%	61,849,587
Other entities		80,843,876	86,633,439	(133,599)	0	86,499,840	94,374,032	(168,548)	(1,590,104)	92,615,380	7.0%	14.6%	11,771,504
Total State Aid		1,489,317,474	1,614,226,896	(21,414,409)	(12,655,596)	1,580,156,891	1,705,038,293	(32,710,289)	(30,826,490)	1,641,501,514	5.0%	10.2%	152,184,040

# APPENDIX C

## DETAILED LISTING OF 2002 SESSION BUDGET ADJUSTMENTS -- ALL FUNDS

GENERAL FUNDS			Type	FY2001-02	FY2002-03
3	Legislative Council	122	ATB Cut-Legislative Services	Oper	0 (208,204)
3	Legislative Council	123	ATB Cut-Clerk of the Legislature	Oper	0 (100,282)
3	Legislative Council	126	ATB Cut-Legislative Research Services	Oper	0 (30,522)
3	Legislative Council	127	ATB Cut-Revisor of Statutes	Oper	0 (41,530)
3	Legislative Council	501	ATB Cut-Intergovernmental Cooperation	Oper	0 (12,650)
3	Legislative Council	504	ATB Cut-Office of Public Counsel	Oper	0 (21,153)
3	Legislative Council	638	ATB Cut-Fiscal and Program analysis	Oper	0 (34,851)
5	Supreme Court	6	Program shift, LB23/LB92 A bill funds	Oper	(112,886) (112,886)
5	Supreme Court	52	Veto-Eliminate Dispute Resolution funding	Aid	0 Override
5	Supreme Court	52	ATB Cut-Dispute resolution	Aid	0 (8,100)
5	Supreme Court	52	Veto-Eliminate Dispute Resolution funding	Oper	0 Override
5	Supreme Court	52	Program shift, LB23/LB92 A bill funds	Oper	112,886 112,886
5	Supreme Court	67	Veto-Reduce half of new staff added in FY02	Oper	0 Override
5	Supreme Court	67	Veto-3% General Fund reduction	Oper	0 Override
5	Supreme Court	67	Veto-Use available cash	Oper	0 Override
7	Governor	18	ATB Cut-Policy Research Office	Oper	0 (15,732)
7	Governor	21	ATB Cut-Office of the governor	Oper	0 (28,324)
7	Governor	125	ATB Cut-Transition expenses	Oper	0 (1,985)
8	Lt. Governor	124	ATB Cut-Office of the Lieutenant Gover	Oper	0 (1,282)
9	Sec of State	22	Shift Special Session Cut from Admin to Records Mgmt	Oper	18,959 24,144
9	Sec of State	22	ATB Cut-Departmental administration	Oper	0 (14,486)
9	Sec of State	86	ATB Cut-Records management	Oper	0 (6,879)
9	Sec of State	86	Shift Special Session Cut from Admin to Records Mgmt	Oper	(18,959) (24,144)
10	State Auditor	10	Health insurance, State Auditor	Oper	1,220 1,220
10	State Auditor	506	Health insurance, State Auditor	Oper	(1,220) (1,220)
10	State Auditor	506	ATB Cut-State audits	Oper	0 (64,604)
11	Attorney General	507	ATB Cut-Interpret & application of law	Oper	0 (119,211)
12	Treasurer	119	ATB Cut-Aid to NRD's	Aid	0 (69,034)
12	Treasurer	119	Veto-Reduce Aid to NRD's to 75% of FY03 original	Aid	0 (391,194)
12	Treasurer	120	ATB Cut-Aid to Cities	Aid	0 (525,945)
12	Treasurer	120	Veto-Reduce Aid to Municipalities to 75% of FY03 original	Aid	0 (2,980,355)
12	Treasurer	149	ATB Cut-Aid to Counties	Aid	0 (221,814)
12	Treasurer	149	Veto-Reduce Aid to Counties to 75% of FY03 original	Aid	0 (1,256,948)
12	Treasurer	503	ATB Cut-Treasury management	Oper	0 (12,371)
13	Education	25	TEEOSA state aid to schools	Aid	0 20,151,367
13	Education	25	TEEOSA school aid (LB 898)	Aid	0 (22,223,160)
13	Education	25	ATB Cut-Aid to ESU's	Aid	0 (402,652)
13	Education	25	Veto-Reduce ESU aid to original funding level	Aid	0 Override
13	Education	25	Veto-Eliminate Option Enrollment transportation funding	Aid	0 Override
13	Education	25	Veto-Delay new funding for Early Childhood projects	Aid	0 Override
13	Education	25	Veto-Reduce Textbook Loan program funding	Aid	0 Override
13	Education	25	Veto-Eliminate Teacher World aid	Aid	0 Override
13	Education	25	Veto-Eliminate Economic Education aid	Aid	0 Override
13	Education	25	Veto-Reduce gifted education funding	Aid	0 Override
13	Education	25	Enrollment option transportation	Aid	39,253 0
13	Education	25	School breakfast	Aid	36,498 0
13	Education	25	Redirect excess high ability learner startup to base funding	Aid	15,351 0
13	Education	25	ATB Cut-Teacher certification reimbursement	Aid	0 (23)
13	Education	25	ATB Cut-School reorganization (LB1050)	Aid	0 (600)
13	Education	25	ATB Cut-Economic education program	Aid	0 (825)
13	Education	25	ATB Cut-Teacher World Program	Aid	0 (1,117)
13	Education	25	ATB Cut-Option Enrollment	Aid	0 (5,916)
13	Education	25	ATB Cut-Adult Education	Aid	0 (7,557)
13	Education	25	ATB Cut-Textbook loan program	Aid	0 (12,727)



GENERAL FUNDS (continued)				Type	FY2001-02	FY2002-03
13	Education	25	Reduce school lunch match	Aid	(36,498)	0
13	Education	25	ATB Cut-Early Childhood program	Aid	0	(76,800)
13	Education	25	ATB Cut-High ability learner programs	Aid	0	(102,920)
13	Education	25	Special Education-additional fed funds	Aid	0	(4,050,000)
13	Education	25	Veto-Eliminate volunteer coordination funding in Adult Ed	Oper	0	Override
13	Education	25	Veto-Eliminate GF for NE Diagnostic Resource Center	Oper	Override	0
13	Education	25	Veto-Eliminate administration funding for option transportation	Oper	0	Override
13	Education	25	Veto-Reduce GF for assessment/reporting	Oper	0	Override
13	Education	25	ATB Cut-Departmental administration	Oper	0	(303,055)
13	Education	401	ATB Cut-School for the Deaf	Oper	0	(71,237)
13	Education	402	ATB Cut-Visually Impaired Services	Oper	0	(48,720)
14	Public Svs Com.	16	Reallocate special session cut	Oper	1,480	1,850
14	Public Svs Com.	54	Reallocate special session cut	Oper	(1,480)	(1,850)
14	Public Svs Com.	54	Shift certain admin costs to cash funds	Oper	0	(187,855)
15	Parole Board	358	ATB Cut-Board of Parole	Oper	0	(9,063)
16	Revenue	102	LB 1085 Deprec. addback, income tax, sales tax base	Oper	0	192,100
16	Revenue	104	ATB Cut-County Property Tax Relief	Aid	0	(180,215)
16	Revenue	104	Veto-Reduce County Prop Tax Relief to 75% of FY03 original	Aid	0	(780,931)
16	Revenue	108	Homestead exemption	Aid	1,880,000	1,880,000
18	Agriculture	27	ATB Cut-Ag Opportunities/Value-Added grants	Aid	0	(30,000)
18	Agriculture	27	Veto-Eliminate Value-Added grants	Aid	0	(920,000)
18	Agriculture	27	Veto-Eliminate market news service	Oper	0	(12,000)
18	Agriculture	27	Veto-Reduce GF for Animal Damage Control Program	Oper	0	(23,000)
18	Agriculture	27	ATB Cut-Departmental administration	Oper	0	(54,930)
18	Agriculture	56	ATB Cut-Weights and Measures	Oper	0	(20,810)
18	Agriculture	57	ATB Cut-Bureau of Daires and Foods	Oper	0	(22,778)
18	Agriculture	61	ATB Cut-Agricultural laboratories	Oper	0	(34,179)
18	Agriculture	63	ATB Cut-Bureau of Animal Industry	Oper	0	(53,542)
18	Agriculture	333	ATB Cut-Bureau of Plant Industry	Oper	0	(12,899)
18	Agriculture	333	Veto-Reduce GF for entomology program	Oper	0	(20,000)
18	Agriculture	333	Veto-Reduce GF for noxious weed program	Oper	0	(125,000)
18	Agriculture	333	LB 436 Misc changes, pesticide licensing/apiary inspections	Oper	0	(10,000)
18	Agriculture	385	ATB Cut-Agricultural statistics	Oper	0	(5,164)
18	Agriculture	385	Veto-Reduce GF for agricultural statistics program	Oper	0	(35,000)
20	HHS-Regulation	177	Staff reallocations to #26-341	Oper	(25,308)	(25,308)
20	HHS-Regulation	177	Veto-Reduce GF for Statewide Trauma System	Oper	0	(152,329)
20	HHS-Regulation	177	Veto-Use available cash	Oper	(80,000)	(80,000)
20	HHS-Regulation	177	ATB Cut-Administration	Oper	0	(175,984)
20	HHS-Regulation	178	ATB Cut-Bureau of Examining Boards	Oper	0	(2,204)
23	Labor	194	ATB Cut-Protection of people and prope	Oper	0	(11,533)
25	HHS-Services	33	Staff reallocations to #26-341	Oper	(100,219)	(100,219)
25	HHS-Services	33	Veto-Adjust county general assistance fee	Oper	0	(300,000)
25	HHS-Services	33	ATB Cut-Administration	Oper	0	(1,195,352)
25	HHS-Services	35	ATB Cut-Respite Services	Oper	0	(6,920)
25	HHS-Services	250	Juvenile secure facility contract	Oper	0	730,000
25	HHS-Services	250	Juvenile sexual offender treatment	Oper	0	87,600
25	HHS-Services	250	Juvenile transitional care	Oper	0	51,100
25	HHS-Services	250	ATB Cut-YTC/Juvenile Services	Oper	0	(209,033)
25	HHS-Services	250	Veto-Reduce Juvenile secure facility contract to 5 beds	Oper	0	(365,000)
25	HHS-Services	365	Increased Medicaid match rate	Oper	0	(6,489)
25	HHS-Services	421	Increased Medicaid match rate	Oper	0	(131,189)
26	HHS-Finance	38	Increased Medicaid match rate	Aid	0	(35,262)
26	HHS-Finance	136	ATB Cut- Parental rights termination	Oper	0	(7,200)
26	HHS-Finance	136	Veto-Maximize federal funds for parental rights termination	Oper	(115,200)	(106,800)
26	HHS-Finance	175	ATB Cut-Medical student assistance	Aid	0	(4,662)
26	HHS-Finance	175	ATB Cut-Family practice residency	Aid	0	(15,525)
26	HHS-Finance	176	ATB Cut-Nursing student loans	Aid	0	(8,400)
26	HHS-Finance	316	Veto-Lapse predispositional detention excess reappropriation	Aid	Lapse \$1M	0
26	HHS-Finance	316	ATB Cut-Juvenile predisposition detention	Aid	0	(12,600)
26	HHS-Finance	324	ATB Cut-County Juvenile Services aid	Aid	0	(106,650)
26	HHS-Finance	324	County Juvenile Aid-delayed, reduce 2nd year increase	Aid	(1,483,200)	(600,000)
26	HHS-Finance	341	Staff reallocations from #25-33	Oper	125,527	125,527

GENERAL FUNDS (continued)				Type	FY2001-02	FY2002-03
26	HHS-Finance	341	Veto-Reduce managed care enrollment broker contract	Oper	0	(75,000)
26	HHS-Finance	341	ATB Cut-Administration	Oper	0	(1,141,181)
26	HHS-Finance	347	Child Welfare placement costs	Aid	3,585,983	0
26	HHS-Finance	347	Veto-Reduce adoption incentive appropriation to awarded levels	Aid	(76,000)	(76,000)
26	HHS-Finance	347	Veto-Reduce family support funding	Aid	0	(2,000,000)
26	HHS-Finance	347	Veto-Return non-ADC child care subsidy eligibility to 120% FPL	Aid	0	(4,581,211)
26	HHS-Finance	348	Veto-Suspend practitioner rate increases	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce pharmacy dispensing fee	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce direct med. education and disproportionate share	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce outpatient cost-to-charge ratio	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce drug payments to avg. wholesale price less 12%	Aid	0	Override
26	HHS-Finance	348	Veto-Savings for chemical dependency unit delay	Aid	Override	0
26	HHS-Finance	348	Veto-Reduce Indirect medical education rates	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce disproportionate share payments to federal only	Aid	0	Override
26	HHS-Finance	348	Veto-Freeze nursing facility rates at CY02 level	Aid	0	Override
26	HHS-Finance	348	Veto-Freeze assisted living rates at CY02 level	Aid	0	Override
26	HHS-Finance	348	Veto-Reduce special needs contracts	Aid	0	Override
26	HHS-Finance	348	Veto-Expand client cost participation to maximum allowable	Aid	0	Override
26	HHS-Finance	348	Medicaid-reduce special needs clients contracts	Aid	0	(200,000)
26	HHS-Finance	348	Medicaid-prescription drug co-payment	Aid	0	(600,000)
26	HHS-Finance	348	Medicaid-suspend practitioner rate increases	Aid	0	(1,500,000)
26	HHS-Finance	348	Medicaid-expand prior authorization, prescribed drugs	Aid	0	(1,500,000)
26	HHS-Finance	348	Increased Medicaid match rate	Aid	0	(3,888,869)
26	HHS-Finance	348	Medicaid-use Tobacco Prevention funds, shift to "new" tax	Aid	(5,000,000)	0
26	HHS-Finance	348	Medicaid fund shift, unallocated Health Care Cash funds	Aid	(11,485,983)	0
26	HHS-Finance	424	Veto-Delay DD rate equity	Aid	0	Override
26	HHS-Finance	424	Increased Medicaid match rate	Aid	0	(351,198)
27	Roads	305	Veto-Eliminate Local Transit Assistance	Aid	0	Override
27	Roads	305	ATB Cut-Intercity bus subsidy	Aid	0	(3,630)
27	Roads	305	ATB Cut-Local transit authorities	Aid	0	(20,250)
27	Roads	305	ATB Cut-Assist to local transit	Oper	0	(600)
28	Veterans Affairs	36	ATB Cut-Departmental administration	Oper	0	(20,815)
29	Natural Resources	303	ATB Cut-Small Watershed Fund	Aid	0	(6,000)
29	Natural Resources	304	ATB Cut-Nebr Water Conservation Fund	Aid	0	(118,624)
29	Natural Resources	304	Veto-Reduce soil and conservation aid to 75% of FY03 original	Aid	0	(672,206)
29	Natural Resources	304	LB 1003 Misc G&P changes, Water Policy Task Force	Aid	0	(250,000)
29	Natural Resources	307	Veto-Eliminate funding for new unapproved projects	Aid	0	Override
29	Natural Resources	307	ATB Cut-Resources Development Fund	Aid	0	(117,600)
29	Natural Resources	308	ATB Cut-Soil survey fund	Oper	0	(4,712)
29	Natural Resources	309	ATB Cut-Natural Resources Water Quality Fund	Aid	0	(7,500)
29	Natural Resources	331	ATB Cut-Water rights litigation	Oper	0	(165,000)
29	Natural Resources	331	Veto-Water rights litigation savings	Oper	0	(475,000)
29	Natural Resources	334	ATB Cut-Soil & water conservation	Oper	0	(184,681)
29	Natural Resources	334	Veto-Establish new base operations appropriation	Oper	0	(195,000)
31	Military Dept	548	ATB Cut-Guard tuition assistance	Aid	0	(27,000)
32	Ed Lands & Funds	529	Veto-Establish new base operations appropriation	Oper	0	Override
32	Ed Lands & Funds	529	ATB Cut-Land surveyors	Oper	0	(13,159)
33	Game and Parks	336	ATB Cut-Wildlife conservation	Oper	0	(36,205)
33	Game and Parks	337	ATB Cut-Administration	Oper	0	(23,511)
33	Game and Parks	338	ATB Cut-Niobrara Council	Aid	0	(1,500)
33	Game and Parks	549	ATB Cut-Parks--admin & operations	Oper	0	(161,834)
33	Game and Parks	550	ATB Cut-Planning and federal aid	Oper	0	(14,017)
33	Game and Parks	550	Veto-Eliminate FY03 funding for Cowboy Trail	Oper	0	(239,688)
33	Game and Parks	617	ATB Cut-Engineering & area maintenance	Oper	0	(88,208)
34	Library Commission	252	ATB Cut-Library services	Oper	0	(72,183)
34	Library Comm.	302	Veto-Reduce Library aid to 50% of FY03 original	Aid	0	Override
34	Library Commission	302	ATB Cut-Local libraries	Aid	0	(45,396)
35	Liquor Commission	73	ATB Cut-Enforcement and regulation	Oper	0	(24,428)
38	Status of Women	577	ATB Cut-Commission on the Status of Wo	Oper	0	(6,388)
46	Corrections	200	Additional lump sum reduction	Aid	0	(1,079,171)
46	Corrections	200	Veto-Eliminate Community Justice funding	Oper	0	(531,465)



GENERAL FUNDS (continued)				Type	FY2001-02	FY2002-03
46	Corrections	200	ATB Cut-Corrections-Adult Services	Oper	0	(2,448,721)
46	Corrections	200	Veto-Close Hastings Correctional Center	Oper	0	(2,484,043)
46	Corrections	200	Veto-Projected one-time department savings	Oper	(6,000,000)	0
46	Corrections	750	Veto-Reduce Jail Reimbursement Aid to 75% of FY03 original	Aid	0	Override
46	Corrections	750	ATB Cut-County jail cost reimbursement	Aid	0	(127,500)
47	NETC	533	Depreciation surcharge (LB1100)	Oper	0	32,236
47	NETC	533	ATB Cut-Educational television	Oper	0	(266,725)
47	NETC	566	ATB Cut-Public radio	Oper	0	(15,238)
48	Coord Comm	499	ATB Cut-Scholarship Award Program (SSAP)	Aid	0	43,673
48	Coord Comm	499	Veto-Reduce SSAP scholarship aid by 10%	Aid	0	(207,823)
48	Coord Comm	500	Veto-Reduce SAP scholarship aid by 10%	Aid	0	(207,823)
48	Coord Comm	500	ATB Cut-Scholarship Assistance Program (SAP)	Aid	0	43,673
48	Coord Comm	640	ATB Cut-Administration	Oper	0	(33,897)
48	Coord Comm	650	Veto-Reduce PEAP scholarship aid by 10%	Aid	0	(273,686)
48	Coord Comm	650	ATB Cut-Postsecondary Ed Award Prog (PEAP)	Aid	0	(87,347)
50	State Colleges	48	Veto-Reduce State Colleges to 3% reduction	Oper	0	Override
50	State Colleges	62	Health insurance rate increase in excess of budget	Oper	0	219,621
50	State Colleges	62	Depreciation surcharge changes (LB1235)	Oper	0	(225,692)
50	State Colleges	62	ATB Cut-Agency-wide	Oper	0	(392,175)
51	University of Nebr.	515	Establish Juvenile Justice Institute-UNO	Oper	0	97,640
51	University of Nebr.	515	Depreciation surcharge changes (LB1235)	Oper	0	(253,700)
51	University of Nebr.	515	ATB Cut-University of Nebr.	Oper	0	(4,409,723)
51	University of Nebr.	781	Veto-Reduce University to 3% reduction	Oper	0	Override
51	University of Nebr.	781	Veto-Eliminate new funding for Juvenile Justice Institute-UNO	Oper	0	Override
52	Fair Board	539	ATB Cut-4-H club / FFA premiums	Oper	0	(9,569)
52	Fair Board	539	Utilize rural development fed funds to offset GF	Oper	0	(293,450)
54	Historical Society	647	Increase funds for skeletal remains	Oper	3,000	0
54	Historical Society	648	Veto-Eliminate GF for Ford Conservation Center	Oper	0	Override
54	Historical Society	648	K St. facility, rent increase	Oper	8,934	10,720
54	Historical Society	648	ATB Cut-Historical Society	Oper	0	(132,304)
64	State Patrol	100	ATB Cut-Public protection	Oper	0	(801,363)
65	Admin Services	49	ATB Cut-Departmental administration	Oper	0	(959)
65	Admin Services	101	ATB Cut-Chief Information Officer	Oper	0	(15,289)
65	Admin Services	101	Veto-Establish new base funding level	Oper	0	(139,616)
65	Admin Services	101	Veto-Use FY01 grant savings for FY02 grants	Oper	(450,000)	0
65	Admin Services	169	ATB Cut-Washington consultant	Oper	0	(300)
65	Admin Services	170	ATB Cut-Statewide Computer Network	Oper	0	(189)
65	Admin Services	171	ATB Cut-Materiel Division	Oper	0	(16,224)
65	Admin Services	509	ATB Cut-Budget administration	Oper	0	(31,680)
65	Admin Services	535	ATB Cut-State claims administration	Oper	0	(2,687)
65	Admin Services	536	LB 1040 State Claims	Oper	148,947	0
65	Admin Services	560	ATB Cut-Building Division	Oper	0	(116,529)
65	Admin Services	573	309 Task Force-employee benefits	Oper	27,669	0
65	Admin Services	573	Cash fund 309 Task Force operations (LB1235)	Oper	(248,326)	(297,413)
65	Admin Services	605	ATB Cut-Personnel Division	Oper	0	(25,753)
65	Admin Services	608	ATB Cut-Employee Relations Division	Oper	0	(10,762)
67	Equal Opportunity	59	ATB Cut-Enf stds-equal employment/hous	Oper	0	(32,392)
68	Mexican-American	537	ATB Cut-Mexican American Commission	Oper	0	(6,609)
69	Arts Council	326	ATB Cut-Promotion/development	Oper	0	(11,690)
69	Arts Council	327	ATB Cut-Aid to arts programs	Aid	0	(16,062)
69	Arts Council	327	Veto-Reduce Aid to the Arts to 75% of FY03 original	Aid	0	(164,630)
69	Arts Council	328	ATB Cut-Council on Humanities	Aid	0	(2,479)
69	Arts Council	328	Veto-Reduce Aid to the Humanities to 75% of FY03 original	Aid	0	(22,309)
70	Foster Care Review	116	ATB Cut-Foster care review	Oper	0	(37,877)
72	Economic Develop	600	Veto-Reduce Mainstreet program	Aid	0	Override
72	Economic Develop	600	ATB Cut-Managing Mainstreet	Aid	0	(3,750)
72	Economic Develop	600	Veto-Reestablish base staffing level	Oper	0	Override
72	Economic Develop	600	ATB Cut-Administration	Oper	0	(47,932)

GENERAL FUNDS (continued)				Type	FY2001-02	FY2002-03
72	Economic Develop	601	ATB Cut-Microenterprise Development Act	Aid	0	(15,000)
72	Economic Develop	601	Veto-Reduce Microenterprise Loan program	Aid	0	(210,000)
72	Economic Develop	601	ATB Cut-Community Affairs	Oper	0	(9,268)
72	Economic Develop	618	Veto-Reduce GF appropriation to 50% of FY03 original	Oper	0	Override
72	Economic Develop	618	ATB Cut-Visitors Promotion cash fund	Oper	0	(2,859)
76	Indian Affairs	584	ATB Cut-Commission on Indian Affairs	Oper	0	(6,059)
77	Industrial Relations	531	ATB Cut-Commission of Industrial Relat	Oper	0	(7,654)
78	Crime Commission	196	ATB Cut-Law Enforce-Indian affairs	Aid	0	(2,935)
78	Crime Commission	196	ATB Cut-Indian reservation aid	Oper	0	(5)
78	Crime Commission	198	ATB Cut-Crimestoppers program	Aid	0	(443)
78	Crime Commission	198	ATB Cut-Crimes Against Children Fund	Aid	0	(2,400)
78	Crime Commission	198	Veto-Eliminate Local Prosecution Aid	Aid	0	(54,600)
78	Crime Commission	198	Veto-Eliminate Local Prosecution Aid	Oper	0	(600)
78	Crime Commission	198	ATB Cut-State & local planning	Oper	0	(15,704)
78	Crime Commission	199	ATB Cut-Law Enforcement Training Cente	Oper	0	(40,729)
78	Crime Commission	199	Charge for Training Center food	Oper	0	(168,401)
78	Crime Commission	201	ATB Cut-Victim Witness assistance	Aid	0	(1,714)
78	Crime Commission	202	Reduce crime victims reparations to flat \$20,000	Aid	0	(179,500)
78	Crime Commission	202	ATB Cut-Crime victims reparations	Oper	0	(279)
78	Crime Commission	203	ATB Cut-Jail standards	Oper	0	(7,619)
78	Crime Commission	210	ATB Cut-Anti-drug match	Oper	0	(13,037)
78	Crime Commission	215	ATB Cut- CJIS	Oper	0	(9,134)
81	Blind/Vis. Impaired	357	Veto-3% General Fund operating reduction	Oper	0	Override
83	Comm Colleges	99	Western tuition revenue	Aid	(131,000)	0
83	Comm. Colleges	152	Veto-Reduce to Governor's level	Aid	0	Override
83	Comm Colleges	152	Excess appropriation above formula	Aid	0	(218,086)
84	Environ. Quality	513	Veto-Reduce Superfund non-federal cost share	Aid	0	(119,700)
84	Environ. Quality	513	Veto-Reduce Superfund non-federal cost share	Oper	0	(110,300)
84	Environ. Quality	513	ATB Cut-Administration	Oper	0	(117,224)
85	Retirement Board	515	Revised costs for retirement plans	Oper	0	516,584
87	Account/Disclosure	94	ATB Cut-Accountability & disclosure	Oper	0	(13,778)
90	Railway Council	113	ATB Cut-Branch rail revitalization	Oper	0	(200)
94	Public Advocacy	427	Veto-Eliminate Indigent Defense Aid	Aid	0	Override
94	Public Advocacy	427	ATB Cut-Indigent defense reimbursement	Aid	0	(28,500)
94	Public Advocacy	455	ATB Cut-DNA testing	Oper	0	(22,324)
95	Rural Development	134	ATB Cut- Rural Develop Commision	Oper	0	(11,327)
95	Rural Development	134	Veto-Eliminate General Fund appropriations	Oper	0	(347,374)
96	Prop Assess/Tax	112	Use available cash funds (LB1310)	Oper	0	(900,000)
96	Prop Assess/Tax	112	LB 994 Various property tax administration changes	Oper	0	46,000
99	Construction	101	State Capitol masonry project	Const	0	1,152,157
99	Construction	101	Eliminate "Level 4" funding-YRTC Kearney	Const	0	(2,100,000)
99	Construction	101	NCTA-Johnson acreage acquisition, excess funds	Const	(39,500)	0
99	Construction	101	DAS-Utilize excess NCCF	Const	(106,000)	0
99	Construction	101	Corrections-cash flow York project	Const	(1,500,000)	(1,500,000)
99	Construction	102	HHS-Program Statement, Fitzgerald Vets Home	Const	0	100,000
99	Construction	102	NETC-cash flow of bonded project	Const	(4,500,000)	0
99	Construction	101	Veto-Establish base funding level at \$500,000	Const	0	(500,000)
General Fund Totals				Oper	(6,704,976)	(20,357,181)
2002 Session Actions				Aid	(12,655,596)	(31,905,661)
				Const	(6,145,500)	(2,847,843)
				Total	(25,506,072)	(55,110,685)

CASH FUNDS				Type	FY2001-02	FY2002-03
5	Supreme Court	67	Drug testing	Oper	102,000	102,000
12	Treasurer	24	LB 1062 Various technical changes, Health & Human Services	Oper	0	50,000
12	Treasurer	150	Convention Center Support Fund	Aid	505,065	0
14	Public Svs Com.	19	Prorate employee costs-Manufactured Housing	Oper	3,963	7,923
14	Public Svs Com.	19	Shift certain admin costs to cash funds	Oper	0	69,775
14	Public Svs Com.	64	Prorate employee costs-Telecomm Relay	Oper	9,881	19,762
14	Public Svs Com.	64	Shift certain admin costs to cash funds	Oper	0	16,102
14	Public Svs Com.	71	Prorate employee costs-Internet Enhancement Fund	Oper	3,289	6,578
14	Public Svs Com.	583	Prorate employee costs-Wireless Enhanced 911	Oper	5,756	11,511
14	Public Svs Com.	583	Shift certain admin costs to cash funds	Oper	0	21,469
14	Public Svs Com.	686	Prorate employee costs-Universal Service Fund	Oper	19,799	39,597
14	Public Svs Com.	686	Shift certain admin costs to cash funds	Oper	0	80,509
16	Revenue	102	LB 989 Misc revenue and tobacco product sales changes	Oper	0	32,976
18	Agriculture	27	LB 435 Agricultural Suppliers Lease Protection Act	Oper	0	18,300
18	Agriculture	333	LB 436 Misc changes, pesticide licensing/apiary inspections	Oper	0	(10,000)
20	HHS-Regulation	177	Licensing Information System, grants/lab activity	Oper	628,500	528,500
20	HHS-Regulation	177	LB 1062 Various technical changes, Health & Human Services	Oper	0	37,386
20	HHS-Regulation	177	LB 1062 Various technical changes, Health & Human Services	Oper	0	64,866
20	HHS-Regulation	178	LB 241 Licensure of esthetics instructors	Oper	0	9,600
20	HHS-Regulation	178	LB 1033 Emergency medical technicians, authorize procedures	Oper	0	8,104
20	HHS-Regulation	178	LB 1062 Various technical changes, Health & Human Services	Oper	0	6,250
22	Insurance	69	LB 547 Expand definition of insurer, Insurance Fraud Act	Oper	0	53,036
23	Labor	69	Newly domesticated companies & title insurance examinations	Oper	1,100,000	300,000
24	Motor Vehicles	70	LB 488 Motor vehicle insurance identification data base	Oper	0	0
24	Motor Vehicles	70	LB 830 Various motor vehicle license plate, title changes	Oper	0	32,500
25	HHS-Services	365	Adolescent CDU beds	Oper	320,000	643,860
26	HHS-Finance	348	Medicaid fund shift, unallocated Health Care Cash funds	Aid	11,485,983	0
26	HHS-Finance	348	Medicaid-use Tobacco Prevention funds, shift to "new" tax	Aid	5,000,000	0
26	HHS-Finance	341	LB 326 Nebraska Read, Educate, and Develop Youth Act	Oper	0	78,750
26	HHS-Finance	341	LB 952 Change adoption and adoption records provisions	Oper	0	37,439
29	Natural Resources	334	LB 1003 Misc G&P changes, Water Policy Task Force	Oper	0	750,000
31	Military Dept	544	Settlement, civil lawsuit	Oper	78,062	0
36	Racing Comm	74	Legal expenses and 0.5 FTE investigative position	Oper	30,000	20,000
48	Coord Comm	640	Workforce Investment Act, reporting	Oper	6,300	0
64	State Patrol	205	Carrier Enforcement Cash Fund language change	Oper	YES	YES
64	State Patrol	100	LB 848 Fingerprint check, Nebraska bar applicants	Oper	0	13,200
64	State Patrol	205	LB 470 Classify carrier enforcement officers as Troopers	Oper	0	303,500
65	Admin Services	573	Cash fund 309 Task Force operations (LB1235)	Oper	248,326	297,413
65	Admin Services	606	Employee benefits-administer self-funded health insurance	Oper	90,221	104,788
75	Invest Council	610	Out of court settlement	Oper	50,000	0
78	Crime Commission	199	Charge for Training Center food	Oper	0	168,401
78	Crime Commission	210	Match for Byrne grants	Oper	5,096	75,000
81	Visually Impaired	357	Utilize available cash funds, business enterprise program	Oper	13,165	11,790
84	Environ. Quality	585	Low Level Radioactive Waste lawsuit costs (LB1101)	Oper	4,000,000	0
85	Retirement	41	LB 687 Misc changes, State & County employees retirement	Oper	0	85,000
93	Tax Equal/Review	115	Increase cash fund authority	Oper	0	22,948

CASH FUNDS (continued)				Type	FY2001-02	FY2002-03
94	Public Advocacy	425	Salary equity reclassifications	Oper	31,237	33,217
94	Public Advocacy	426	LB 876 Various court changes, legal service filing fee	Oper	0	353,374
96	Prop Assess/Tax	112	Use available cash funds (LBXXXX)	Oper	0	900,000
Cash Fund Totals				Oper	6,745,595	5,405,424
2002 Session Actions				Aid	16,991,048	0
				Const	0	0
				Total	23,736,643	5,405,424

FEDERAL FUNDS				Type	FY2001-02	FY2002-03
18	Agriculture	564	Utilize rural development fed funds to offset GF-Fair Board	Oper	0	293,450
20	HHS-Regulation	177	Staff reallocations to #26-341	Oper	(25,308)	(25,308)
25	HHS-Services	33	Staff reallocations to #26-341	Oper	(100,220)	(100,220)
25	HHS-Services	250	Juvenile sexual offender treatment	Oper	0	788,400
25	HHS-Services	250	Juvenile transitional care	Oper	0	459,900
25	HHS-Services	365	Increased Medicaid match rate	Oper	0	6,489
25	HHS-Services	421	Increased Medicaid match rate	Oper	0	131,189
26	HHS-Finance	38	Increased Medicaid match rate	Aid	0	35,262
26	HHS-Finance	341	Staff reallocations from #25-33	Oper	125,528	125,528
26	HHS-Finance	347	Child Welfare placement costs	Aid	4,400,000	0
26	HHS-Finance	348	Increased Medicaid match rate	Aid	0	3,888,869
26	HHS-Finance	348	Medicaid-suspend practitioner rate increases	Aid	0	(2,250,000)
26	HHS-Finance	348	Medicaid-expand prior authorization, prescribed drugs	Aid	0	(2,250,000)
26	HHS-Finance	348	Medicaid-prescription drug co-payment	Aid	0	(900,000)
26	HHS-Finance	348	Medicaid-reduce special needs clients contracts	Aid	0	(300,000)
26	HHS-Finance	424	Increased Medicaid match rate	Aid	0	351,198
64	State Patrol	205	LB 470 Classify carrier enforcement officers as Troopers	Oper	0	60,000
81	Visually Impaired	357	Utilize available cash funds, business enterprise program	Oper	61,744	55,295
Federal Fund Totals				Oper	61,744	1,794,723
2002 Session Actions				Aid	4,400,000	(1,424,671)
				Const	0	0
				Total	4,461,744	370,052

REVOLVING / OTHER FUNDS				Type	FY2001-02	FY2002-03
65	Admin Services	594	State Insurance Fund	Oper	1,400,000	3,891,834
99	Construction	101	DAS-Utilize excess NCCF	Const	106,000	0
Revolving Fund Totals				Oper	1,400,000	3,891,834
2002 Session Actions				Aid	0	0
				Const	106,000	0
				Total	1,506,000	3,891,834