

To: Roger Breed, Ed.D.
Commissioner of Education

From: Russ Inbody, Administrator
Finance and Organizational Services

Subject: Approval of the Department of Education's Budget Request for FY 2013-14 and 2014-15

PROPOSED BOARD ACTION

It is recommended that the State Board of Education approve the Department's FY 2013-14 and 2014-15 budget request which includes the Budget Issues, Budget Modifications and the following requested amounts:

	FY 2013-14	FY2014-15
Total NDE Budget Request	\$1,442,259,384	\$1,454,063,788
Total Flow-Through Aid	\$1,371,264,343 (95.1%)	\$1,381,772,974 (95.0%)
Total Operations	\$70,995,041 (4.9%)	\$72,290,814 (5.0%)

BACKGROUND INFORMATION

An executive summary of the Department of Education's budget request was submitted to the State Board of Education at the Board's August 9, 2012 work session. The detailed budget was available to the Board prior to this meeting. If approved, the budget will be submitted to the Department of Administrative Services Budget Division on or before September 15, 2012 as required by State Statute.

**NEBRASKA DEPARTMENT OF EDUCATION
FY2013-14 & FY2014-15 BUDGET REQUEST
EXECUTIVE SUMMARY**

Introduction

Statutorily, the Nebraska Department of Education (NDE) is required to submit a State Board approved budget request for FY 2013-14 and FY 2014-15 by September 15, 2012. In addition to communicating the fiscal resource requirements of the Department for the budget period, the budget document communicates information about the full range of Department activities. The budget is presented in a program format that is mandated by the Governor's Budget Division.

The budget is submitted using a web based budgeting system called Nebraska Budget Request and Reporting System (NBRRS). This is the third time that this web based system is being utilized. This system develops the biennium budget differently than what has been done in previous years. Terminology and prior practices have changed. Only requests seeking additional/decreased funding from the base year allocation will be identified in the biennium budget years. Those requests will be identified as "Issues". The budget system defines "Issue" as any increase/decrease for FY 2013-14 & FY 2014-15 over the allotment "base year" for FY 2012-13.

Required Program Budget Format

For budgeting purposes, the Legislature has grouped activities for which the Department is responsible into 8 budget programs. **Chart A** is a Department organization chart showing the major activities included in each program.

- **Program 025:** Education, Administration, and Support – The program includes almost all education activities (except those in Programs 161, 401, and 402 (see below)) plus all Department-wide administration and support activities. The budget for the State Board of Education is included in Program 025.
- **Program 158:** Education Aid – The program includes all education flow-through aid from all funding sources (except Lottery funded aid activities in Program 161).
- **Program 161:** Lottery Funded Education activities – The Distance Education Equipment/Incentive flow-through aid and the Attracting Excellence to Teaching flow-through aid activities are included as provided by LB1208 (2006 Legislature).
- **Program 351:** Vocational Rehabilitation (VR) – including the Assistive Technology Project (ATP)
- **Program 352:** Disability Determinations (DDS)
- **Program 401:** [Educational] Services for the Deaf and Hard of Hearing
- **Program 402:** Nebraska Center for the Education of Children Who Are Blind and Visually Impaired (NCECBVI)
- **Program 614:** Professional Practices Commission (PPC) – The PPC budget is statutorily required to be submitted with the Department of Education budget request.

The budget request has five required parts.

1. **Base Year Allocation Budget** – The financial resources appropriated for FY 2012-13. This is the largest part and is analyzed by:
 - 1) major category of expenditure (**Flow Through Aid** and **Operations**) and
 - 2) source of funding (**State, Federal, Cash, Revolving**) of each major category of expenditure.

2. **Budget Issues** – A request for increases or decreases in financial resources from the Base Year Allocation Budget to support:

- 1) enterprise issues (Budget Office directives)
- 2) new or expanded activities,
- 3) increased costs, and/or
- 4) implementation of legislation in the budget years.

Reallocation of existing resources to meet additional needs is considered first prior to inclusion of an issue.

3. **Building Renewal (309) Budget** – A request for State resources to support building construction, modification, and repairs. This budget would be for the Nebraska Center for the Education of the Blind and Visually Impaired (NCECBVI) building in Nebraska City.
4. **IT Plan** – A report to the Chief Information Officer of the Department's information technology plan that includes an accounting of all technology assets, including planned acquisitions and upgrades.
5. **Budget Modifications** – Identification and prioritization of those operating activities and flow-through aid programs that would be reduced should sufficient State General funds not be available to support the total budget request. The amount to be prioritized is the difference between the State General funded budget request and 95% of the current year (FY2012-13) State General Fund appropriation. The modifications are computed separately for Department flow-through aid and operations.

Flow-through aid is budget authority and money distributed by NDE to recipients, such as schools, ESUs, clients, and other entities on the basis of entitlement (e.g. State Aid), formula grants (e.g. NCLB Title I), competitive grants (e.g. Statewide Longitudinal Data System (SLDS)), and discretionary grants.

Operations is budget authority and money appropriated to NDE to purchase or provide direct services to schools and clients, provide leadership and administration of the Department, administer the programs and their activities, and provide central support services (e.g. Legal, Human Resource, Accounting, Information Technology Services, etc.) to all Department programs and their activities.

Sources of funding include:

- **State General** funds – appropriated from State revenues;
- **Cash** funds – revenue from fees, the sale of materials and services external to NDE, and grants received from non-federal sources;
- **Federal** funds – Federal grants received primarily from the U.S. Department of Education and the U.S. Department of Agriculture;
- **Revolving** funds – revenue from sale of services internally in NDE; and
- **Building Renewal (309)** funds – appropriated from State revenues for specific capital facility construction or maintenance projects.

Budget Request and Analysis

Budget

Budget Summary by Program (**Chart B**) provides summary information for the proposed FY 2013-14 budget request for the Department in total and for each program broken out by Source of Funding within the categories of Operations and Flow-Through Aid. The agency summary reflects the following:

- ❖ **Total FY2013-14 NDE budget request: \$1,442,259,384**
 - **Flow-Through Aid: \$1,371,264,343** – 95.1% of the total budget request
 - **State General funded: \$1,063,367,859** – 77.5% of the Flow-Through Aid budget and 73.7% of the total budget request
 - **Federal funded: \$298,976,381** – 21.8% of the Flow-Through Aid budget and 20.7% of the total budget request
 - **Cash funded: \$8,920,103** - 0.7% of the Flow-Through Aid budget and 0.6% of the total budget request
 - **Operations: \$70,995,041** – 4.9% of the total budget request
 - **State General funded: \$20,577,153** – 29.0% of the Operations budget request
 - **Federal funded: \$46,742,085** – 65.8% of the Operations budget request
 - **Cash funded: \$3,471,075** – 4.9% of the Operations budget request
 - **Revolving funded: \$204,728** – 0.3% of the Operations budget request
 - **Major Accounts of Expenditure**
 - **Employee Salaries and Benefits: \$36,408,497** (51.3% of Operations) for 541.47 FTE employees.
 - **Operating: \$32,730,410** (46.1% of Operations) – In addition to items such as rent, communication, and copying, this category also includes purchased services and materials provided to schools and clients.
 - **Travel: \$1,734,295** (2.4% of Operations) – In addition to staff travel, this includes travel of advisory committees and other groups providing service to NDE.
 - **Equipment: \$121,839** (0.2% of Operations)

Analysis

Significant changes in the budgets, other than the result of budget guidelines, are as follows:

- ❖ **Flow-Through Aid** – increases of \$11,664,334 or 0.9%
 - **State General Funded** – increases of \$14,019,692 or 1.3%
 - Nebraska Early Childhood Education Grant Program – increase of \$4,275,000
 - Special Education Aid – increase of \$9,694,692
 - Vocational Rehabilitation – increase of \$50,000
 - **Federal Funded** – increases of \$107,070 or 0.04%
 - Vocational Rehabilitation – increase of \$107,070
 - **Cash Funded** – decreases of \$2,462,428 or 21.6%
 - Nebraska Early Childhood Education Grant Program – decrease of \$3,365,962
 - Reorganization Incentive Aid – decrease of \$212,958
 - Lottery Funds Allocations – increase of \$1,116,492
- ❖ **Operations** – increases of \$5,304,426 or 8.1%
 - **State General Funded** – increases of \$4,392,379 or 27.1%
 - Private Postsecondary Career Schools – increase of \$13,464
 - Nebraska Early Childhood Education Grant Program – increase of \$225,000
 - NCECBVI Contract Increase – increase of \$90,728
 - Vocational Rehabilitation – Increase of \$63,187
 - Assessment/Report Card – Increase of \$4,000,000
 - **Cash Funded** – increases \$509,617 or 17.2%
 - Vocational Rehabilitation – decrease of \$16,203
 - Lottery Funds Allocations – increase of \$539,284
 - Private Postsecondary Career Schools – decrease of \$13,464
 - **Federal Funded** – increases \$402,430 or 0.9%
 - Vocational Rehabilitation – Increase of \$402,430

Proposed Budget Issues

The proposed budget issues (increases or decreases) are listed in no particular proposed priority. Narratives providing a description and rationale for each issue are found in **Attachment A** (blue pages).

The amounts listed are changes in State General Funds or Department Cash Funds from the FY2012-13 base year allocation.

Page No. (Blue Pages)	Issue	FY 2013-14	FY 2014-15
2	Private Postsecondary Career Schools	\$ 0	\$ 0
4	Early Childhood Education Grant Program Aid	1,134,038	1,134,038
11	Special Education Aid	9,694,692	19,874,119
12	Reorganization Incentive Aid	(212,958)	(212,958)
13	NCECBVI Contract Increase	90,728	185,993
14	Vocational Rehabilitation	96,984	216,045
16	Assessment/Report Card	4,000,000	4,000,000
18	Statewide ACT	0	715,000
19	Lottery Funds Allocations	1,655,776	1,829,190
	Totals	\$ 16,459,260	\$ 27,741,427

Building Renewal (309) Budget

Nebraska Center for the Education of the Blind and Visually Impaired (NCECBVI) building maintenance request. The DAS 309 Building Task Force is recommending the installation of a geothermal system at an approximate cost of \$1.6 million to repair mechanical, electrical, and heating/air conditioning issues.

Budget Modifications

The budget modification process was initiated by the Legislature and the Governor to assist them in identifying agency priorities related to agency budget requests. It requires the agency leadership to answer the following question: If an agency's General Fund appropriations in the budget year FY 2013-14 would be less than the current year (FY 2012-13) or any level less than the total budget request, what activities/services included in the budget request would be reduced? The activities/services that would be cut are identified as budget modifications that, taken together, would reduce the appropriations to the specified percentage. The budget modifications are prioritized in the order they would be added back, if additional funding became available. The base level for the determination of the modifications for the FY 2013-14/FY 2014-15 budget biennium is 95% of the current year (FY 2012-13) appropriation. Modifications are broken out by flow-through aid and operations.

A worksheet included as **Chart C** depicts the amount of modifications necessary based on the proposed budget. The modification amounts are \$63,287,451 for flow-through aid and \$5,203,518 for operations. **Chart C1** lists the criteria used to develop the proposed modifications. **Chart C1a** lists the proposed recommendations to the State Board in priority order.

Context/Budget Relationships

A series of charts is included to provide context for the proposed Department budget request.

- **Chart D** shows the percentages of the Department's budget that goes to Flow Through Aid and Operations.
- **Chart E(1)** through **E(3)** show the Flow-through Aid amounts budgeted for each aid activity by source of funding.
- **Chart F** shows the percentage of the Department's total Flow Through Aid budget from each major funding source.
- **Chart G** shows the percentage of the Department's budget for Operations from each program.
- **Chart H** shows the percentage of the Department's total Operations budget from each major funding source.

- **Chart I** shows the number of FTE employees in the Department's budget from FY1997-98 forward through FY2012-13.
- **Chart J** shows the percentage of the Department's operating budget which represents the operating expenditures of the entire Nebraska K-12 public school system.
- **Chart K** shows the percentage of contribution of the Department's entire budget for Education and Administration to the operating revenues of the K-12 public school system.

Next Steps

- **September 7, 2012** – State Board of Education amends and/or approves the proposed NDE budget request
- **November 2012** – State Board of Education considers amendments proposed to the NDE budget request for situations or requirements not previously known and deficit requests to the FY 2012-13 base year appropriation
- **January 2013** – The Governor presents his budget recommendation to the Legislature
- **March 2013** – The Legislature's Appropriations Committee holds hearings on agency budget requests
- **May 2013** – The Legislature and the Governor approve appropriations to each agency for FY2013-14 and FY2014-15

**DEPARTMENT OF EDUCATION
FY2013-14 & FY2014-15
BUDGET ISSUES**

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. Program Number - 025/46

2. Program Name - Private Postsecondary Career Schools

3. Issue - Private Postsecondary Career Schools use of General Funds

4. Program Description

Sections 85-1601 - 85-1658 outline the Private Postsecondary Career School Act which was enacted to provide for the protection, education, and welfare of the citizens of the State of Nebraska, its private postsecondary career schools, and its students. The goals of our agency and the PPCS Act are to (1) establish and enforce minimum standards concerning quality of education, ethical and business practices, health and safety, and fiscal responsibility in order to protect against substandard, transient, unethical, deceptive, or fraudulent schools and practices; (2) prohibiting the granting of false educational credentials; (3) prohibiting misleading literature, advertising, solicitation, or representation by schools or their agents; (4) Provide for the preservation of essential records; and (5) provide certain rights and remedies to the consuming public and the board necessary to carry out the purpose of the act. In day to day operations, the program appropriately grants an authorization to operate, certificate of approval to recruit to schools meeting minimum standards. We address student complaints, maintain and provide student records to students of closed PPCS, appropriate authorize agent and instructor permits, inspect and accredit PPCS, provide oversight over the Tuition Recovery Cash Fund, and investigate potential schools/practices that are not in compliance with the PPCS act. The program also, in consultation with the Advisory Council, actively reviews minimum standards and makes recommendations, when appropriate, to keep rules current.

5. Research, Analysis, and Justification

Over the course of the last three fiscal years (08-09, 10-11, 11-12), PPCS has been operating at an average mean deficit of 10,820 per year. The PPCS section is currently operating at minimal staffing levels, 0.95 FTE, and has cut operational costs to the most efficient level. It is our assumption that the annual operational deficit will continue into future years and thus deplete reserve funds during the 2014-2015 fiscal year, leaving no operating funds to carry out the PPCS act. The PPCS Advisory Council and Nebraska State Board of Education have approved of and passed rule changes in an attempt to raise fees to sustain the operations of the PPCS section; however, these rules changes were not signed by the Governor. In addition, Statute changes that took effect in 2011, shifted some schools out of the PPCS jurisdiction to the Nebraska's Coordinating Commission for Postsecondary Education, further reducing our budget. Because PPCS is entirely dependent upon fees, and it is difficult to forecast the number of schools and fee generating actions that these schools take in a given year, it is vital that the PPCS section maintains a reserve account. We are requesting 20% of the Program Director's salary be supported by general funds in effort to maintain the current levels of service to Private Postsecondary Career Schools and the residents of the State of Nebraska who attend these schools.

6. Impact

The functions of the PPCS section are described above. Without proper funding services will have to be cut and may include delays in issuing authorizations to operate, certificates of approval to recruit, accreditation, instructor approvals, and agent permits. Private Postsecondary Career Schools and their students would be impacted without proper funding for this program. Schools could not operate in compliance with state law until our section had funds to review their initial application or annual renewal packets. During the time schools are without authorization, schools cannot hold classes and thus students could not attend classes. This would provide barriers to new schools opening in Nebraska as well as schools that are currently operating. In addition, any student requesting transcripts from a closed PPCS may experience long processing delays which may affect their future employment and/or educational goals.

7. Performance Indicators

Properly funding the PPCS budget will ensure that the following performance measures will be met.

- Implement rules and regulations pertaining to private postsecondary career schools.
- Issue licenses, certificates of accreditation and certificates to recruit to those private postsecondary career schools that meet the minimum standards.
- Issue permits to agents representing in-state and out-of-state private postsecondary career schools.
- Provide leadership to the Private Postsecondary Career School Advisory Council and the Tuition Recovery Cash Fund Advisory Committee.
- Provide assistance to administrators and owners concerning the laws and rules governing private postsecondary career schools in Nebraska through telephone communications, printed materials, meetings and Internet.
- Students of closed PPCS will have requested transcripts issued to them within a week of receipt of request.

8. Implementation Plan

If funding is provided, the PPCS section of NDE will be able to continue to ensure proper regulatory oversight and protection of the schools and students that were intended by the people of the State of Nebraska set forth in the Private Postsecondary Career School Act.

	FTE	FY2013/14	FTE	FY2014/15
TOTAL	0.0	\$0	0.0	\$0
GF	0.2	\$13,464	0.2	\$13,464
CASH	(0.2)	(\$13,464)	(0.2)	(\$13,464)

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

NEBRASKA EARLY CHILDHOOD EDUCATION GRANT FUND – AGES 3 to 5 FUNDING INCREASE

1. **Program** - 025/44, 158/44, & 161/44
2. **Program Name** - Early Childhood
3. **Issue Name** - Nebraska Early Childhood Education Grant Program - ages 3 to 5
4. **General Description**

This subprogram administers flow-through aid for early childhood programs and services. Grants are made to school districts and ESUs with successful applications based on indication of needed services in local community and description of quality components.

Flow Through

The Nebraska Early Childhood Grant Program - ages 3 to 5 (ECE Grant program) is designed to provide state assistance to school districts and ESUs for early childhood education in coordination with public and private providers of early childhood education and care programs. The ECE Grant Program uses a number of strategies designed to assist young children acquire the developmental and readiness resources to begin school with the assets necessary to be successful. The ECE Grant Program also employs a number of strategies to assist families in their efforts to ensure their children grow up in the healthy, safe, and nurturing environment that will facilitate their children's success.

The ECE Grant Program prioritizes the following at-risk categories for awarding grants to communities and for serving children, within a inclusive program:

- family income which qualifies the children for participation in the federal free or reduced lunch program (185% of the federal poverty level),
- residence in a home where a language other than spoken English is used as the primary means of communication,
- parents who are younger than eighteen or who have not completed high school, or
- premature birth or low birth weight.

Each grant program is required to provide matching funds which must be equal to, or greater than, the amount of the grant. To document the operating budget beyond the state funds, program applications must demonstrate that the program will coordinate or contract with existing programs and funding sources, including local, state, and federal funding sources. The program narrative and the budget narrative must clearly demonstrate that at least fifty percent (50%) of the total resources of the program will be contributed by the partnership through cash or in-kind match. Match includes funds and/or in-kind allocated by the school district through local district funds, Title 1, Special Education, etc. and outside funds and/or in-kind from external partners (i.e. Head Start, community programs) the amount of grant designated as start-up costs is not required to be matched.

Operations

Monitoring and evaluation of ECE programs is essential to ensure that the programs are operating within the high quality standards required by NDE Rule 11: Regulations for Early Childhood Education Programs. High quality early childhood education and care programs have been shown by multiple researchers to increase child skills and abilities and have sustained effects throughout children's educational careers. NDE requirements are consistent with research-based indicators of quality. Rule 11 requires that schools and ESUs employ highly trained, appropriately certificated and endorsed teachers, well trained para professionals, and an appropriate adult to child ratio. The NDE also requires programs to use a research based curriculum and participation in the Results Matter Child, Program, and Family Outcomes system. Results Matter requires the use of a reliable and valid child assessment and program assessments and requires schools to receive input from families

regarding their family and their child's experiences and outcomes. The classroom environment, the developmentally and individually appropriate activities, the language rich interactions during the preschool program day that are expected by NDE are predictors of successful learning.

Monitoring consists of two components.

- Information regarding school district compliance with regulation is collected by NDE. Staff members are required to check each school response and verify the data when necessary.
- Random observations are made by NDE Early Childhood Specialists to compare outside observations with school district observations and to assist school districts in meeting expectations. Currently, the NDE Office of Early Childhood has the capacity to visit a fraction of the school districts that currently, or in past years have had an ECE grant. The NDE makes an effort to visit programs that have never received an ECE grant, but can only visit a fraction of these programs as well.

Evaluation of early childhood programs is necessary to ensure that public dollars are being well spent. The NDE Office of Early Childhood contracts with an outside evaluator to analyze school district program quality and child outcomes data. This data is used to report the quality of early childhood programs and the growth in child learning. While this is adequate, additional evaluation would provide more detailed information of the growth in child learning as well as more data regarding aspects of EC programs that result in the best outcomes.

The provision of technical assistance to school districts, ESUs and their partners who are operating early childhood programs, or who would like to begin services is essential to ensure that programs begin operation meeting Rule 11 requirements, and children are served appropriately. Early childhood programs are operated by school districts of all sizes, with many programs in very rural areas. Teaching staff in early childhood programs are often isolated and have no professional peers to learn from. Additionally, ESUs rarely have the capacity to provide prekindergarten training and technical assistance to school districts, aside from specific special education areas. Technical assistance from staff at NDE is needed to improve and maintain the quality of early childhood program activities across Nebraska.

5. Research Analysis and Justification Flow Through

In the 2010-2011 school year, the latest for which data is available, 11,704 children were served by Nebraska school districts and ESUs. Of this number, 9% were English language learners and 52% were eligible for Free or Reduced Lunch. Federal Census reports indicate that in 2010, 59,825 Nebraska children who were 0 to 5 years of age lived in families with incomes that qualified them for the federal free or reduced lunch program. Clearly, while school districts are serving more children in early childhood education programs than ever before, the vast majority of children at-risk are do not have access to a program.

All early childhood education programs operated by schools and ESUs are regulated by NDE rule 11: Regulations for Early Childhood Education Programs. In the first year of each grant, the grantees receive a set grant amount plus additional start-up money to offset the costs of adequately equipping classrooms. School districts that are awarded grants funds and that have never operated an early childhood education program, must meet Rule 11 requirements to maintain approval by NDE. After three years of operation as a grant program, districts will be qualified to have state aid calculated for the 4 year olds served in the program.

Operations

During the 2005-2006 school year, 87 school districts in Nebraska operated an early childhood education program. By the 2011-2012 school year, that number had grown to 163 school districts. At the same time the state has seen the immense growth of public early childhood programs, NDE has had to reduce staffing and resources to monitor, evaluate, and assist school districts, ESUs and their partners in the operation of early childhood programs. The 2005-2006 staffing records from the NDE

Office of Early Childhood indicated that 2.25 FTE of state funds were dedicated to monitoring and providing technical assistance to the early childhood education programs by Early Childhood Specialists and support staff. The 2011-2012 staffing records indicated that 1.49 FTE of state funds were available and dedicated to monitoring and providing technical assistance to EC programs. The addition of another EC specialist to provide technical assistance in the fall of 2012 brings the FTE total to 2.49 which is just over the amount of staffing available in 2005-2006 when there were half as many early childhood programs.

During the 2011-2012 program year, Early Childhood Specialists made site visits to approximately 20% of the districts that operated by schools and ESUs. When visiting a school district or ESU, Early Childhood Specialists were typically able to make a visit to one of the EC classrooms regardless of the number of early childhood classrooms operated by the district. The National Institute of Early Education Research (NIEER), a leading early childhood research organization, has compiled a list of 10 evidence-based quality criteria for state funded early childhood programs. One of the criteria is that states should make monitoring site visits to each early childhood program each year.

According to State statute 79-1101(2), "It is the intent of the Legislature and the public policy of this state to encourage schools and community-based organizations to work together to provide high-quality early childhood education programs for infants and young children which include family involvement." Collaboration between school district operated EC programs and other community-based EC programs results in less duplication of services, higher quality of services, and a system of ensuring that children most at-risk have access to early childhood programs. However, collaboration can be difficult since different types of programs have different requirements. Outside assistance is effective in helping schools and community programs work through challenges of partnering. During the 2011-2012 program year, a number of school districts and Head Start programs have informed NDE that they have ended or reduced their formal partnerships. This is a negative consequence of an inadequate system of support to programs.

Current technical assistance needs include:

- Basic training regarding the requirements of Rule 11 and Results Matter for new administrators.
- In-depth training for school administrators regarding the evaluation of early childhood education staff. High quality EC classrooms look different than those of middle and upper grades. School administrators must know what skills and behaviors by adults increase learning by young children.
- Training for teaching staff in child observation, and documentation of child skills.
- Training in the implementation of the Teaching Pyramid – an evidence based program for increasing social, emotional competence in young children and reducing challenging behaviors.
- Professional development for staff regarding inclusion of children with disabilities into classroom routines and activities.
- Partnership facilitation for school districts and their current or potential partners.
- Increasing meaningful family involvement to improve child learning.
- Strategies for embedding ongoing assessment into daily routines and the use of assessment data for program planning.
- Additional training for beginning and experienced users of Teaching Strategies GOLD™ child assessment system (Used to measure child outcomes for Results Matter)
- Additional training on the Environment Rating Scales (Used to measure program outcomes for Results Matter).

NDE Office of Early Childhood plans either independently or in partnership with other NDE offices to provide some additional GOLD™ child assessment training, ongoing training in the use of the Environment Rating Scales, and a series of basic administrator workshops to assist new administrators of early childhood programs in learning regulations and program expectations.

**6. Impact
Flow Through**

High quality early childhood education and care programs have been shown by multiple researchers to increase child skills and abilities and have sustained effects throughout children's educational careers. School district and ESU early childhood programs are of high quality. NDE requirements ensure that programs are of high quality. They employ highly trained, appropriately certificated and endorsed teachers, well trained para professionals, and an appropriate adult to child ratio. The NDE also requires programs to use a research based curriculum. All school districts participate in the Results Matter Child, Program, and Family Outcomes System. Results Matter requires the use of a reliable and valid child assessment, the use of appropriate program assessments and requires schools to receive input from families regarding their family and their child's experiences and outcomes. The classroom environment, the developmentally and individually appropriate activities, the language rich interactions during the preschool program day that are expected by NDE are predictors of successful learning. Children served by Nebraska Early Childhood programs which are operated by schools and ESUs make significant gains in a variety of outcome areas.

This budget issue requests existing funding per statute of \$3,365,962 through the Education Innovation Fund in Program 161 and an additional \$909,038 be allocated to the ECE Grant through State General Funds in Program 158 with a 5% set aside for monitoring, evaluation, and technical assistance for early childhood programs (Monitoring, evaluation and technical assistance budget issue is detailed separately under 025/44). The Nebraska Department of Education will prioritize full day programs to maximize the amount of time that children at-risk are receiving high quality early childhood program services. The funding increase of \$909,038 will enable the ECE grant program to serve an additional 125 children through full- school-day programs during the 2014-2015 school year and each following year. Each full day grant would be funded at \$100,000 per classroom with additional funding for start up during the first year of operation. The additional \$909,038 would fund up to 7 full- school-day classes with an additional \$25,000 in start up money. Each class would enroll 16-20 preschool children (estimated average of 18). High quality applications which would fund part day early childhood programs would be funded as a secondary priority with funds not used for full- school-day programs.

LB 577, enacted in the 2005 Legislative Session, revised the Early Childhood Act originally passed in 1990 (79-1101-1104 R.R.S). LB 577 allows for districts to count all 4-year-olds who will be eligible to attend kindergarten in the following school year and are enrolled in early childhood programs operated by school districts to be included in the State Aid formula according to the Tax Equity and Educational Opportunities Support Act (T.E.E.O.S.A.) after three years of operation as a grant program. This is referred to as "rolling over" to State Aid. When the ECE Grant Programs "roll over" to State Aid, the grant funds then become available to grant to other school districts to encourage additional school districts to begin early childhood programs. This "roll over" also assists districts that currently have early childhood programs to expand the services they offer to either serve additional children ,or to increase their programs from part-day to full-school day through the funding of additional grants. While changes in the State Aid formula make projections of dollars freed up by grant funds impossible to calculate at this time, the infusion of more than \$900,000 into the grant fund will allow for additional grants to be made in coming years thereby increasing the number of children served in high quality programs for years to come.

Quantitative and qualitative impacts of the Issue, including:

a. What services would be continued, adjusted or expanded?

Current early childhood programs operated by Nebraska schools and ESUs will be continued. School Districts and ESUs will continue to be required to meet the standards articulated in Rule 11 and will continue to be required to participate in the Results Matter Child, Program, and Family Outcomes System. This will facilitate the continuation of schools and ESUs maintaining high quality standards and measuring child, program, and family outcomes.

- b. What client groups would be impacted?
Children with risk factors indicating that they might struggle in school will have greater access to high quality early childhood programs within their community.
- c. What effects would be felt by the general public, etc.?
Children that make significant gains in child outcome areas during the preschool years are more likely to enter school with skills that will enable them to be successful. This reduces the amount of money schools must allocate for remedial services. A large and growing body of research indicates that investment in high quality early childhood programs produces benefits for society that include less money being spent on remedial skill training, fewer resources being used to support high school drop outs, fewer teen pregnancies, and more tax resources being collected from adults in the workforce. More specifically, a number of states have invested heavily in extensive evaluation which has indicated that state funded prekindergarten education yields educational benefits throughout the k-12 system and reduces the achievement gap for children at-risk of school failure.
- d. What would happen if funding is not provided for the Issue?
Fewer children will have access to high quality early childhood programs and services in their communities. A greater number of school districts will continue to have difficulty beginning an early childhood education program, and therefore, not receive the benefit of more prepared children entering kindergarten.
- e. If the result of a statutory requirement, the statutory reference.
The Early Childhood Act: 79-1101-1104 R.R.S.
- f. Identification of external issues, which could impact project performance.
The lack of monitoring, evaluation and technical assistance support from the Nebraska Department of Education Office of Early Childhood makes implementation of the ECE Grant program difficult. Schools would have fewer resources to assist them in the creation and ongoing operation of the grant program.

Operations

The following areas of impact will be realized

- Increased professional development and training for ECE staff
- Effective monitoring of ECE programs
- Increase in effective partnerships
- In-depth evaluation of effective program practices

The current structure of technical assistance would be continued. The additional funding would allow for additional staffing to share in monitoring duties allowing NDE to visit a greater percentage of early childhood programs and would allow for additional technical assistance when school district begin a new early childhood program. Additionally, training and technical assistance will be increased and will be targeted to the identified needs reported in Section 5. Additional available staff and resources for facilitation will allow NDE to work more effectively with districts, ESUs and their partners to strengthen collaboration. Increased funding will enable NDE and the program evaluator to create a more thorough evaluation plan.

School district ECE programs, both with and without grant funds, will be able to access into more resources and targeted training. Monitoring will be more effective and potential problems will be discovered and ameliorated before they threaten school district approval. School districts will see the benefit of more prepared children entering school. Families and children across the state will benefit from more effective early childhood programs.

In the long term, children who have had the benefit of effective early childhood experiences will succeed in school and in life and will strengthen the communities in which they live, and contribute to the local tax base.

NDE would continue to provide the limited technical assistance that it is currently able to provide.

Early Childhood education and care are topics that are being discussed across Nebraska and across the US. Federal policies regarding the provision of early childhood education may increase the need for additional technical assistance to schools and community partners.

**7. Performance Indicators-
Flow Through**

Performance Indicators for the ECE would include the following:

- Grant Request for Proposals will be prepared
- Notice of Grant Availability will be disseminated to all school districts and ESUs
- Grants will be scored by a team of outside reviewers
- NDE Office of Early Childhood will recommend approval by the Nebraska State Board of Education for successful applications
- State Board of Education will approve applications
- Successful School Districts and ESUs will begin serving children in new or expanded grant classrooms during the fall of 2014.

Operations

- Greater number of early childhood programs will receive site visits.
- A statewide professional development plan based on identified needs will be created and early childhood staff and administration in local programs will participate in training/professional development opportunities.
- In-depth evaluation plan will be created and begun.

**8. Implementation Plan -
Flow Through**

Notice of Grant Availability will be disseminated to all school districts and ESUs during November of 2013. Applications for grant funding will be due to the Nebraska Department of Education, Office of Early Childhood in March 2014. Approval of successful grant applications would be granted by the Nebraska State Board of Education during the summer of 2014 with grants beginning during the fall of 2014.

Operations

Summer 2013 - Staffing will be hired to increase technical assistance capability. Technical assistance plan will be created with input from the Results Matter Measurement Task Force. Specific training content will be created. Evaluation plan will be developed with state program evaluator.

Fall 2013 - Monitoring visits will begin. Data will be collected for evaluation. Training and professional development opportunities will begin.

Winter 2014 - Monitoring visits will continue. Data will continue to be collected. Training and Professional development opportunities will continue.

Spring 2014 - Monitoring visits will continue. Data will continue to be collected. Training and Professional development opportunities will continue.

Summer 2014 - Evaluation data will be analyzed. Monitoring visits will be evaluated and modifications will be made as necessary. Training and professional development plan will be evaluated and modified as necessary.

Program 025 – Education, Administration, and Support				
	FTE	FY2013/14	FTE	FY2014/15
GF	1.0	\$225,000	1.0	\$225,000

Program 158 – Education Aid

	FTE	FY2013/14	FTE	FY2014/15
GF	0.0	\$4,275,000	0.0	\$4,275,000

Program 161 – Education Innovation

	FTE	FY2013/14	FTE	FY2014/15
CASH	0.0	\$(3,365,962)	0.0	\$(3,365,962)

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

- 1. Program Number - 158/48**
- 2. Program Name - Special Education Aid**
- 3. Issue Name - Special Education Additional Aid Funding**
- 4. General Description**
Provide funding to school districts for services to school age children with disabilities
- 5. Analysis and Justification**
 - Costs for school districts to serve school age children with disabilities continue to increase due primarily to inflationary costs, more children being verified with a disability, and the severity of the disabilities
 - 5% annual increase is the maximum amount allowed by statute per Neb. Rev. Stat. Sec. 79-1145.
- 6. Impact**
 - Mandated program for school districts—costs not reimbursed become responsibility of the district
 - NE statutory authority: Special Education Act, Neb. Rev. Stat. 79-1110 et seq
 - Funds appropriated for this program are primary source for the calculation of state maintenance of effort (MOE) for IDEA
 - Payments for educational services for non-state wards placed in residential settings for reasons other than to receive an education [79-215(10)] are now paid from the Special Education appropriation; this current year reimbursement for 100% of the costs is for both verified and non-verified students receiving services and reduces the amount of funding available to districts for providing special education to their resident students with disabilities; no previous increase in appropriation for this purpose
- 7. Performance Indicators**
 - Timely distribution of funds to school districts
 - Collection/analysis of data for required six year IDEA State Performance Plan (SPP) and the Annual Performance Report (APR) plus the Improving Learning for Children with Disabilities (ILCD) monitoring process
- 8. Implementation Plan**
5% increase in Special Education appropriation will be distributed to school districts

	FTE	FY2013/14	FTE	FY2014/15
GF	0.0	\$9,694,692	0.0	\$19,874,119

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. **Program Number** - 158/51
2. **Program Name** - Finance and Organizational Services
3. **Issue Name** - Reorganization Incentive Aid Funding
4. **General Description** - State statute (79-1011) encouraged consolidation of school districts by allowing incentive payments to school districts that consolidated after May 31, 2009 and before June 1, 2011.
5. **Research, Analysis and Justification** - There was a cash appropriation of \$212,958 in FY2012-13. No school districts qualified for incentive payments as the consolidation had to occur before June 1, 2011.
6. **Impact** - No payments will be made in 2013-14 or 2014-15.

	FTE	FY 2013/14	FTE	FY 2014/15
Cash	0.00	(\$212,958)	0.00	(\$212,958)

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. **Program Number** - 402
2. **Program Name** - Services for Blind and Visually Impaired Children
3. **Issue Name** - NCECBVI Contract Increase Funding
4. **General Description** - Continue implementation of approved (Dec. 1998) "Planning Team Recommendations for Statewide Services for Education of Children who are Blind or Visually Impaired."
5. **Analysis and Justification**
 - The approved State Plan for Blind or Visually Impaired Children is carried out through a contract with ESU #4 to operate the NCECBVI (Center-based program and outreach services to students being served locally by school districts)
 - 5% increase: increasing program costs and 5% cap on SPED reimbursement
6. **Impact**
 - ESU #4 is willing to operate the program for NDE assuming adequate funding is available to cover costs; without contract NDE would need to pursue other alternatives
 - Center-based program is serving students with more severe multi-disabilities and number of students served by districts needing outreach support continues to increase resulting in higher costs.
 - NE statutory authority: Neb. Rev. Stat. 79-11,109 & 79-11,110
 - Funds appropriated for this program are now included in the calculation for state maintenance of effort (MOE) for IDEA
 - Contracting for NCECBVI option allows NE to meet federal requirement for maintaining a "continuum of service options" (most restrictive to least restrictive setting) for this disability category
 - Increased costs for NCECBVI services not absorbed through the Program 401 appropriation will result in increased costs to districts contracting with NCECBVI
7. **Performance Indicators** - Annual narrative and fiscal report prepared by ESU #4
8. **Implementation Plan** - 5% annual increase in amount of contract with ESU #4 to operate NCECBVI

	FTE	FY2013/14	FTE	FY2014/15
GF	0.0	\$90,728	0.0	\$185,993

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. **Appropriation Program** - 351
2. **Program Name** - Vocational Rehabilitation
3. **Issue Name** - Vocational Rehabilitation Matching Funds Increase
4. **General Description**

Vocational Rehabilitation provides services to eligible Nebraskans with disabilities who can benefit from services and begin or return to employment. An individual program of vocational rehabilitation is developed for each eligible person. These individualized programs are based on each person's unique needs, goals, and choices, and are designed to overcome their barriers to employment and integration into the work place and the community.

Vocational Rehabilitation staff directly provide vocational counseling and guidance, vocational evaluation, independent living, and job placement services. Vocational Rehabilitation also works collaboratively with community rehabilitation resources to provide and develop services needed by Nebraskans with disabilities

Vocational Rehabilitation is one of a very few programs that have an annual increase in federal funds due to the Consumer Price Index written into law as part of the funding formula. An increase in general funds will enable the agency to match all of the available federal funds for the program.

5. **Research Analysis and Justification**

Federal Vocational Rehabilitation funds are expected to increase by 2.5% each year for FY 2014 and FY 2015. These Federal Funds must be matched by State Funds. Each dollar of state funds matches \$3.69 in Federal Funds, so each dollar of State Funds results in a total of \$4.69 in services. Based on our current general fund appropriation, we will need a 2.5% increase in FY 2014 and another 2.5% increase in FY 2015 to meet our matching requirements. The additional federal funds will increase both operations and aid in FY2014 and FY2015. Not matching available federal funds over this period of time is projected to result in a loss of \$1,263,423 in Federal funds.

Nebraskans with disabilities who are returned to employment by Vocational Rehabilitation pay taxes on their earnings. These taxes pay the full cost of the Vocational Rehabilitation program in approximately 42 months. In approximately three and one-half years, Nebraskans with disabilities who return to employment will pay the full cost of this request. In the long term, the return on investment for the Vocational Rehabilitation program is an average of \$9.75 returned to taxpayers for every dollar spent due to the services that result in an individual with a disability being successfully employed.

6. **Impact**

Reducing funding in any FY will reduce the amount of money available to purchase services for individuals with disabilities, thereby creating a waiting list. If staff is reduced, the direct services provided to consumers through trained VR staff would decrease, making the waiting list even larger.

VR will not be able to use all Federal funds available, which will create a list of Nebraska consumers with disabilities waiting to be served whenever funding is available. Not matching

available federal funds over this period of time is projected to result in a loss of \$1,263,423 in Federal funds.

7. Performance Indicators

- The number of individuals with disabilities served.
- The number of individuals with disabilities rehabilitated into employment earning at least minimum wage.
- The percentage of disabled persons served who are classified as severely disabled.
- The number of students age 14-18 served in transition programs in Nebraska schools.

8. Implementation Plan

Timeline for expending funds is 10/1/12-9/30/13.

	FY2013-2014	FY2014-2015
Operations		
GF	\$63,187	\$127,955
CASH	(\$16,203)	\$(13,160)
FF	\$402,430	\$814,921
Aid		
GF	\$50,000	\$101,250
FF	\$107,070	\$216,817

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. **Program Number** - 025/03
2. **Program Name** - Assessment/Report Card
3. **Issue Name** - Assessment/Reporting Additional Funding
4. **General Description**

The Assessment and Reporting Program is responsible for the following:

- Revision of the state content standards in reading, mathematics, science, social studies and writing.
- Developing and administering the statewide testing system for the measurement of student performance on all state content standards except for social studies. Collecting and reporting student data on the state website.
- Development and maintenance of the state accountability system.
- Providing the student performance data for both state and federal requirements.

The NDE was directed by state legislation in 2007 and 2008 to revise the content standards in reading, mathematics, science and social studies and to develop statewide tests. The schedule below has been accomplished:

Subject	Standards Revision Date	Assessment Implementation Date	Grades
Reading	by July 2009	2009-10	3 - 8, H.S
Mathematics	by July 2010	2010-11	3 - 8, H.S.
Science	by July 2013	2011-12	5,8,11
Social Studies	by July 2013	--	--
Writing	Ongoing	Began in 2001	One grade annually but is done in 4,8,11

5. Research, Analysis, and Justification

The state appropriation for this program in 2012-2013 is \$2,751,600.

The dollars needed to implement the requirements of both state and federal legislation significantly exceed the annual state appropriation. The overall budget for statewide assessment in 2012-2013 is projected at \$8,085,054. This includes the Data Recognition Corporation Contract for all assessment requirements: reading, mathematics, science, and writing which in 2012-2013 is \$5,043,821.

In order to fund the required testing obligations, the budget has been supplemented by both federal funds and carry-over state funds from previous years.

There are three concerns:

- The continuation of federal funds at the current levels is questionable and unlikely.
- At the end of 2013, the carry over funds from state appropriations in previous years will be depleted.

- In 2013 when the RFP is released for vendor bids, the statewide writing costs will be integrated into one request for proposal.

By the end of 2013, the NDE will not have sufficient funds to meet the state and federally-required assessment and reporting functions.

The Department of Education is requesting a \$4,000,000 additional appropriation beginning in 2013-14 and 2014-15 to meet the assessment obligations.

6. Impact

- If dollars are not available for testing and reporting, state and federal legislation requirements would not be met. Reporting of and accountability for assessment results is also required as a condition for federal funding.
- All schools in the state of Nebraska would be impacted. They are prepared to do the assessment, and their publics are expecting to see results.
- Stakeholders on the local, state, and national levels would not receive statewide assessment data to provide accountability for school effectiveness.
- Without adequate funding, the testing cannot be conducted.
- The Quality Education Act, 79-760 requires the testing and reporting.
- The federal allocations are subject to change, and the state testing program is currently dependent upon the federal dollars.

7. Performance Indicators

The effectiveness of the program is measured by the products produced and the outcomes obtained:

- Revised standards in reading, mathematics, science, and social studies.
- All NeSA tests developed, administered, and maintained.
- Development, administration, and scoring of the statewide writing assessment.
- Development, dissemination, and facilitation of the Check 4 Learning Interim assessment system.
- Protocols, procedures, and accommodations for the above tests written and communicated to schools.
- Reporting of student performance data on the State of the Schools Report.
- Development and implementation of a State Accountability System.
- Integrating federal requirements into the state testing system.

8. Implementation Plan

The requested allocation of dollars does not change the implementation plan for assessment; it just allows for continuity of the planned program. Test development, implementation, administration, and reporting of data will continue annually:

Reading	Grades 3-8, 11
Mathematics	Grades 3-8, 11
Science	Grades 5, 8, 11
Writing	Grades 4, 8, 11

	FTE	FY2013/14	FTE	FY2014/15
GF	0.0	\$4,000,000	0.0	\$4,000,000

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. Program Number – 025/03 and 161/03

2. Program Name – Assessment/Report Card

3. Issue – Statewide ACT

4. Program Description

General Information: Presently, a pilot ACT testing program is underway in eight Nebraska school districts. The pilot is funded by lottery funds and upon completion of the pilot and an analysis of its impact, a recommendation for statewide ACT testing may be made by the State Board of Education. This issue is proposed to be funded out of state general funds and is allowable and consistent with the Nebraska Quality Education Accountability Act (Nebraska Revised Statute sections 79-757-62).

5. Research, Analysis, and Justification

This issue would provide statewide funding to administer the ACT to all eleventh grade students in approved/accredited Nebraska schools beginning in FY 2015.

6. Impact

This will require an increase in FY 2015 funding from \$0 to \$875,000. The cost of the ACT is \$35 per student. Approximately 25,000 students per year will be involved.

7. Performance Indicators

Improved college-going rates and career readiness of Nebraska students; and utilization as the assessment for the one grade in high school as required under section 79-760.03.

8. Implementation Plan

The pilot program would be expanded from juniors in the eight participating schools in FY 2013-14 to juniors in all approved/accredited Nebraska schools in FY 2014-15.

	FTE	FY2013/14	FTE	FY2014/15
TOTAL	0.0	\$0	0.0	\$715,000
GF	0.0	\$0	0.0	\$875,000
CASH	0.0	\$0	0.0	\$(160,000)

**DEPARTMENT OF EDUCATION
FY2013-14/2014-15
ISSUE NARRATIVE**

1. **Program Number** - 161
2. **Program Name** - Education Innovation
3. **Issue** - Education Innovation Fund Allocations
4. **Program Description**

Excellence in Teaching Program

Sections 79-8,132 – 79-8,140 R.R.S. authorize the Excellence in Teaching Act, which includes the Attracting Excellence to Teaching Program (AETP) and the Enhancing Excellence in Teaching Program (EETP). The purposes of the AETP are to attract outstanding students to major in shortage areas in Nebraska's teacher preparation programs by providing loans to eligible students; retain resident teacher candidates as teachers in Nebraska's schools; and establish a loan contract that provides loan forgiveness if the recipient obtains employment as a Nebraska teacher. The purposes of the EETP are to provide loans to eligible teachers to retain them in Nebraska schools; improve the skills of existing teachers through graduate education programs completed in Nebraska postsecondary educational institutions; and establish a loan contract that provides loan forgiveness if the recipient maintains employment as a Nebraska teacher after graduation from an eligible graduate program. (Title 92 N.A.C. Chapter 25 implements the statutory requirements.)

Student Information System

One of the assurances of the State Fiscal Stabilization Funds (SFSF) of the American Recovery and Reinvestment Act (ARRA) requires the State to implement the elements of the America COMPETES Act. The elements require a longitudinal data system that includes student information from preschool through postsecondary. The assurances require the State to have implemented the data elements by September 30, 2011. Legislation passed in 2010 requires all Nebraska postsecondary institutions to enter into a Memorandum of Understanding (MOU) to share information to meet this assurance.

In 2009 -10 preparations began to use NSSRS to meet requirements of SFSF. The legislature passed a bill calling for NDE, University System, State College System and Community Colleges to develop and implement an MOU regarding the establishment of a P-16 statewide data system using NSSRS. (Neb. Rev. Statute Sections 79-776, 85-110, 85-309 and 85-1511). An MOU was completed and signed in July 2010. In 2010-11 the legislature committed an innovation fund appropriation (\$491, 541 in 2011-12, and \$108,136 in 2012-13) for the development of a P-16 statewide longitudinal data system. Funds are currently being used for eScholar templates to facilitate adding postsecondary student data to the p16 database; Higher Education Clearinghouse data to track Nebraska students into postsecondary institutions (private and out-of-state), written documentation, additional software development and training.

Interstate Compact for Military Children

The Interstate Compact for Military Children (Compact) purpose is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents.

Distance Education Equipment and Incentives (Rename Virtual Education Opportunity Fund)

Neb. Rev. Stat. Sec. 79-1336 and 79-1337 authorize the Department to provide distance education equipment reimbursements and incentives from the Education Innovation Fund. These funds offer school districts and educational service units additional funds to allow them to offer increased distance educational opportunities.

Other Programs and Operations

Neb. Rev. Stat. Sec. 9-812 authorized increased funding based on the basic allowable growth rate established in Neb. Rev. Stat. Sec. 79-1025, which is 2.5%

5. Research, Analysis, and Justification

Excellence in Teaching Program

During the 2011 Legislative Session, LB 333 changed the ETA allocations for two years, with a reduction in the funds available for the AETP and suspension of any awards for EETP. 79-8,137.05 and 9-812 reinstate full funding (\$1,000,000) beginning in 2013-14.

Student Information System

The justification for funding of this issue is the commitment made by the State to implement the four assurances with the acceptance of the State Fiscal Stabilization Funds (SFSF).

Interstate Compact for Military Children

The State of Nebraska joined the Compact with the passage and approval of LB 575 in 2011. The Compact is financed by an annual assessment levied on each member state, currently estimated to be \$5,100 to \$8,800 annually. For FY12-13, estimated expenditures of \$10,200, \$2,795, \$10,952, and \$3,253 will be made for personal services, benefits, operating, and travel, respectively. LB 575 appropriated funding for FY 2012-13 only. State Statute requires participation in the Compact, which necessitates future funding in the upcoming biennium.

Distance Education Equipment and Incentives (Rename Virtual Education Opportunity Fund)

Neb. Rev. Stat. Sec. 79-1336 and 79-1337 authorize distance education equipment reimbursements and incentives to schools. Neb. Rev. Stat. Sec 9-812 earmarks the balance of any unallocated Education Innovation Funds for these two programs. Available funds are anticipated to increase based on Lottery proceeds.

Other Programs and Operations

Neb. Rev. Stat. Sec. 9-812 authorized increased funding based on the basic allowable growth rate established in Neb. Rev. Stat. Sec. 79-1025, which is 2.5%

6. Impact

Excellence in Teaching Program

The purposes of the ETA are described above. Since the inception of the program, approximately 2,000 Nebraska teachers have benefitted from being able to access these funds to complete their preparation program or to advance their professional education. Prior to the reduction created by LB333 NDE experienced significantly more requests for funds than could be honored. Although the statute provides for repayment if the teaching obligation for loan forgiveness is not met, the vast majority of recipients meet their obligation for loan forgiveness through continuing employment in Nebraska schools. Currently there are nearly 800 previous recipients in various stages of meeting loan forgiveness obligations. The fact that recipients are fulfilling teaching obligations is a particularly important state interest since the program places emphasis on teaching in content shortage areas and areas of high socioeconomic need.

Student Information System

A PK-PS system of individual student data will provide opportunities and data for evaluation and research of Nebraska's education system never before available. The results of these studies will be available to guide policy and resource allocation a multiple levels throughout the State.

Interstate Compact for Military Children

Funding for the State's participation in this Compact helps ensure that the children of military families stationed in Nebraska do not face any educational disadvantages.

Distance Education Equipment and Incentives (Rename Virtual Education Opportunity Fund)
 Neb. Rev. Stat. Sec. 79-1336 and 79-1337 authorize payment to continue for distance education equipment reimbursements through FY2013-14 and incentives through FY2015-16. Increased funding will allow the Department to fully carry out the activities authorized by statute.

Other Programs and Operations

Neb. Rev. Stat. Sec. 9-812 authorized increased funding based on the basic allowable growth rate established in Neb. Rev. Stat. Sec. 79-1025, which is 2.5%

7. Performance Indicators

Excellence in Teaching Program

- Determine proportional allocation of AETP funds (initial preparation) to Nebraska educator preparation institutions. For 2012-13 allocations will only be made to individuals previously receiving an AETP award. In 2013-14 and 2014-15, allocations will be up to \$400,000 (approximately 133 loans @ \$3,000).
- Determine proportional allocation of EETP (graduate program) funds and to distribute said funds. No awards will be made in 2012-13. In 2013-14 the balance of the ETA funds (approximately \$600,000) will be distributed with individual loans not to exceed \$3,000.

Student Information System

The performance indicator for this issue is the ability to provide timely research and evaluation based on quality data collected from public schools and districts. Additionally, completion of a data dictionary; a data governance plan and the development of protocols to meet the research and data needs of stake holders will provide indications of performance.

Interstate Compact for Military Children

Improved educational success by military children in Nebraska schools.

Distance Education Equipment and Incentives (Rename Virtual Education Opportunity Fund)
 Increased distance learning opportunities are being provided by school districts and educational service units.

Other Programs and Operations

Neb. Rev. Stat. Sec. 9-812 authorized increased funding based on the basic allowable growth rate established in Neb. Rev. Stat. Sec. 79-1025, which is 2.5%

8. Implementation Plan

Excellence in Teaching Act

	FTE	FY2013/14	FTE	FY2014/15
CASH	0.0	\$955,000	0.0	\$955,000

Student Information System

1. Staff will be hired to maintain the P16 SLDS by December 2013.
2. Staff will begin developing standard protocols per the approved P16 SLDS charter by January 2013.
3. Staff will begin conducting research based on the P16 SLDS data available and research questions from stake holders by March 2013.
4. Staff will begin developing annual reports required by the P16 SLDS charter by May 2013.

	FTE	FY2013/14	FTE	FY2014/15
CASH	3.0	\$519,451	3.0	\$504,331

Interstate Compact for Military Children

Continued funding will be used to pay for a portion of existing NDE employees' personnel services and operating expenses related to participating in the Compact.

	FTE	FY2013/14	FTE	FY2014/15
CASH	0.08	\$27,200	0.08	\$27,200

Virtual Education Opportunity Fund

The Department will continue to operate this program per Neb. Rev. Stat. Sec. 79-1336 and 79-1337.

	FTE	FY2013/14	FTE	FY2014/15
CASH	0.0	\$107,100	0.0	\$219,555

Other Programs and Operations

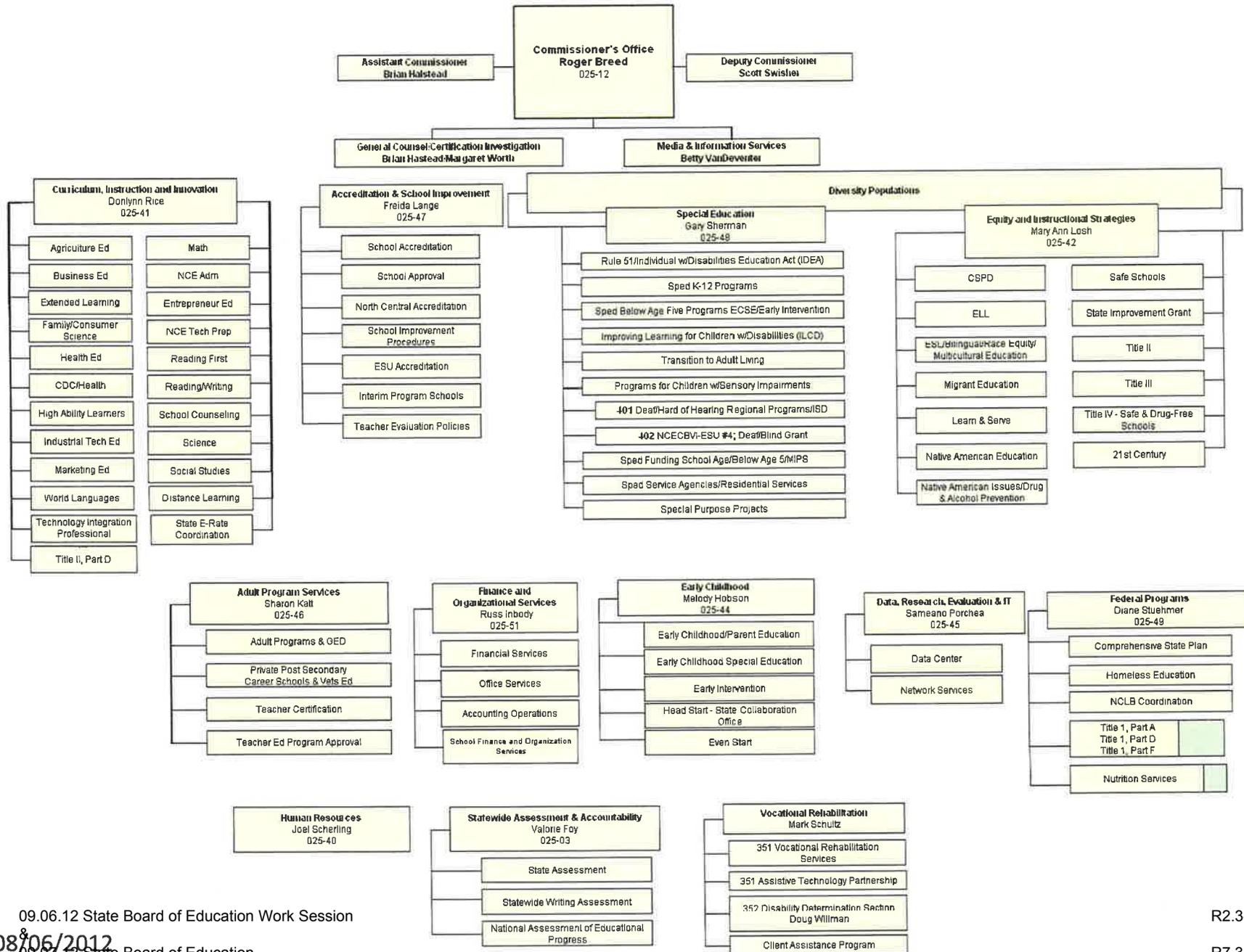
	FTE	FY2013/14	FTE	FY2014/15
Operations	0.0	\$2,630	0.0	\$5,325
High Ability Learner	0.0	\$54,392	0.0	\$110,144
Center for Student Leadership	0.0	\$11,250	0.0	\$22,781
Multicultural Education	0.0	\$2,866	0.0	\$5,803
Certification Investigations	0.0	\$3,087	0.0	\$6,251
CASH	0.0	\$74,225	0.0	\$150,304

Issue Total

	FTE	FY2013/14	FTE	FY2014/15
CASH	3.08	\$1,682,976	3.08	\$1,856,390



Chart A



CALCULATION OF MODIFICATION AMOUNTS
STATE OF NEBRASKA - LEGISLATIVE FISCAL OFFICE
REPORT 200

AGENCY: STATE DEPARTMENT OF EDUCATION

BASE LEVEL CALCULATION	OPERATIONS GENERAL FUND TOTAL	GOVERNMENT AID GENERAL FUND TOTAL
2012-13 NEW APPROPRIATION	16,184,774	1,049,348,167
ADJUSTMENTS TO APPROPRIATION (LIST)		
LB 190A - Shift from operations to aid	(2,000)	2,000
Early Childhood Education Grants		3,365,962
REVISIED APPROPRIATION TOTAL	16,182,774	1,052,716,219
BASE PERCENTAGE	0.95	0.95
BASE LEVEL	15,373,635	1,000,080,408
TO BE COMPLETED BY AGENCY		
2013-14 TOTAL REQUEST	20,577,153	1,063,367,859
LESS: BASE LEVEL	15,373,635	1,000,080,408
2013-14 State Board of Education Request	5,203,518	63,287,451

Policy Criteria Used in the Selection of Budget Modifications

The following are general criteria used by the commissioner in the selection of the budget modifications in the operations and flow-through aid categories for the biennial budget process.

CRITERIA FOR OPERATIONS BUDGET MODIFICATIONS

1. Issues - all or most budget adjustments are the first budget items selected for prioritization. The rationale for including budget adjustments as budget modifications is that the budget adjustments have not been funded yet and a failure to fund them will have limited, if any, impact on existing Department programs.
2. Activities that, if unfunded, will have a minimum impact on children and clients.
3. Activities that are not funding priorities for the Department such as fees for centralized state government costs.
4. Activities or staff for which there may be reasonable alternative funding sources the usage of which will have minimal, if any, impact on customers, clients, or students where the program is maintained but funded in alternative ways.
5. Activities for which evidence of accomplishment of stated purposes is limited or nonexistent and/or the programs lack sufficient statutory authority to create greater program impact and program accountability.
6. Activities or programs in which there are staffing vacancies or may have staffing vacancies. These are evaluated to determine if alternative methods of meeting required workload are available.
7. Activities or programs that have State funded budgets in excess of the Maintenance of Effort requirements for co-funding with federal funds.
8. Activities or programs for which existing funding could be used more effectively or to serve a broader population, if provided in a different program or delivery structure and context.
9. Activities or programs for which there is a statutory basis and would benefit from a discussion of the current regulatory requirements and a discussion of program effectiveness.
10. Across-the-board reductions – across-the-board reductions are rarely used in operations prioritizations as the effects are to reduce the capacity of all programs and activities throughout the Department. This is especially the case given the recent years of significant budget reductions due to the State revenue shortfall.
11. Keep proposed modification as far from children as possible. (Added by Board member in December 2007)

- Notes:
1. Priority number represent the priority for adding modification back should funding be available.
 2. * Requires a change in statute

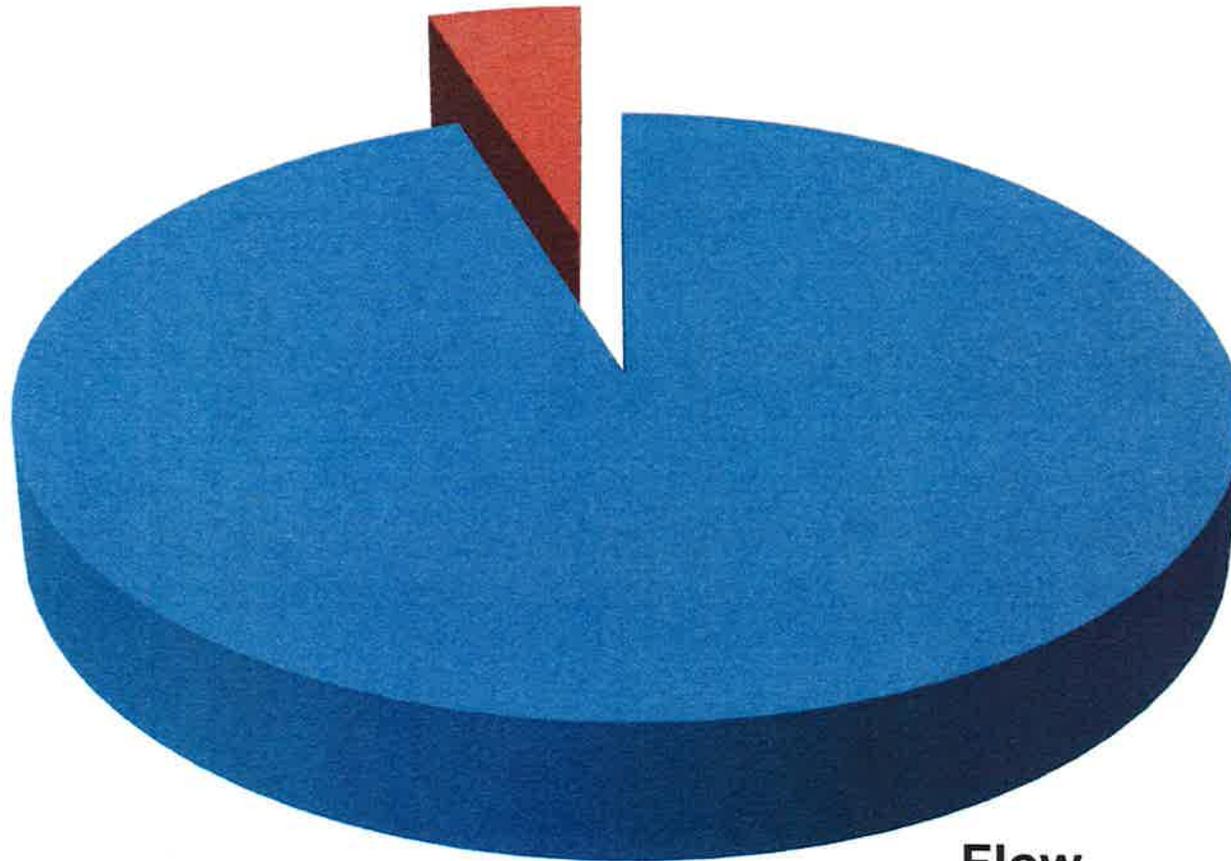
OPERATIONS		Modification
Priority	Description	Amount
1	Reduce writing assessment to one grade level	\$ 210,000
2	Equity & Instructional Strategies Sr Admin salary	133,896
3	Leadership Academy Position in HR	19,021
4	*Dues for Education Commission of States	60,500
5	*Poverty Plans (LB 968)	75,000
6	*Summer Food Service Program Grants (LB 1090)	10,000
	Subtotal	<u>508,417</u>
	Proposed Issues	
7	Assessment/Report Card	4,000,000
8	Early Childhood Education Grant Program	225,000
9	NCECBVI Contract Increase	90,728
10	Vocational Rehabilitation	63,187
11	Private Postsecondary Career Schools	13,464
	Total	<u><u>\$ 4,900,796</u></u>

Note: Budget request instruction required a 5% modification proposal from the base year. The Department identified potential modifications totaling 3.1% of the total base year General Fund Operations appropriation. The Department is required to use \$7,695,247 of its General Fund Operations budget as matching funds to receive \$221,345,870 in Federal Funds for Aid and Operations. If these matching funds are excluded from the modification calculation, the proposed decreases are 6% of the remaining General Funds Operation budget, \$8,487,527.

FLOW THROUGH AID		Modification
Priority	Description	Amount
1	TEEOSA Aid (State Aid)	\$ 52,436,357
2	Metro Learning Community Aid	44,114
3	Textbook Loan	23,250
4	*Summer Food Service Program Grants (LB 1090)	130,000
	Subtotal	<u>52,633,721</u>
	Proposed Issues	
5	Special Education Aid	9,694,692
6	Early Childhood Education Grant Program	909,038
7	Vocational Rehabilitation	50,000
	Total	<u><u>\$ 63,287,451</u></u>

Chart D: Budgeted Flow Through and Operations for FY 2013-14

Operations,
4.9%



Flow
Through,
95.1%

**NEBRASKA DEPARTMENT OF EDUCATION
STATE FUNDED FLOW PROGRAMS
FY14-15**

Flow Through Program	FY12-13 Appropriation	FY13-14 Budget	\$ Change	% Change	FY14-15 Budget	\$ Change	% Change	Program Information
State Aid	\$836,867,085	\$836,867,085	\$0	0.00%	\$836,867,085	\$0	0.00%	158/51
Special Education								158/48
School Age	\$173,476,836	\$182,333,145	\$8,856,309	5.11%	\$191,632,269	\$9,299,124	5.10%	
School Age Transport	\$16,422,211	\$17,260,594	\$838,383	5.11%	\$18,140,897	\$880,303	5.10%	
Residential Settings-Support Services	\$1,923,410	\$1,923,410	\$0	0.00%	\$1,923,410	\$0	0.00%	
Residential Settings-Special Educations Services	\$1,471,385	\$1,471,385	\$0	0.00%	\$1,471,385	\$0	0.00%	
Residential Care	\$300,000	\$300,000	\$0	0.00%	\$300,000	\$0	0.00%	
Below Age 5 Flexible Funding	\$300,000	\$300,000	\$0	0.00%	\$300,000	\$0	0.00%	
Below Age 5 - Early Childhood	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
Total Special Educ.	\$193,893,842	\$203,588,534	\$9,694,692	5.00%	\$213,767,961	\$10,179,427	5.00%	
Vocational Rehabilitation								351
Basic Aid	\$2,000,000	\$2,050,000	\$50,000	2.50%	\$2,101,250	\$51,250	2.50%	
Total Vocational Rehabilitation	\$2,000,000	\$2,050,000	\$50,000	2.50%	\$2,101,250	\$51,250	2.50%	
School Lunch Match	\$392,032	\$392,032	\$0	0.00%	\$392,032	\$0	0.00%	158/51
School Breakfast Program	\$453,008	\$453,008	\$0	0.00%	\$453,008	\$0	0.00%	158/51
Summer Food Program	\$128,000	\$128,000	\$0	0.00%	\$128,000	\$0	0.00%	158/51
Adult Education	\$214,664	\$214,664	\$0	0.00%	\$214,664	\$0	0.00%	158/46
Text Book Loan	\$465,500	\$465,500	\$0	0.00%	\$465,500	\$0	0.00%	158/51
ESU Core Services & Technology Infrastructure	\$13,761,396	\$13,761,396	\$0	0.00%	\$13,761,396	\$0	0.00%	158/51
High Ability Learners	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	158/41
Early Childhood	\$0	\$4,275,000	\$4,275,000	0.00%	\$4,275,000	\$0	0.00%	158/44
Aid for Learning Community	\$882,275	\$882,275	\$0	0.00%	\$882,275	\$0	0.00%	158/12
Distance Education Systems	\$290,365	\$290,365	\$0	0.00%	\$290,365	\$0	0.00%	158/41
TOTAL State Fund Flow Through	\$1,049,348,167	\$1,063,367,869	\$14,019,692	1.34%	\$1,073,598,536	\$10,230,677	0.96%	

NEBRASKA DEPARTMENT OF EDUCATION
 CASH FUNDED FLOW PROGRAMS
 FY14-15

Flow Through Program	FY12-13 Appropriation	FY13-14 Budget	\$ Change	% Change	FY14-15 Budget	\$ Change	% Change	Program Information
Tuition Recovery Fund	\$40,938	\$40,938	\$0	0.00%	\$40,938	\$0	0.00%	158/48
High Ability Learners	\$2,142,000	\$2,230,065	\$88,065		\$2,265,817		0.00%	181
Early Childhood	\$3,365,962	\$0	(\$3,365,962)		\$0		0.00%	181
Early Childhood Ed Endowment	\$3,100,000	\$3,100,000	\$0	0.00%	\$3,100,000	\$0	0.00%	158/44
Excellence in Education - Dist Ed Equip	\$2,175,673	\$2,249,100	\$73,427	3.37%	\$2,361,555	\$112,455	5.00%	181
Vocational Rehabilitation	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	351
Attracting Excellence to Teaching	\$45,000	\$1,000,000	\$955,000	2122.22%	\$1,000,000	\$0	0.00%	181
Bridge Grants	\$200,000	\$200,000	\$0	0.00%	\$200,000	\$0	0.00%	181
Reorganization	\$212,958		(\$212,958)	-100.00%		\$0	0.00%	158
025 Contingency Cash	\$100,000	\$100,000	\$0	0.00%	\$100,000	\$0	0.00%	158/12
TOTAL Cash Fund FLOW THROUGH	\$11,382,531	\$6,920,103	(\$2,462,428)	-21.63%	\$9,088,310	\$112,455	1.26%	

NEBRASKA DEPARTMENT OF EDUCATION
 FEDERAL FUNDED FLOW THROUGH PROGRAMS
 FY14-15

Flow Through Program	FY12-13 Projection	FY13-14 Budget	\$ Change	% Change	FY14-15 Budget	\$ Change	% Change	Program Information
Child Nutrition Prog (CNP)								158/49
School Lunch	\$78,250,000	\$78,250,000	\$0	0.00%	\$78,250,000	\$0	0.00%	
Child and Adult Care	\$31,000,000	\$31,000,000	\$0	0.00%	\$31,000,000	\$0	0.00%	
Summer Feeding	\$3,000,000	\$3,000,000	\$0	0.00%	\$3,000,000	\$0	0.00%	
TOTAL CNP	\$112,250,000	\$112,260,000	\$0	0.00%	\$112,260,000	\$0	0.00%	
School Improvement/Federal Prgm								158/49
Title I Part A	\$65,496,763	\$65,496,763	\$0	0.00%	\$65,496,763	\$0	0.00%	
Title I, Part B Even Start	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
Title I, Part C Migrant	\$4,967,141	\$4,967,141	\$0	0.00%	\$4,967,141	\$0	0.00%	
Title I Part D Neglected, Delin	\$314,610	\$314,610	\$0	0.00%	\$314,610	\$0	0.00%	
Title II, Part A Teacher & Prin. Trng	\$11,070,250	\$11,070,250	\$0	0.00%	\$11,070,250	\$0	0.00%	
Title II, Part B Math and Science	\$707,598	\$707,598	\$0	0.00%	\$707,598	\$0	0.00%	
Title II, Part D Enhancing Ed Tech	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
Title III, Part A English Language	\$2,492,028	\$2,492,028	\$0	0.00%	\$2,492,028	\$0	0.00%	
Title IV Part A Safe and Drug	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
Title IV Part B 21st Century	\$5,436,039	\$5,436,039	\$0	0.00%	\$5,436,039	\$0	0.00%	
Title V, Part A Innovative Prgrms	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
Title I Section 1003(a)	\$2,591,816	\$2,591,816	\$0	0.00%	\$2,591,816	\$0	0.00%	
Title VI Subpart 2 of B Rural Ed	\$61,088	\$61,088	\$0	0.00%	\$61,088	\$0	0.00%	
Title X McKinney-Vento Homeless	\$233,213	\$233,213	\$0	0.00%	\$233,213	\$0	0.00%	
Title I Section 1003(g)	\$2,313,288	\$2,313,288	\$0	0.00%	\$2,313,288	\$0	0.00%	
TOTAL School Improvement	\$95,683,834	\$95,683,834	\$0	0.00%	\$95,683,834	\$0	0.00%	
Special Education								158/48
IDEA Base	\$24,115,073	\$24,115,073	\$0	0.00%	\$24,115,073	\$0	0.00%	
IDEA Enrollment/Poverty	\$43,519,135	\$43,519,135	\$0	0.00%	\$43,519,135	\$0	0.00%	
IDEA VI-B	\$5,104,373	\$5,104,373	\$0	0.00%	\$5,104,373	\$0	0.00%	
Part-C Grants	\$1,368,612	\$1,368,612	\$0	0.00%	\$1,368,612	\$0	0.00%	
Preschool Grants	\$227,751	\$227,751	\$0	0.00%	\$227,751	\$0	0.00%	
Deaf/Blind Grant	\$58,000	\$58,000	\$0	0.00%	\$58,000	\$0	0.00%	
TOTAL Special Educ.	\$74,392,944	\$74,392,944	\$0	0.00%	\$74,392,944	\$0	0.00%	
Career and Technical Ed								158/41
Perkins	\$5,894,360	\$5,894,360	\$0	0.00%	\$5,894,360	\$0	0.00%	
Tech Prep Ed	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	
TOTAL Career and Tech Ed	\$5,894,360	\$5,894,360	\$0		\$5,894,360	\$0		
Vocational Rehabilitation								351
Basic Aid	\$4,282,800	\$4,389,870	\$107,070	2.50%	\$4,499,617	\$109,747	2.50%	
TOTAL Vocational Rehab.	\$4,282,800	\$4,389,870	\$107,070	2.50%	\$4,499,617	\$109,747	2.50%	
Instructional Strategies								158/42
Comp. Sys Pers Dev	\$30,000	\$30,000	\$0	0.00%	\$30,000	\$30,000	100.00%	
NE State Personnel Dev. Grant	\$87,500	\$87,500	\$0	0.00%	\$87,500	\$87,500	100.00%	
Positive Behavior Support	\$48,000	\$48,000	\$0	0.00%	\$48,000	\$48,000	100.00%	
TOTAL Instr. Strategy	\$165,500	\$165,500	\$0	0.00%	\$165,500	\$0	0.00%	
Adult Education								158/46
Adult Ed. - Basic Grant	\$1,990,000	\$1,990,000	\$0	0.00%	\$1,990,000	\$0	0.00%	
TOTAL Adult Education	\$1,990,000	\$1,990,000	\$0	0.00%	\$1,990,000	\$0	0.00%	
Disability Determinations	\$3,697,373	\$3,697,373	\$0	0.00%	\$3,697,373	\$0	0.00%	352
Early Childhood								158/44
Child Care Block Grant (CCDF)	\$327,500	\$327,500	\$0	0.00%	\$327,500	\$0	0.00%	
Head Start	\$10,000	\$10,000	\$0	0.00%	\$10,000	\$0	0.00%	
TOTAL Early Childhood	\$337,500	\$337,500	\$0	0.00%	\$337,500	\$0	0.00%	
Reading First	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	158/41
DOT Transportation Education	\$90,000	\$90,000	\$0	0.00%	\$90,000	\$0	0.00%	158/41
CDC School Health	\$60,000	\$60,000	\$0	0.00%	\$60,000	\$0	0.00%	158/41
Advanced Placement	\$20,000	\$20,000	\$0	0.00%	\$20,000	\$0	0.00%	158/41
Byrd Scholarships	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	158/41
Teacher of Year Awards	\$5,000	\$5,000	\$0	0.00%	\$5,000	\$0	0.00%	158/12
ARRA SFSF	\$0	\$0	\$0	0.00%	\$0	\$0	0.00%	158/51
TOTAL FEDERAL FLOW THROUGH	\$298,869,311	\$298,976,381	\$107,070	0.04%	\$299,086,128	\$109,747	0.04%	

Chart F: Budgeted Flow Through Sources of Funding for FY 2013-14

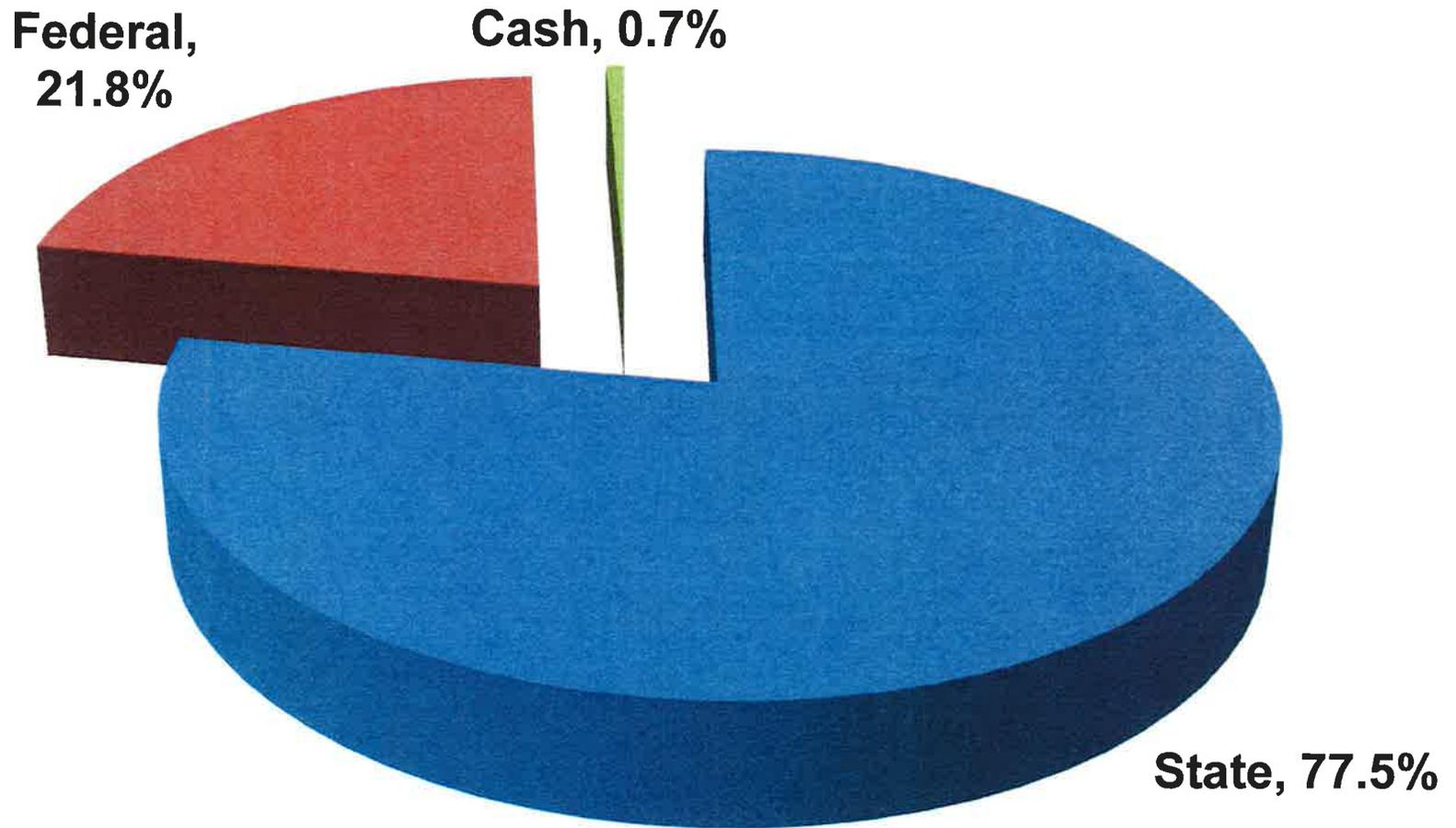


Chart G: Operations by Program for FY 2013-14

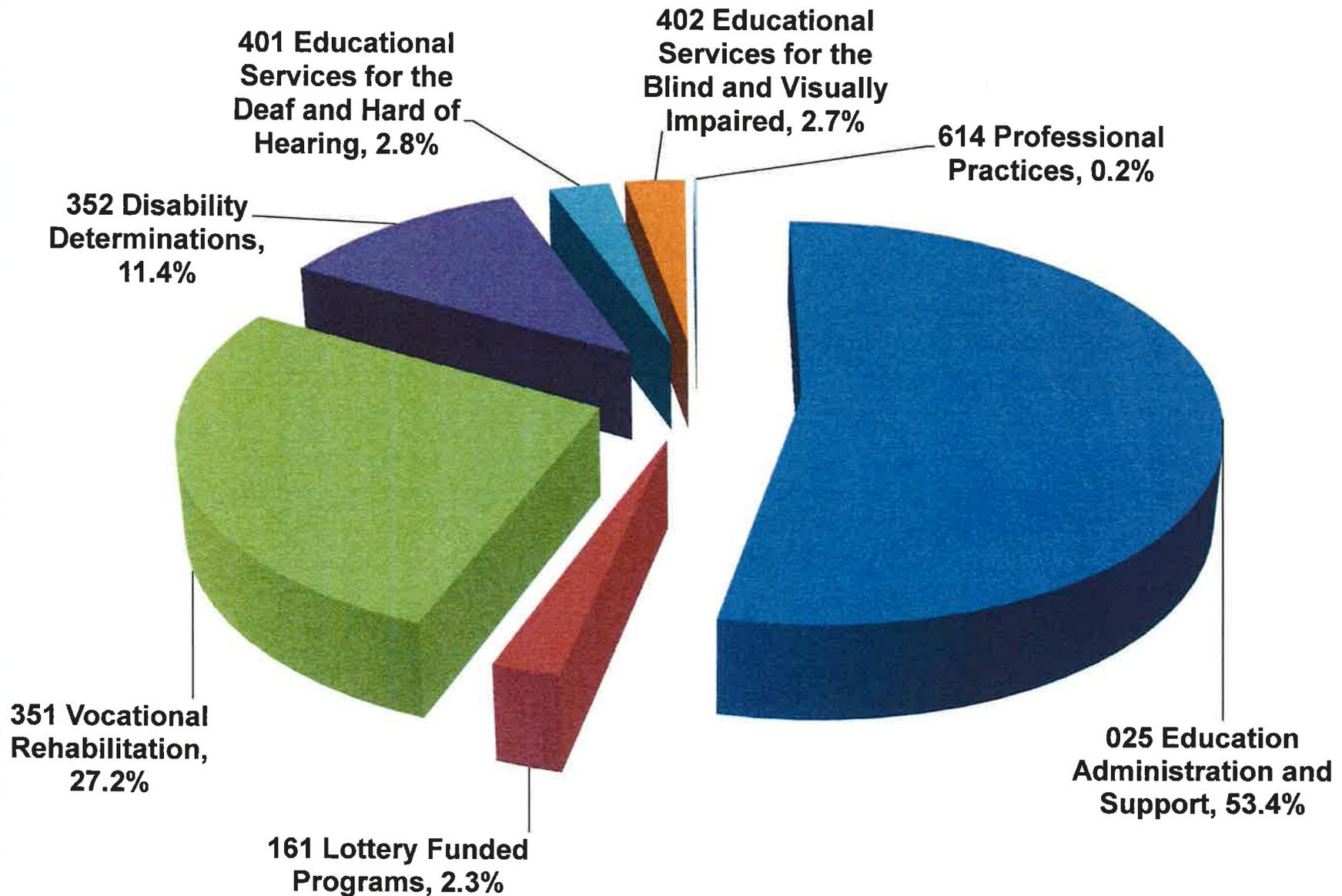
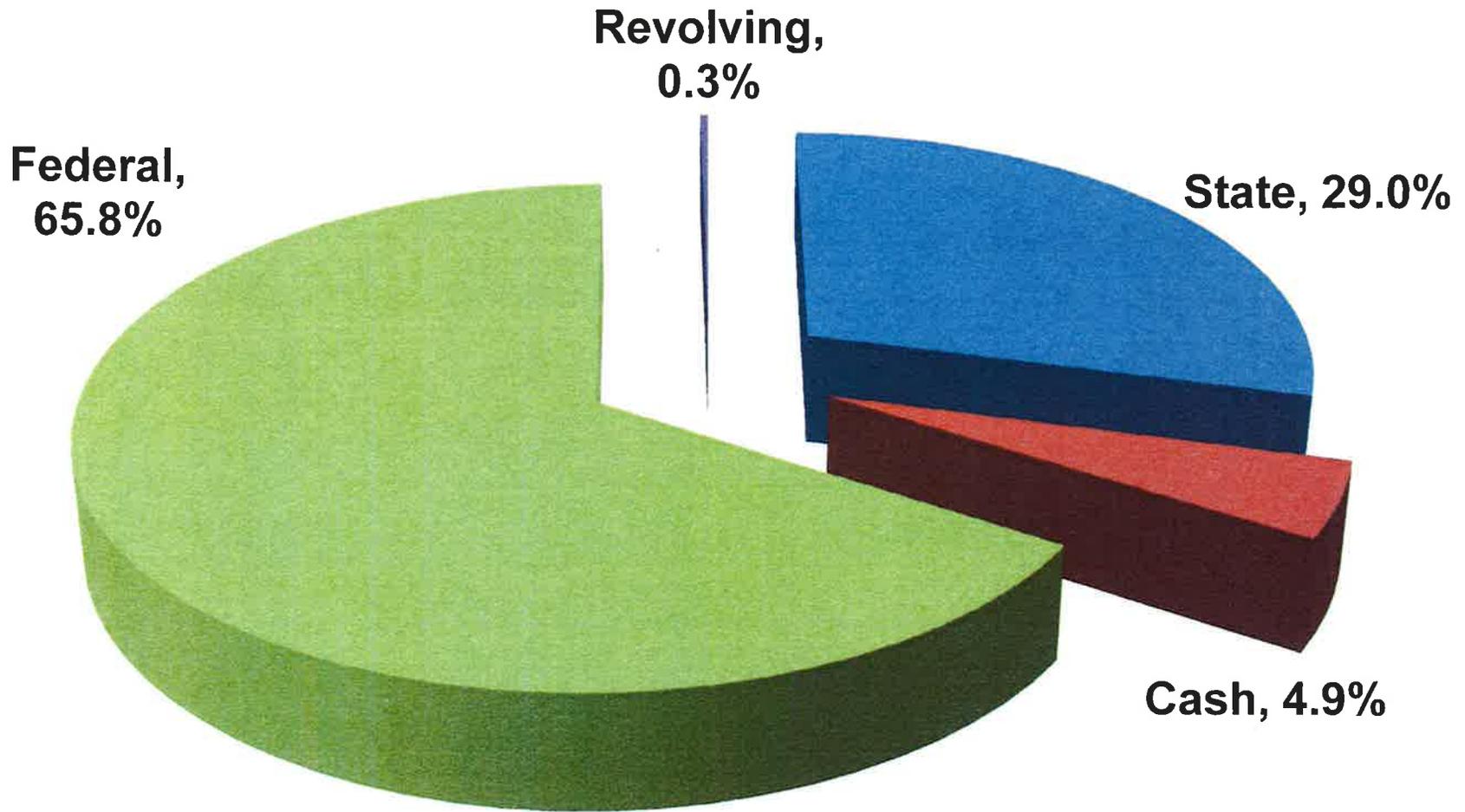


Chart H: Operations by Source of Funding for FY 2013-14



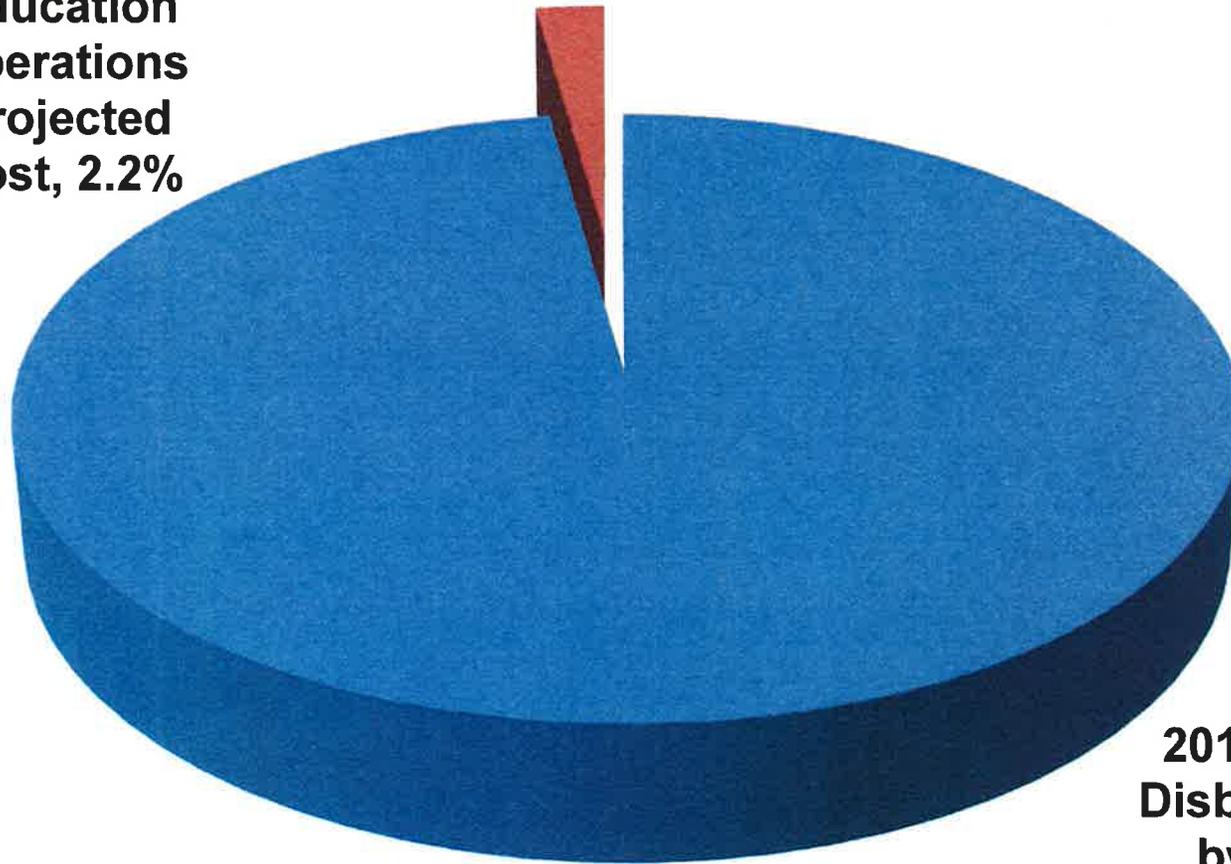
7-Aug-12

NDE Staffing History (Continuation)

NDE Program	1997-98 FTE	1998-99 FTE	1999-00 FTE	2000-01 FTE	2001-02 FTE	2002-03 FTE	2003-04 FTE	2004-05 FTE	2005-06 FTE	2006-07 FTE	2007-08 FTE	2008-09 FTE	2009-10 FTE	2010-11 FTE	2011-12 FTE	2012-13 FTE
Education, Admin & Support	192.80	195.00	194.30	204.30	198.29	204.24	201.56	207.52	207.72	211.51	215.33	224.60	223.68	228.31	226.70	226.95
State Funded Portion	103.60	103.05	103.56	102.50	101.24	98.10	93.21	97.12	97.32	95.41	88.19	92.20	96.41	91.55	75.08	76.85
Vocational Rehabilitation	196.80	212.80	203.80	201.10	212.80	213.80	213.59	218.39	218.39	219.48	221.85	223.69	234.10	224.79	224.79	226.00
Disability Determination Service	60.00	63.00	68.00	68.10	68.10	69.10	71.10	77.13	77.13	78.88	76.31	79.31	79.56	84.13	83.69	84.12
Nebraska School for the Deaf	50.40	1.50	1.50	1.40	1.35	1.20	1.20	1.20	1.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Nebraska Center for Educ of Blind and Visually Impaired	32.90	33.70	0.00	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20	0.20
Nebraska Diagnostic Resource Center	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	532.90	506.00	467.60	475.10	480.74	488.54	487.65	504.44	504.64	510.27	513.89	528.00	537.74	537.63	535.58	537.47

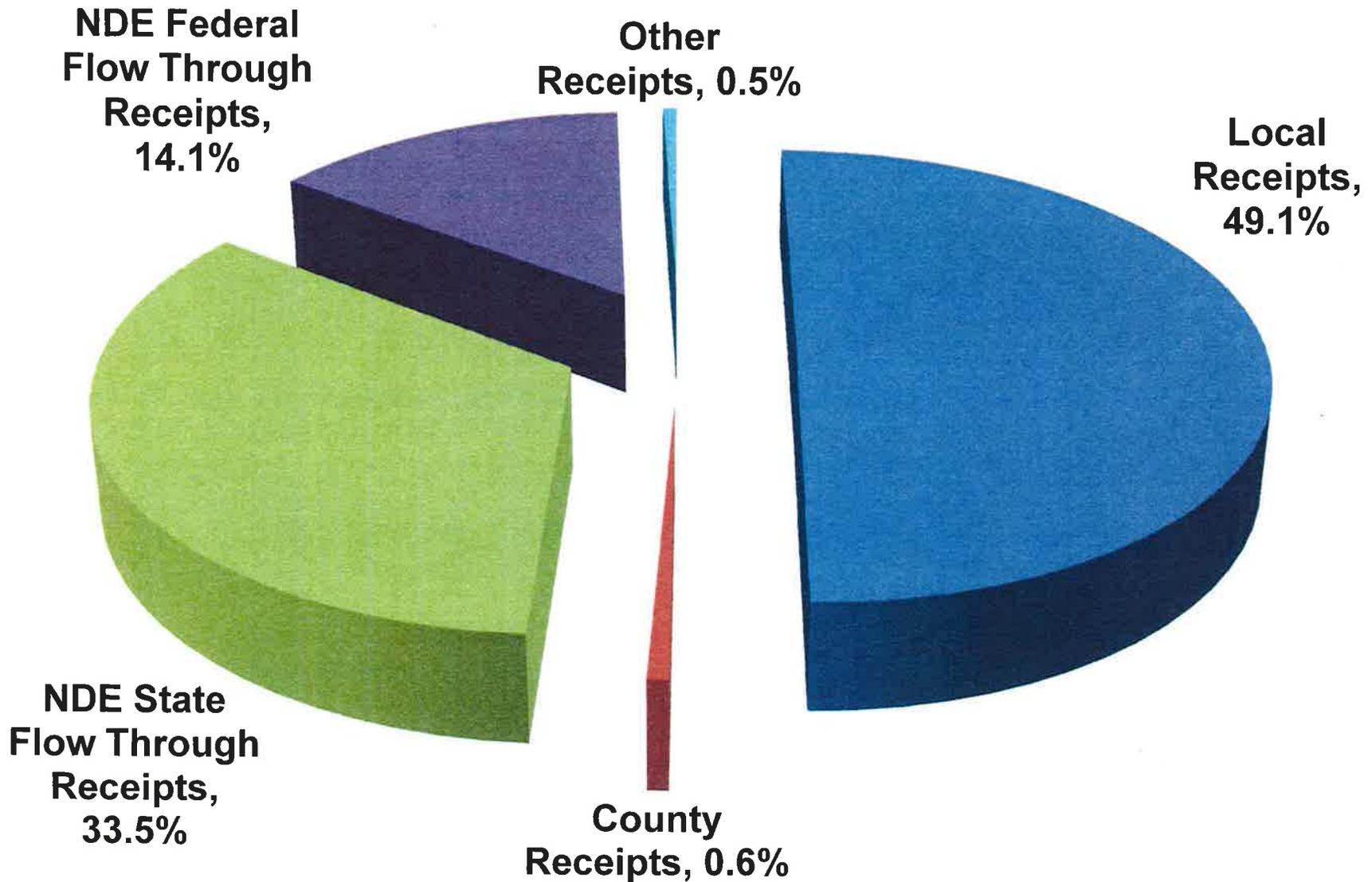
Chart J: Supporting Education in Nebraska: A \$3,225,359,708 Enterprise

**NDE 2013-14
Education
Operations
Projected
Cost, 2.2%**



**2010-11 Total
Disbursements
by School
Districts,
97.8%**

Chart K: School District Revenues for School Year 2010-11



NEBRASKA DEPARTMENT OF EDUCATION
BUDGET SUMMARY BY PROGRAM

Chart B

8/7/2012 9:43

2012-13
DEPARTMENT OF EDUCATION

2012-13	1			2		3		5			6		7			8			9			10			11			12			
	NDE BUDGET TOTAL			NDE FLOW THROUGH		NDE OPERATIONS TOTAL		Program 025 Education, Administration, and Support			Program 158 Education Aid		Program 161 Lottery Funded Programs			Program 401 Programs for the Deaf and Hard of Hearing			Program 402 Program for the Blind and Visually Impaired			Program 614 Professional Practices Commission			Program 351 Vocational Rehabilitation			Program 352 Disability Determinations			
		% tot	FTE		% tot		% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE			
TOTAL SOURCE OF FUNDS	\$1,425,290,624	100.0%	537.47	\$1,359,600,009	95.4%	\$65,690,615	4.61%	537.47	\$33,652,690	51.23%	216.38	\$1,341,691,201	98.68%	\$1,088,624	1.66%	9.57	\$1,973,903	3.00%	0.20	\$1,836,536	2.80%	0.20	\$124,727	0.19%	1.00	\$18,887,633	29%	226.00	\$8,126,502	12.37%	84.12
STATE	\$1,065,532,941	74.8%	118.25	\$1,049,348,167	77.2%	\$16,184,774	24.6%	118.25	\$9,849,802	29%	76.85	\$1,047,348,167	78%	\$0	0%	-	\$1,970,938	100%	0.20	\$1,836,536	100%	0.20	\$0	0%	-	\$2,527,498	13%	41.00	\$0	0%	-
CASH	\$14,343,989	1.0%	17.04	\$11,382,531	0.8%	\$2,961,458	4.5%	17.04	\$1,482,205	4%	6.47	\$3,453,896	0%	\$1,088,624	100%	9.57	\$2,965	0%	-	\$0	0%	-	\$124,727	100%	1.00	\$262,937	1%	0.00	\$0	0%	-
FEDERAL	\$345,208,966	24.2%	402.18	\$298,869,311	22.0%	\$46,339,655	70.5%	402.18	\$22,115,955	66%	133.06	\$290,889,138	22%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$16,097,198	85%	185.00	\$8,126,502	100%	84.12
REVOLVING	\$204,728	0.0%	0.00	\$0	0.0%	\$204,728	0.3%	0.00	\$204,728	1%	-	\$0	0%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-

2013-14
DEPARTMENT OF EDUCATION

2013-14	1			2		3		5			6		7			8			9			10			11			12			
	NDE BUDGET TOTAL			NDE FLOW THROUGH		NDE OPERATIONS TOTAL		Program 025 Education, Administration, and Support			Program 158 Education Aid		Program 161 Lottery Funded Programs			Program 401 Programs for the Deaf and Hard of Hearing			Program 402 Program for the Blind and Visually Impaired			Program 614 Professional Practices Commission			Program 351 Vocational Rehabilitation			Program 352 Disability Determinations			
		% tot	FTE		% tot		% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	
TOTAL SOURCE OF FUNDS	\$1,442,259,384	100.0%	541.47	\$1,371,264,343	95.1%	\$70,995,041	4.9%	541.47	\$37,877,690	53.35%	217.38	\$1,355,447,935	98.85%	\$1,627,908	2.29%	12.57	\$1,973,903	2.78%	0.20	\$1,927,264	2.71%	0.20	\$124,727	0.2%	1.00	\$19,337,047	27.24%	226.00	\$8,126,502	11.45%	84.12
STATE	\$1,083,945,012	75.2%	119.45	\$1,063,367,859	77.5%	\$20,577,153	29.0%	119.45	\$14,088,266	37%	78.05	\$1,061,317,859	78%	\$0	0%	-	\$1,970,938	100%	0.20	\$1,927,264	100%	0.20	\$0	0%	-	\$2,590,685	13%	41.00	\$0	0%	-
CASH	\$12,391,178	0.9%	19.84	\$8,920,103	0.7%	\$3,471,075	4.9%	19.84	\$1,468,741	4%	6.27	\$3,240,938	0%	\$1,627,908	100%	12.57	\$2,965	0%	-	\$0	0%	-	\$124,727	100%	1.00	\$246,734	1%	0.00	\$0	0%	-
FEDERAL	\$345,718,466	24.0%	402.18	\$298,976,381	21.8%	\$46,742,085	65.8%	402.18	\$22,115,955	58%	133.06	\$290,889,138	21%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$16,499,628	85%	185.00	\$8,126,502	100%	84.12
REVOLVING	\$204,728	0.0%	0.00	\$0	0.0%	\$204,728	0.3%	0.00	\$204,728	1%	-	\$0	0%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-

% OF CHANGE FROM PRIOR YEAR

TOTAL	1.19%	0.86%	8.07%	12.55%	1.03%	49.54%	0.00%	4.94%	0.00%	2.38%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STATE	1.73%	1.34%	27.14%	43.03%	1.33%	0.00%	1.33%	4.94%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CASH	-13.61%	-21.63%	17.21%	-0.91%	-6.17%	49.54%	0.00%	0.00%	0.00%	-6.16%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FEDERAL	0.15%	0.04%	0.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
REVOLVING	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

2014-15
DEPARTMENT OF EDUCATION

2014-15	1			2		3		5			6		7			8			9			10			11			12			
	NDE BUDGET TOTAL			NDE FLOW THROUGH		NDE OPERATIONS TOTAL		Program 025 Education, Administration, and Support			Program 158 Education Aid		Program 161 Lottery Funded Programs			Program 401 Programs for the Deaf and Hard of Hearing			Program 402 Program for the Blind and Visually Impaired			Program 614 Professional Practices Commission			Program 351 Vocational Rehabilitation			Program 352 Disability Determinations			
		% tot	FTE		% tot		% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	% tot	FTE	
TOTAL SOURCE OF FUNDS	\$1,454,063,788	100.0%	541.47	\$1,381,772,974	95.0%	\$72,290,814	4.97%	541.47	\$38,752,690	53.61%	217.38	\$1,365,627,362	98.83%	\$1,473,115	2.04%	12.57	\$1,973,903	2.73%	0.20	\$2,022,529	2.80%	0.20	\$124,727	0.17%	1.00	\$19,817,348	27.41%	226.00	\$8,126,502	11.24%	84.12
STATE	\$1,095,210,721	75.3%	119.45	\$1,073,598,536	77.7%	\$21,612,185	29.9%	119.45	\$14,963,266	39%	78.05	\$1,071,497,286	78%	\$0	0%	-	\$1,970,938	100%	0.20	\$2,022,529	100%	0.20	\$0	0%	-	\$2,655,452	13%	41.00	\$0	0%	-
CASH	\$12,407,635	0.9%	19.84	\$9,088,310	0.7%	\$3,319,325	4.6%	19.84	\$1,468,741	4%	6.27	\$3,240,938	0%	\$1,473,115	100%	12.57	\$2,965	0%	-	\$0	0%	-	\$124,727	100%	1.00	\$249,777	1%	0.00	\$0	0%	-
FEDERAL	\$346,240,704	23.8%	402.18	\$299,086,128	21.6%	\$47,154,576	65.2%	402.18	\$22,115,955	57%	133.06	\$290,889,138	21%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$16,912,119	85%	185.00	\$8,126,502	41%	84.12
REVOLVING	\$204,728	0.0%	0.00	\$0	0.0%	\$204,728	0.3%	0.00	\$204,728	1%	0.00	\$0	0%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-

% OF CHANGE FROM PRIOR YEAR

TOTAL	0.82%	0.77%	1.83%	2.31%	0.75%	-9.51%	0.00%	4.94%	0.00%	2.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
STATE	1.04%	0.96%	5.03%	6.21%	0.96%	0.00%	0.00%	4.94%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
CASH	0.13%	1.89%	-4.37%	0.00%	0.00%	-9.51%	0.00%	0.00%	0.00%	1.23%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
FEDERAL	0.15%	0.04%	0.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
REVOLVING	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Glossary:
 State funds appropriated from state receipts
 Cash funds generated by the sale of products or services or the collection of fees from parties outside the Department
 Federal funds having an origin from the Federal government
 Revolving funds generated by the sale of products or services within the Department
 %tot indicates a percentage of the total amount by function or source of funds
 FTE full time equivalency of a permanent position

NEBRASKA DEPARTMENT OF EDUCATION
BUDGET SUMMARY BY PROGRAM
2010-11

2011-12	1 NDE BUDGET TOTAL			2 NDE FLOW THROUGH		3 NDE OPERATIONS TOTAL			5 Program 025 Education, Administration, and Support			6 Program 158 Education Aid		7 Program 161 Lottery Funded Programs		8 Program 401 Programs for the Deaf and Hard of Hearing		9 Program 402 Program for the Blind and Visually Impaired		10 Program 614 Professional Practices Commission		11 Program 351 Vocational Rehabilitation		12 Program 352 Disability Determinations							
		% tot	FTE		% tot		% tot	FTE		% tot	FTE		% tot	FTE		% tot	FTE		% tot	FTE		% tot	FTE		% tot	FTE					
	TOTAL																														
SOURCE OF FUNDS	\$1,383,745,943	100.0%	544.28	\$1,312,848,585	94.9%	\$70,897,358	5.1%	544.28	\$40,138,116	56.61%	232.31	\$1,298,690,456	98.92%	\$123,821	0.17%	1.64	\$1,973,651	2.78%	0.20	\$1,836,407	2.59%	0.20	\$123,207	0.2%	1.00	\$18,656,350	26.31%	224.80	\$8,045,806	11.35%	84.13
STATE	\$1,030,682,495	74.5%	130.55	\$1,006,674,890	76.7%	\$24,007,605	33.9%	130.55	\$17,620,129	44%	95.55	\$1,004,560,380	77%	\$0	0%	-	\$1,970,686	100%	0.20	\$1,836,407	100%	0.20	\$0	0%	-	\$2,580,383	14%	34.60	\$0	0%	-
CASH	\$9,289,661	0.7%	14.81	\$7,800,938	0.6%	\$1,488,723	2.1%	14.81	\$1,076,053	3%	6.17	\$3,240,938	0%	\$123,821	100%	1.64	\$2,965	0%	-	\$0	0%	-	\$123,207	100%	1.00	\$162,677	1%	6.00	\$0	0%	-
FEDERAL	\$343,619,059	24.8%	398.92	\$298,372,757	22.7%	\$45,246,302	63.8%	398.92	\$21,287,206	53%	130.59	\$290,889,138	22%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$15,913,290	85%	184.20	\$8,045,806	100%	84.13
REVOLVING	\$154,728	0.0%	0.00	\$0	0.0%	\$154,728	0.2%	0.00	\$154,728	0%	-	\$0	0%	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-	\$0	0%	-
% OF CHANGE FROM PRIOR YEAR																															
TOTAL	-8.90%			-9.73%		9.83%			18.77%			-9.74%		0.00%			0.00%		0.00%			0.00%			0.00%						
STATE	0.65%			0.03%		35.92%			56.27%			0.02%		0.00%			0.00%		0.00%			0.00%			0.00%						
CASH	-7.02%			-3.35%		-22.45%			0.00%			-1.52%		0.00%			0.00%		0.00%			0.00%			-72.59%						
FEDERAL	-29.11%			-32.17%		0.96%			0.00%			-32.54%		0.00%			0.00%		0.00%			0.00%			2.78%						
REVOLVING	0.00%			0.00%		0.00%			0.00%			0.00%		0.00%			0.00%		0.00%			0.00%			0.00%						

Continuation Budget by Total, Flow-through, and Operations

Continuation Budget

2011-12 DEPARTMENT OF EDUCATION

Percentage Change from Prior Year by Source of Funding for Column Budget (e.g. Total Budget)

Budget Amount

FTE - Total and Source of Funding

Percentage of Next Higher Level Budget (e.g. Flow-through is 94.9% of Total Budget & State is 76.7% of Flow-through budget)

Glossary:
 State funds appropriated from state receipts
 Cash funds generated by the sale of products or services or the collection of fees from parties outside the Department
 Federal funds having an origin from the Federal government
 Revolving funds generated by the sale of products or services within the Department
 %tot indicates a percentage of the total amount by function or source of funds
 FTE full time equivalency of a permanent position

This page is an aid to interpreting the chart on the prior page.