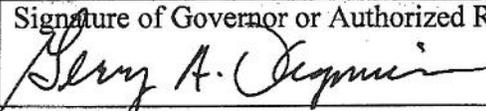


STATE FISCAL STABILIZATION FUND APPLICATION

**PART 1: APPLICATION COVER SHEET
(CFDA Nos. 84.394 and 84.397)**

| | |
|---|--|
| <p>Legal Name of Applicant (Office of the Governor):</p> <p>Office of the Governor State of Nebraska</p> | <p>Applicant's Mailing Address:</p> <p>Office of the Governor P.O. Box 94848 Lincoln, NE 68509-4848</p> |
| <p>State Contact for the Education Stabilization Fund (CFDA No. 84.394)</p> <p>Name: Gerry A. Oligmueller</p> <p>Position and Office: State Budget Administrator</p> <p>Contact's Mailing Address: DAS Budget Division Room 1320, State Capitol P.O. Box 94664 Lincoln, NE 68509-4664</p> <p>Telephone: (402) 471-2526 Fax: (402) 471-8074 E-mail address: Gerry.Oligmueller@nebraska.gov</p> | <p>State Contact for the Government Services Fund (CFDA No. 84.397)</p> <p><i>(Enter "same" if the same individual will serve as the contact for both the Education Stabilization Fund and the Government Services Fund.)</i></p> <p>Name:</p> <p>Position and Office: Same</p> <p>Contact's Mailing Address:</p> <p>Telephone: Fax: E-mail address:</p> |
| <p>To the best of my knowledge and belief, all of the information and data in this application are true and correct.</p> | |
| <p>Governor or Authorized Representative of the Governor (Printed Name):</p> <p>Gerry A. Oligmueller, State Budget Administrator</p> | <p>Telephone:</p> <p>(402) 471-2526</p> |
| <p>Signature of Governor or Authorized Representative of the Governor:</p>  | <p>Date:</p> <p>2/3/2010</p> |
| <p>Recommended Statement of Support from the Chief State School Officer (Optional):</p> <p>The State educational agency will cooperate with the Governor in the implementation of the State Fiscal Stabilization Fund program.</p> | |
| <p>Chief State School Officer (Printed Name):</p> <p>N/A</p> | <p>Telephone:</p> |
| <p>Signature of the Chief State School Officer:</p> | <p>Date:</p> |

PART 5, SECTION A: STATE USES OF THE EDUCATION STABILIZATION FUND

SPECIAL NOTES:

- Section A of Part 5 requests data on the Education Stabilization Fund (CFDA No. 84.394). In completing this portion of the application, please refer to Appendix D -- Instructions for Part 5: State Uses of Funds.
- At a later date, the Department will collect data on the levels of State support for elementary, secondary, and postsecondary education in FY 2011.
- These data may differ from the data in the levels of support for maintenance-of-effort purposes. See instructions in Appendix D.
- The term "postsecondary education" refers to public IHEs.

1. Levels of State Support for Elementary, Secondary, and Postsecondary Education

Provide the following data on the levels of State support for elementary, secondary, and postsecondary education:

- | | |
|---|--|
| (a) Level of State support for elementary and secondary education in FY 2008 provided through the State's primary elementary and secondary education funding formulae | <u>\$ 768,613,973</u> |
| (b) Level of State support for public IHEs in FY 2008 | <u>\$ 584,063,890</u> |
| (c) Level of State support for elementary and secondary education in FY 2009 provided through the State's primary elementary and secondary education funding formulae | <u>\$ 839,390,581</u> |
| (d) Level of State support for public IHEs in FY 2009 | <u>\$ 608,776,382</u> |
| (e) Level of State support for elementary and secondary education in FY 2010 provided through the State's primary elementary and secondary education funding formulae | \$ 933,876,018 Prior-Enacted <u>\$ 840,207,268</u> Projected |
| (f) Level of State support for public IHEs in FY 2010 | <u>\$ 608,776,382</u> 1/25/10 Revision |
| (g) Level of State support for elementary and secondary education in FY 2011 provided through the State's primary elementary and secondary education funding formulae | \$ 932,016,648 Prior-Enacted <u>\$ 791,729,472</u> 1/25/10 Revision |
| (h) Level of State support for public IHEs in FY 2011 | <u>\$ 610,776,381</u> 1/25/10 Revision |

Additional Information: Did the State, prior to October 1, 2008, approve formula increases to support elementary and secondary education in FY 2010 or 2011, or to phase in State equity and adequacy adjustments?*

Yes No

* See Appendix D Worksheets for further guidance on how such increases affect a State's "use of funds" calculations.

LAD.
 2/3/2010

2. State's Primary Education Funding Formulae

Additional Submission Requirement: In an attachment to the application, identify and describe each of the State's primary elementary and secondary education funding formulae that were used in determining the calculations provided above for the levels of State support for elementary and secondary education.

See ATTACHMENT #2

3. Data on State Support for Postsecondary Education

Additional Submission Requirement: In an attachment to the application, identify and describe the specific State data sources that were used in determining the calculations provided above for the levels of State support for public IHEs.

See ATTACHMENT #3

4. Restoration Amounts

Based on the Worksheets included in Appendix D, calculate and provide the amount of Education Stabilization funds that the State will use to restore the levels of State support for elementary, secondary, and postsecondary education in FYs 2009 and 2010. As explained in the Instructions in Appendix D, a State must determine the amount of funds needed to restore fully the levels of State support for elementary, secondary, and postsecondary education in FY 2009 before determining the amount of funds available to restore the levels of such support in FY 2010.

SPECIAL NOTES:

- At a later date, the Department will collect data on the amount of funds, if any, that remain available to (1) restore the levels of State support for elementary, secondary, and postsecondary education in FY 2011, and (2) award subgrants to local educational agencies (LEAs) based on their proportionate shares of funding under Part A of Title I of the ESEA.
- The calculations for these data must be based on the State's total Education Stabilization Fund allocation as reflected in Appendix A and not on the State's initial Education Stabilization Fund award.
- Although the State must follow the Instructions in Appendix D, in order to determine the amount of funds that LEAs and IHEs will receive under the program (i.e., the "restoration amounts"), the Governor has discretion in determining when to release these funds to LEAs and IHEs.

(a) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2009 \$ _____ 0 _____

(b) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2009 \$ _____ 0 _____

Restoration Amounts (continued)

- (c) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2010 \$ 93,668,750
- (d) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2010 \$ 0
- (e) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009 and FY 2010 \$ 140,287,176
- (f) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for elementary and secondary education in FY 2011 \$ 140,287,176
- (g) Amount of the State's total Education Stabilization Fund allocation to be used to restore the level of State support for public IHEs in FY 2011 \$ 0
- (h) Amount of funds, if any, remaining after restoring State support for elementary, secondary, and postsecondary education in FY 2009, FY 2010, and FY 2011 \$ 0

*Y.A.O.
2/3/2010*

5. Process for Awarding Funds to Public IHEs

Additional Submission Requirement: In an attachment to the application, describe the process that the State will use to determine the amount of funding that individual public IHEs will receive from the funds that the State sets aside to restore the levels of State support for these institutions.

See ATTACHMENT #4

Amendment to State Fiscal Stabilization Fund Application State of Nebraska

February 3, 2010

Restoration Amounts, Part 5, Section A, #4, pages 8-9

| | FY 2009 | | FY 2010 | | FY 2011 | | TOTAL |
|--------------------------------|---------|------|------------|------|-------------|------|-------------|
| | K-12 | IHEs | K-12 | IHEs | K-12 | IHEs | |
| Original Application, 6/8/2009 | 0 | 0 | 93,668,750 | 0 | - | - | 93,668,750 |
| Amended Application, 1/21/2010 | 0 | 0 | 93,668,750 | 0 | 140,287,176 | 0 | 233,955,926 |

Note: Although the original SFSF Application filed 6/8/2009 did not collect specific restoration amounts for FY 2011, Nebraska authorized an FY 2011 restoration amount of \$140,287,176 for K-12 Education at that time per LB 545A, 2009 Neb. Laws. This was also documented in Worksheet 3-B, Line #11 of the original application.

Level of State Support, Part 4, Section C, #1 & #2, page 6 and Part 5, Section A, #1

| K-12 | Original Application, 6/8/2009 | Amended Application, 1/21/2010 |
|----------|--------------------------------|--------------------------------|
| FY 2006 | 700,594,282 | 700,594,282 |
| FY 2009 | 839,390,581 | 839,390,581 |
| FY 2010 | 840,207,268 | 840,207,268 |
| FY 2011* | - | 791,729,472 |

**

| IHEs | Original Application, 6/8/2009 | Amended Application, 1/21/2010 |
|----------|--------------------------------|--------------------------------|
| FY 2006 | 519,412,293 | 519,412,293 |
| FY 2009 | 608,776,382 | 608,776,382 |
| FY 2010* | 620,041,136 | 608,776,382 |
| FY 2011* | - | 610,776,381 |

01/22/2010
 J.A.B.

K-12--Elementary & Secondary Education

IHE--Public Institutions of Higher Education

*Revised amounts

**The "Prior-Enacted" amount for FY 2011 was \$932,016,648

Explanation of Changes

The changes made to Nebraska's primary elementary and secondary school funding formula by LB 5 in the 2009 Special Session of the Nebraska Legislature followed the formula's fundamental concept of equalization and preserved the principles of adequacy and equity.

Changes to Nebraska's elementary and secondary formula in LB 5, 2009 Neb. Laws, First Special Session, included lowering the Cost Growth Factor from 5 percent to 3.75 percent in FY 2011. The Cost Growth Factor in Nebraska's formula is intended to represent an inflation adjustment, but it is not linked to any official measure of inflation. The Cost Growth Factor is used to "inflate" actual school spending since it represents expenditures from two years earlier than the year of aid distribution. (Neb. Rev. Stat. §79-1007.10 and §79-1003(1)). This adjustment is applied uniformly to all school districts and factored into the formula need calculation of both basic funding and allowances (for context see Attachment #2).

Nebraska's responses to Part 5, Section A on page 7 of the SFSF Application exclusively reflect State funding support for both education sectors in FY 2008, FY 2009 and FY 2010.

The attached table compares Nebraska's original and amended application with respect to restoration amounts (Part 5, Section A, #4) and levels of state support (Part 4, Section C, #1 & #2). Changes made to the original application are labeled with "1/25/10 Revision" in Nebraska's amended State Fiscal Stabilization Fund application.

The SFSF Application amendment includes pages eight and nine, demonstrating that no changes were made to any restoration amounts for FY 2009 and FY 2010.

Y.A.D.
1-25-2010