

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 04, 2014

---

[AGENCY33]

MARK BROHMAN: (Exhibit 4) Good afternoon, Appropriations Committee. My name is Mark Brohman. That's M-a-r-k B-r-o-h-m-a-n. I'm the executive director of the Nebraska Environmental Trust. I'm here today to ask for a deficit appropriation for FY '13-14 and FY '14-15 for the Nebraska Environmental Trust. Yesterday you heard LB905 introduced, the deficit appropriations bill. Today you're hearing from the Game and Parks Commission, Agency 33. I understand the commission does not have a deficit request but the trust budget and appropriations within the commissions. When the trust was established in 1992, the Legislature wanted to eliminate duplication of services and keep operating costs down, so the trust is within the commission's budget and the trust uses the commission's budget and fiscal department as well as the personnel department. When we put our current budget together about two years ago, we had to estimate what the lottery revenues would be. The last two years have seen an increase in lottery proceeds, greater than we anticipated, except for the past two quarters, which have showed receipts leveling out. We are requesting the authority to spend an additional \$4.25 million this year and \$2 million next year. These totals come from \$500,000 in additional lottery proceeds this year and \$1 million next year; \$3.5 million in deobligated funds this year, and \$1 million next year. Deobligated funds are funds that were granted but not expended. Some projects didn't use all of the funds that they were awarded, and some didn't get started and spent no funds. So some people call them refunds, but the money was never given out. It was always in our accounts because we do a reimbursable. When someone spends money on a grant, then we reimburse them after they've experienced the deficit. So in these cases, those monies were never given out. And then the last piece is we're asking for \$250,000 of authority this year from our endowment fund. The Environmental Trust Board voted to use some of the interest and dividends from that endowment fund to give back to grants, to put into grants. We've got a balance of about \$1.2 million in that endowment fund and they wanted to spend or put \$250,000 into grants. That endowment fund was set up with about \$600,000 of principal that cannot be spent, but the interest and proceeds can be in dividends. And so the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office  
Rough Draft

Appropriations Committee  
February 04, 2014

---

board has approved \$250,000 to be appropriated this year if this committee sees fit. So these are funds that we have available or estimate will be coming in, and we want to have the authority to spend these funds. If we're not given the authority to spend the money that we're asking for today, some of the projects on the grants committee recommendation list will not be funded this April. We've got a list of projects already out. We've ranked them. And so if we're not given the authority to spend all the money that we have available, the money will have to be put off until next year and so there will grants that won't be funded. I'd be happy to answer any questions. I did hand out a copy of the annual report. We provide a copy to every senator, and since I was coming today I wanted to bring copies to you. But I'd be happy to answer any questions you might have. [AGENCY 33]

SENATOR WIGHTMAN: Thank you, Director Brohman. Do we have any questions? Seeing none,... [AGENCY 33]

MARK BROHMAN: Thank you. [AGENCY 33]

SENATOR WIGHTMAN: ...thank you. Is there anybody else here wishing to address the committee? If not, we'll close the public hearing on LB...what's the number...we'll close the public hearing on that. We'll move forward then on our legislative bills. Thank you for being here. So our first bill today is LB873, Game and Parks Improvement and Maintenance Fund. Senator Larson. [AGENCY 33]