



Dave Heineman
Governor

STATE OF NEBRASKA

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May 19, 2009

Mr. President, Mr. Speaker and
Members of the Legislature
State Capitol
Lincoln, NE 68509

Dear Mr. President, Speaker Flood and Members of the Legislature:

Today I signed into law the main line budget bill LB 315e without any vetoes. The bill has been forwarded to the Secretary of State along with LB 313e, 316e, 414e, 414Ae, 456e 545e and 545Ae.

I want to commend the leadership of your Appropriations Committee Chairman, Senator Lavon Heidemann, for his work on LB 315 and your Education Committee Chairman, Senator Greg Adams, for his work on LB 545. I appreciate the strong support of the legislature in voting for the Appropriations Committee's budget without any amendments. This has been a difficult budget cycle, given the financial challenges that America and Nebraska face.

In reviewing the budget the past few days, it was very clear that this budget met the four principles I outlined in my budget proposal. Those were:

1. No tax increases
2. Priority funding for education
3. Continued funding for programs for vulnerable children and families
4. Maintain a strong cash reserve.

Nebraskans expect us to exhibit fiscal discipline and fiscal responsibility with their hard earned tax dollars. We did two years ago when we restrained spending which put us in the position to weather the upcoming fiscal storm. This budget takes another step forward in preparing our state for the next two difficult years.

Finally, I want to note that there are very challenging decisions ahead of us when you review the out-biennium (FY 12 and 13). Your financial status indicates a projected deficit of \$477 million. That status is based upon a revenue receipt growth rate of 7.2%, which most would agree is an optimistic estimate.

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Therefore, given that Nebraska's revenues are declining, I would ask that you carefully review each remaining appropriations bill. Are there appropriations bills that can wait until next January when we will have a more clear picture of the impact of the national economic slowdown on Nebraska's economy?

Even with these challenges, I am confident that we can continue to move Nebraska forward if we restrain spending in order to avoid any income or sales tax increase. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Dave Heineman". The signature is written in a cursive, flowing style.

Dave Heineman
Governor