



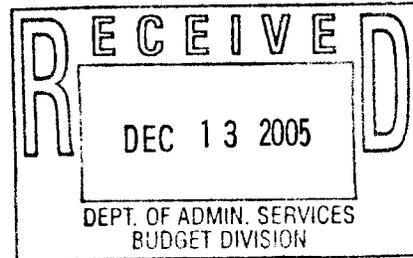
STATE OF NEBRASKA

Dave Heineman
Governor

DEPARTMENT OF MOTOR VEHICLES
Beverly Neth
Director

December 13, 2005

Gerry Oligmueller
State Budget Administrator
P.O. Box 94664
Lincoln, NE 68509-4664



Dear Gerry,

The Department of Motor Vehicles is requesting consideration for a FY06 deficit request in our License Plate Program 90.

The License Plate Program is still experiencing some budgeting/cash issues relating to the switch to the new digital license plate process. Most of the problem results from timing issues regarding the fiscal biennium budget process and the annual plate production cycle. Getting the production and delivery of plates to mesh with the fiscal year appropriation has been difficult.

After exploring various production and ordering options, it was decided the best solution was to request a deficit cash fund appropriation request this fiscal year. Additional cash transfers will not be needed as existing balances and approved cash transfers next fiscal year will cover the anticipated costs for the remainder of the biennium.

When the FY06 budget was requested last year, it was assumed that approximately \$1.2 million would be encumbered and reappropriated from FY05. Due to production and delivery schedules, only \$566,186 was encumbered and carried over, shifting approximately \$700,000 to the FY06 budget. Program 90 ended FY05 with \$1,063,000 in available appropriation and about \$1,100,000 in available cash. Therefore, DMV is requesting that an additional cash appropriation of \$1.1 million be made to Program 90 for FY06.

DMV is confident that the additional appropriation will be adequate to ensure that the license plate process will progress unimpeded through FY07. DMV would like to explore some budgeting options for Program 90 with the Budget Office prior to submitting the FY07-09 biennium budget that may help to eliminate these types of problems in the future.

Sincerely,

Patricia Phillips
Deputy Director