

STATE OF NEBRASKA
STATE TREASURER



Tom Briese
State Treasurer
treasurer.nebraska.gov

State Capitol, Room 2005
Lincoln, NE 68509
(402) 471-2455

January 22, 2025

Brandon Metzler
Clerk of the Legislature
State Capitol, Room 2028
Lincoln, Nebraska 68509

Dear Mr. Metzler:

It is with great pleasure that I submit this letter, outlining the highlights of the past year in the Nebraska State Treasurer's Office.

This past year presented a number of unique and exciting opportunities for the Nebraska Treasurer's Office (NSTO). Beyond providing exemplary customer service for Nebraskans, my office was tasked with a number of new duties (outlined below). I'm proud to say that my office not only faced those challenges head-on, but we did so with a positive attitude and succeeded on every front.

My office has continued to engage in an active outreach effort to Nebraskans, both in person and through online and social media. My office's mindset to help anyone who contacts our office in any way we can has never wavered. The state's bills were paid, checks continued to get deposited and major changes to the office were implemented. The Nebraska State Treasurer's Office continued to provide tremendous service to the people of Nebraska.

I would particularly like to praise my staff for all of their efforts in the past year. A successful year as the one the NSTO had doesn't happen by accident. I'm fortunate to have a top-notch staff working for all Nebraskans.

Details about my office's ongoing work follow in this Report to the Legislature, which is respectfully submitted electronically as required by Nebraska State Statute.

Treasury Management

In 2024, the Treasury Management Division processed more than \$20.7 billion in state agency receipt transactions, including incoming Automated Clearing House (ACH) payments, wires, credit cards, and currency. Of that total, \$18.8 billion, or 90.87 percent, was processed electronically. The total amount paid to vendors was \$19.4 billion. Of that total, \$18.6 billion, or

96 percent, was paid electronically, saving state resources of time, paper, printing, and postage.

Treasury Management continues to add Online Electronic Deposit options for agencies to save money and decrease the labor costs associated with processing agency deposits. There are a total of 15 agencies using these services. Bank fees are reviewed to ensure costs are as low as possible.

U. S. Bank currently holds the following contracts: The ACH Origination contract runs through August 31, 2026, with 2 additional 1-year renewals. The Prepaid Card Services contract runs through June 30, 2031, with 2 additional 1-year renewals. Instead of going out for a RFP on the Purchasing Card Services, Nebraska joined the State of Washington Master Agreement on behalf of National Association of State Procurement Officers (NASPO) effective January 1, 2025. By joining the NASPO agreement, the State will have an increased rate of rebate. The contract will run through December 31, 2027. The Credit Card Processing Services contract with Elavon and U. S. Bank will run from July 1, 2022, through June 30, 2028, with 3 additional 2-year renewals available. Fleet Fuel Card Services contract was negotiated and will run through April 7, 2030, with 2 additional 1-year renewals. The Individual Liability Travel Card Services contract was negotiated with UMB and will run through November 15, 2030, with 2 additional 1-year renewals. Work has begun writing the RFP for the ATM Services.

Treasury Management completed 478 legislative transfers last year: 132 transfers to or from the General Fund, 26 transfers to or from the Cash Reserve Fund and 320 transfers including end-of-month allocations. There were two transfers from the General Fund to the Cash Reserve Fund included in the total and one transfer from the Cash Reserve Fund to the General Fund.

Treasury Management continues to work with staff from the Office of the Chief Information Officer to provide Payment Card Industry Data Security Standards (PCI DSS) compliance information to the credit card processor. Keeping credit card data off the State's network and secure is a high priority for the State.

Nebraska Educational Savings Trust

Since 2001, the Nebraska Educational Savings Trust (NEST) has been committed to helping parents and grandparents reach their college savings goals. As of November 30, 2024, the Nebraska Educational Savings Trust recorded a total of \$7.4 billion in assets and 300,211 accounts. The four plans in the Trust are the NEST Direct College Savings Plan, the NEST Advisor College Savings Plan, the Bloomwell 529 Education Savings Plan, and the State Farm 529 Savings Plan. As of November 30, 2024, there were 14,648 new accounts added in 2024.

The Meadowlark Program is a starting point for families as they begin their child's educational savings journey. The Meadowlark Savings Pledge ensures eligible Nebraska newborns are gifted a savings account for future education expenses. In 2021, 23,252 Meadowlark NEST accounts were funded with a \$50 seed deposit for Nebraska babies born in 2020. In 2022, we funded 23,455 Meadowlark accounts with \$50 each for babies born in Nebraska in 2021. In 2023, 23,183 Meadowlark accounts were funded with \$50 each for babies born in Nebraska in 2022. And in 2024, 22,849 Meadowlark accounts were funded with \$50 each for babies born in Nebraska in 2023. Beneficiaries under the age of 30 who pursue higher education within the state

will have access to these funds for qualified higher education expenses. Funding begins the year following the birth of the child and parents/guardians can opt out of the program. We are working to support our Meadowlark families along the way with tools for saving by providing NEST 529 information to account owners encouraging them to make automatic contributions to their own NEST account and to non-account owners encouraging them to open their own NEST 529 account.

On October 29, 2024, Morningstar awarded both the NEST Direct College Savings Plan and the Bloomwell 529 Education Savings Plan with their Bronze Medalist Rating. In the NEST Direct Plan Morningstar cites strong oversight and a solid lineup of investment choices at low fees. Cost-effective portfolios and reliable state stewardship are noted in the Bloomwell 529 Plan rating. In September 2024, Saving for College released their revised ratings for 529 plans. The State Farm 529 Savings Plan received High Honors with a 4-cap rating. The NEST Advisor Plan received Honors with a 4-cap rating.

In 2022, both the Employer Matching Contribution Incentive Program and the Low-Income Matching Scholarship Program were implemented. The Employer Matching Contribution Incentive Program provides incentive payments to employers who match their employee's contribution into a NEST Program account. Effective January 1, 2022, employers who partially or fully match employees' contributions in the previous year, can apply for and receive an incentive payment of 25 percent of their matched contributions, up to \$2,000 per employee per year. The program may award up to \$250,000 in total incentives per year.

The Low-Income Matching Scholarship Program provides that 200 percent of an account owner's contribution to a NEST Program account will be matched if the beneficiary is part of a family with a household income at or below 200 percent of the federal poverty level, or 100 percent of contributions if the beneficiary's household income is more than 200 percent but less than 250 percent of the federal poverty level, up to \$1,000 per participant per year. The program may award up to \$250,000 in total scholarships per year. Beneficiaries under the age of 30 who pursue higher education within the state will have access to the matched funds for qualified higher education expenses.

Unclaimed Property

The State Treasurer's Office is the custodian of unclaimed funds remitted by a business, government, or any other legal or commercial entity operating in the State of Nebraska. Unclaimed property typically consists of an uncashed check or dormant accounts.

In 2024 the Unclaimed Property Division returned \$23,273,956 made up of 19,568 claims. This is a 36% increase over the amount paid in 2023.

Pursuant to state statute, the Unclaimed Property Division published the annual newspaper tabloid listing the names of owners of unclaimed property reported within the past year and continued to mail notices to owners of unclaimed property.

In addition to the outreach efforts required in statute, the Nebraska Unclaimed Property Division worked with our counterparts in other states as well as the National Association of

Unclaimed Property Administrators (NAUPA) to promote National Unclaimed Property Day on February 1st. This day included social media posts, media interviews, news stories, and other local and national promotions.

In December, the Unclaimed Property Division ran ads across the state including radio, television, social media posts as well as news interviews and feature stories on unclaimed property.

In 2024 \$38,833,072 in unclaimed property was remitted to the State Treasurer's Office.

The Unclaimed Property Division continues to work with outside vendors to perform audits and assist in outreach efforts to business that may be potential holders of unclaimed property to spread awareness of the statutory requirement to report.

Achieving a Better Life Experience Program

The Nebraska Achieving a Better Life Experience Program (ABLE), called the Enable Savings Plan, launched on June 30, 2016. Nebraska was the third state to offer an ABLE program. The law allows Nebraskans with certain disabilities to create tax-advantaged ABLE savings accounts to pay for qualified disability-related expenses. As of December 31, 2024, the Enable Savings Plan had 4,367 accounts with \$47,654,673.98 in assets. The Enable Savings Plan offers five investment options for savers - growth, moderate and conservative mutual funds, a bank savings investment option, and a checking investment option.

As our own program manager, the Treasurer's Office has accomplished the following:

- The Treasurer's office has successfully launched the Give To Enable webpage and continues to work to grow the use of that page to help individuals with disabilities.
- The Treasurer's office has entered a new contract for program management and recordkeeping services. We have also begun to collect fees from account owners to help lessen the burden on Nebraska taxpayers for the administration of the Enable Savings Plan. At the same time, we were able to lessen the fees for account owners who receive statements electronically.
- Implemented the law that the Nebraska Legislature passed in 2023 that allowed for faster and easier payouts of account balances under \$5k when an Account Owner has passed away. Updated marketing materials and website information to ensure that our account owners have the most up to date and accurate information.
- Conducted 77 different outreach activities in 2024. These include presentations, sponsorships, and exhibitor tables.
Worked with our Senators and Congressman on the national level to help improved ABLE plans. We are very thankful for our national and state leadership.

We have more plans and projects that we are working on for next year and are excited for the potential impact they will have on our program.

Nebraska Child Support Payment Center

The Nebraska Child Support Payment Center processed 1,335,201 transactions totaling

\$272,629,632 in 2024. Of the total payments, 89.79% was received electronically, ranking the center one of the top Payment Centers in the country in electronic payment receipts. The use of electronic payments significantly reduces printing and mailing expenses.

In addition, the Child Support Payment Center disbursed 1,243,059 payments, totaling more than \$274,217,030.24. 95% percent was disbursed electronically. The center also ranks among the top five in the country in electronic payments disbursed.

The Child Support Payment Center conducted the following routine business over the last year:

- Responded to 26327 customer service calls with an average wait time of 51 seconds. The average call lasted 3 minutes 30 seconds. The customer support staff, in addition to taking and making phone calls, is focusing on additional forms of communication with customers to include increasing emails and text messages which resulted in a continued reduction in calls from the prior year.
- Generated an average of 93,108 billing statements a month, available electronically on the center's website, emailed 30,281 and texted 28,359 statements a month to paying parents. Reduced the number of paper billing statements being printed and mailed from 19,729 in 2023, to 16,819 in 2024. The center uses text messages and QR codes to bill paying parents in addition to emails and paper mailings.
- Continued to embed the \$1.99 PayNearMe fee, making this a no-cost payment solution for cash paying parents. In addition to allowing free cash payments at more than 62,000 locations, this effort has reduced the number of other paper payments received by the center. Processing any paper payment costs more than six times the \$1.99 PayNearMe fee.
- Fully recovered 838 bank returned items and 79 overpayment items. Collected a total of \$290,493.77 in bank return items and overpayment items totaling \$124,562.33.
- Continued to utilize the CAP (Central Authority Payment Service) Payment System, which allows the Nebraska Child Support Payment Center to send child support payments to enrolled foreign countries by ACH, providing cost savings over previously used International SWIFT wires and paper warrants. With the addition of Australia joining CAP in 2024, the NCSPC is now disbursing child support payments to Germany and Australia through CAP.
- Continued electronic communication with all clients using text messaging and email correspondence. More than 96.9% of all disbursements are now being accompanied by a payment notification received the day before settlement of monies (an average of more than 8,825 notifications daily)
- Deployed our eighth kiosk (formerly used for testing by our kiosk vendor) into production at Young Williams Child Support Services in Omaha, NE and moved our Papillion kiosk from the Sarpy County jail to the Sarpy County Courthouse. The NCSPC now has eight kiosks throughout the state, allowing payers to conveniently make their child support payments.

State Spending Transparency Website

StateSpending.Nebraska.gov, the State's transparency website, is maintained by the Nebraska State Treasurer's Office. Nebraskans continue to seek out state financial information on the state's transparency website, StateSpending.Nebraska.gov. Public officials have the duty to show the public how tax dollars are spent and to answer for every cent.

StateSpending.Nebraska.gov is a searchable, user-friendly website which allows citizens a simple and straightforward method to see how the State of Nebraska spends and receives funds. This interactive site is designed to allow users to select an item and then continue to examine further spending information or definitions of services provided by a state agency.

This website launched over 15 years ago and was operated by a third-party vendor. In November 2024, in a cost-savings move, the Treasurer's Office recently launched a new version of this site, which was designed and will be maintained by employees of the Treasurer's Office. This newly revamped website will allow Nebraskans a quicker and easier way to keep a watchful eye on state spending.

Interior Designer Registry

Qualified interior design professionals will now be able to voluntarily register to independently practice their profession in the State of Nebraska. Legislation creating the registry was passed by the Unicameral and signed into law by Governor Jim Pillen last year.

This new registry will create an avenue to license and develop professional standards to allow highly educated commercial interior design professionals to operate independently of architects.

Beginning January 1, 2025, registrants will be issued a seal which will constitute certification that any work done was by the registrant or under their control. Registrants are required to have passed a technical examination as required by the Council for Interior Design Qualification.

Among other documents, registrants can provide schematics, plans, drawings and other diagnostics for the features of a registered interior design project. Registrants will not be allowed to engage in alteration of structural elements, including exteriors and rooftop construction, or work that involves mechanical, HVAC or fire safety systems.

Medical Debt Relief Act

The Nebraska Medical Debt Relief Act is a bill that aims to help eligible residents pay off their medical debt. The bill was introduced in the 108th Nebraska Legislature as LB1158. The State Treasurer will administer the program. As of this writing, the program itself has not been enacted.

Inland Port Authority

The Inland Port Authority Act was introduced in the 108th Nebraska Legislature as LB 164. This bill created the Inland Port Authority Fund, to which the State Treasurer will transfer funds as described in the legislation. The State Treasurer created an application for an inland port authority to apply for grants. This application is on the Treasurer's webpage

Educational Scholarships

LB 1402 was a groundbreaking initiative designed to help Nebraska students by updating the state's educational scholarship system to enhance accessibility and efficiency for families. Passed earlier last year by the Nebraska Legislature and signed into law by Gov. Jim Pillen, LB 1402 allowed low-income, special needs, and other categories of students the opportunity to attend a private school of their family's choosing. The initiative addressed long-standing challenges in educational equity and access.

The Nebraska State Treasurer's Office partnered with Opportunity Scholarships of Nebraska to promote the program to parents of qualified students seeking scholarship support.

The portion of LB 1402 which created the program, however, was defeated by Nebraska voters, and, as such, my office suspended all operations.

Additional Resources

In conclusion, the Treasurer's Office submits the following links as references for information relating to the condition of the Treasury in accordance with Neb. Rev. Stat. Section 84-602 (6):

State of Nebraska Comprehensive Annual Finance Report for year ended June 30, 2024.

<https://das.nebraska.gov/accounting/docs/cafr/acfr2024.pdf>

State of Nebraska Annual Budgetary Report for year ended June 30, 2024

<https://das.nebraska.gov/accounting/docs/budrpt/buddoc24.pdf>

Please contact my office at 402-471-2455 if you would like additional information. It is an honor to serve the people of Nebraska and I appreciate the opportunity to update the Legislature as to the activities of my office.

Yours truly,



Tom Briese
Nebraska State Treasurer

TB:ci

