

STATE OF NEBRASKA

FY2023-24 AND FY2024-25

Biennial Budget

As Enacted in the
108th Legislature
Second Session

June 2024



Table of Contents

I.	Introduction	1
II.	Highlights	2
III	General Fund Financial Status	5
	A. General Fund Financial Status – End of 2024 Session (April 18, 2024)	6
	B. Estimated Financial Status – FY26/27 Biennium	8
	C. Cash Reserve Fund.....	10
	1. Excess of Certified Forecasts.....	11
	2. Transfers To/From General Fund	12
	3. Transfers To/From Other Funds	12
	4. Cash Reserve Fund - Historical Balances	15
IV.	General Fund Revenues	16
	A. Revenue Forecasts.....	17
	B. Chronology of Revenue Forecasts	19
	C. Historical General Fund Revenues.....	20
	D. General Fund Transfers-Out	22
	a. Historical General Fund Transfers-Out	24
	E. General Fund Transfers-In	25
	a. Historical General Fund Transfers-In	30
	F. General Fund Revenue Legislation – 2024 Session.....	31
V.	General Fund Appropriations	43
	A. Summary/State Totals-Enacted Budget	44
	1. State Totals and Summary by Operations and Aid	44
	B. Significant General Fund Changes	49
	C. Historical Appropriations.....	57
	D. General Fund Appropriations by Agency.....	60
	E. General Fund Appropriations by State Aid Program	63
VI.	Appropriations – All Funds	65
	A. State Totals and Summary.....	66
	B. Cash Funds	67
	C. Federal Funds.....	78
	D. Revolving & Other Funds.....	84
	E. Appropriations by Bill – All Funds	86
	F. “A” Bills – 2024 Session – All Funds	87
	H. Historical Appropriations – All Fund Sources	90
	I. Appropriations by Agency – All Fund Sources	91

VI.	Capital Construction	105
	A. Summary and Narrative Description of Major Projects	106
VII.	Bills Included in Enacted Mainline Budget	109
VIII.	Definition of Terms	111
	A. State Biennial Budget	112
	B. Fiscal Year	112
	C. Fund Types.....	112
	D. Operations, State Aid, Construction.....	113
	E. Agency and Program Structure.....	114
	F. Budget Process and Chronology	114
IX.	Legislative Fiscal Office Staff and Assignments	117
	A. Agency Assignments (agency numerical order)	118
	B. Legislative Fiscal Office Staff	121

Introduction

This report contains a summary of the initial appropriations and budget actions for the FY23-24 and FY24-25 biennium as enacted during the 2024 Legislative Session. These are final appropriations for FY23-24. However, FY24-25 can further be changed during the 2025 Legislative Session. The following is a brief description of what can be found in the various sections of this report.

General Fund Financial Status The state’s General Fund financial status is displayed here, which is the projected status at the end of 2024 Session in April (referred to as Sine Die).

General Fund Revenues This section details General Fund revenue projections, an overview of the growth in revenue both projected and historical, and lists legislation enacted during the 2023 Legislative Session that impact revenues. This section also provides details on transfers from other funds to the General Fund (General Fund Transfers-In) and from the General Fund to other funds (General Fund Transfers-Out).

General Fund Appropriations This section provides detailed information on General Fund appropriations as enacted during the 2024 Legislative Session including state totals, agency totals, historical appropriations, various breakdowns by state agency operations and state aid to individuals and local governments, and state aid listed by individual aid programs. This section also includes a listing of the major changes in the budget as well as narrative descriptions of some of the major spending areas, both agency operations and state aid programs. A listing of General Fund “A” bills is also included.

Appropriations-All Fund Sources While previous sections relate to the General Fund, this section provides a summary of appropriations from all fund sources (General, Cash, Federal, and Revolving) including state totals, by agency, and by bill enacted. A description of the various fund types can be found in the Definition of Terms section.

Capital Construction A discussion of new and reaffirmed construction projects, from all fund sources, is included in this section.

Bills included in Enacted Budget This section provides a table of bills included in the midbiennium budget bills (LB 1412 LB 1413). Bills included in the enacted budget outside of the mainline budget bills, i.e. legislation with an “A bill” or an impact on General Fund revenue, are listed in detail on page 49 for “A” bills and page 31 for revenue bills. A summary, including General Fund impact, is also on pages 3-4.

Definition of Terms This section of the report provides descriptions of the various terms used in this report as well as a complete chronology and description of the states’ budget process.

Legislative Fiscal Office Staff The last section includes a numerical listing of all state agencies and the Legislative Fiscal Office staff assigned to that agency. Also included are phone numbers and email addresses of the LFO staff.

Highlights

This report contains a summary of the FY23-24 and FY24-25 biennial budget as enacted in the 2024 legislative session. Details as to specific funding items, revenues, and balances are contained in the following sections. However, there are several highlights to address at the start.

General Fund Financial Status

At Sine Die of the 2024 legislative session, the enacted budget resulted in an unobligated ending balance at the end of the FY24/FY25 biennium \$521.2 million above the minimum 3% reserve. This projected status is based on the February 2024 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) plus revenue bills and the budget adjustments as enacted by the 2024 Legislature.

General Fund Revenues

At the end of the 2024 legislative session, revenue estimates for FY23-24 and FY24-25 were the February 2024 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Rate and base adjusted revenue growth implied by the forecasts for the FY24/25 biennium average 3.5% (6.5% in FY23-24 and 0.5% in FY24-25). NEFAB is statutorily scheduled to meet again in October of 2024.

General Fund Spending Growth

Budget growth in the enacted budget is 4.5% in FY24 and 1.9% in FY25 for a two year average of 3.2%. The mid-biennium adjustment bills, LB 1412 and LB 1413, result in an increase in appropriations of \$5 million in FY23-24 and \$63 million in FY24-25. The increase in FY24-25 is largely due to an increase in state aid to schools pursuant to TEEOSA. Even with the increase in TEEOSA, state aid to local governments overall sees negative growth over the biennium. The relatively larger increase in operations expenses is mostly due to increases in state employee salaries in FY23-24 and inflationary growth in operations expenses. Growth by type of spending is shown below.

	FY23-24	FY24-25
Operations	9.9%	4.4%
State Aid to Ind/Other	2.6%	1.0%
State Aid to Local Govt	-0.1%	-5.6%
Construction	-10.9%	0.0%
Annual % Change - Appropriations (w/o deficits)	4.5%	1.9%
Two Year Average	5.4%	3.2%

Cash Reserve Fund

The Cash Reserve Fund (CRF) unobligated balance at the end of FY24-25 is projected at \$903.4 million based on current forecasts, actions taken in prior legislative sessions, and the enacted budget. This is \$74.6 million more than the \$828.8 billion projected balance at the end of the 2023 legislative session.

Automatic transfers due to receipts above certified forecasts accounts for \$43 million of this increase. In FY23-24, \$3 million was transferred as a result of the amount the FY22-23 fiscal year end actual receipts exceeded the forecast. The automatic transfer into the Cash Reserve Fund in FY24-25 is estimated to be \$40 million.

The 2024 budget adjustments also include transfers from the Cash Reserve Fund to and from numerous other funds, which amount to a net gain to the CRF totaling \$26.6 million. Additionally, LB 600 transferred \$5 million in funds from the CRF to a cash fund. More detail on these transfers is included later in this report.

The projected unobligated balance at the end of the biennium (FY24-25) is estimated to be approximately 15.5% of revenues and 16.6% of new appropriations.

Legislation Enacted

Over the two years of the biennium, legislation enacted (not including mid-biennium budget adjustment bills) utilized a total of \$24.8 million. This consisted of increased appropriations and revenue reductions.

<u>Total Enacted</u>	<u>FY23-24</u>	<u>FY24-25</u>	<u>FY25-56</u>	<u>FY26-27</u>
Revenue Reduction	0	3,022,801	10,770,468	20,752,918
Appropriations increase	152,793	21,606,638	24,548,762	29,616,445
Annual Total	152,793	24,629,439	35,319,230	50,369,363
2 yr and 4 yr total		24,782,232		110,470,825

General Fund Revenue Impact:

Bills with General Fund revenue impacts resulted in a net reduction of \$3 million in FY24-25, \$10.8 million in FY25-26, and \$20.8 million in FY26-27. The largest of these was LB 1023, which allows for certain relocation tax credits and income tax deductions for qualified research expenditures. LB 1402, which repeals the Opportunity Scholarship tax credit and created instead a state aid program in the office of the State Treasurer, results in a revenue gain of \$25 million per year in FY25-26 and FY26-27. Likewise, LB 1317 repeals a deduction for certain federal retirement income, which results in a net revenue gain of \$11.6 million in FY24-25, \$6 million in FY25-26, and \$5.2 million in FY26-27.

<u>2024 Revenue Bills Enacted</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>FY2025-26</u>	<u>FY2026-27</u>
LB 287-Change election and Open Meetings provisions	0	(1,011,468)	(1,011,468)	(1,011,468)
LB 685-Change mechanical amusement device fees	0	404,000	463,000	490,000
LB 937-Change income tax credits	0	(1,188,000)	(6,683,000)	(8,843,000)
LB 1023-Provide for deductions for research expenditures	0	(10,470,000)	(31,539,000)	(38,679,000)
LB 1197-Change Sports Arena Facility Financing Act	0	indeterminate, but could be up to \$20 mil per year		
LB 1317-Change tax provisions	0	11,636,667	6,131,000	5,206,550
LB 1329-Change provisions of Career Scholarship Act	0	(525,000)	0	0
LB 1344-Change provisions of the NE Innovation Hub Act	0	(900,000)	(900,000)	(900,000)
LB 1394-Exempt National Guard income from tax	0	(969,000)	(2,231,000)	(2,016,000)
LB 1402-Change Opportunity Scholarships	0	0	25,000,000	25,000,000
Total - Revenue Bills	0	(3,022,801)	(10,770,468)	(20,752,918)

General Fund Appropriations Impact:

Bills with General Fund appropriations amounted to \$152,793 in FY23-24 and \$21.6 million in FY24-25 for a two year total of \$21.8 million. The largest bill is LB 1402, which repeals the Opportunity Scholarship tax credit and created instead a state aid program in the office of the State Treasurer, costs \$10 million General Funds per year.

2024 Appropriations Bills Enacted

	FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 20-Change voting provisions	0	8,900	0	0
LB 52-Eliminate limitation on tuition assistance	152,793	152,793	152,793	152,793
LB 62-Change Medical Assistance Act provisions	0	11,470	0	0
LB 126-Change homestead exemption	0	20,313	317,000	503,000
LB 196-Change State Patrol retirement provisions	0	2,770,810	2,770,810	2,770,810
LB 204-Change pharmacy dispensing fees	0	75,000	0	2,585,597
LB 233-Provide for child support payment disregard	0	0	717,237	705,976
LB 253-Change veteran court provisions	0	0	4,698,575	4,698,575
LB 262-Change grain, hemp, and pure food act provisions	0	72,250	72,250	72,250
LB 287-Change election and Open Meetings provisions	0	120,800	0	0
LB 358-Increase dental services reimbursement rates	0	0	0	3,452,712
LB 600-Adopt the Municipality Infrastructure Aid Act	CRF transfer	(\$5 million)	0	0
LB 631-Change provisions related to Board of Parole	0	2,276,819	1,910,012	1,410,012
LB 685-Change mechanical amusement device fees	0	1,596,870	141,870	0
LB 829-Change provisions relating to insurance	0	19,777	39,554	39,554
LB 870-Amend Sexual Assault Victims' Bill of Rights	0	8,820	0	0
LB 876-Adopt the Newborn Safe Haven Act	0	65,000	10,000	10,000
LB 937-Change income tax credits	0	385,883	1,106,097	602,602
LB 1023-Provide for deductions for research expenditures	0	242,573	0	0
LB 1035-Adopt the prescription Drug Donation Act	0	551,218	528,352	528,352
LB 1074-Change banking and finance law	0	31,103	43,545	43,545
LB 1200-Change motor vehicles and 911 system provisions	0	(23,339)	(23,339)	(23,339)
LB 1284-Provide for education programs	0	148,487	80,358	80,358
LB 1300-Adopt the Pacific Conflict Stress Test Act	0	763,880	1,107,760	1,107,760
LB 1301-Adopt the Foreign-owned Real Estate Nat'l Security Act	0	82,703	126,275	126,275
LB 1317-Change tax provisions	0	1,635,922	393,738	393,738
LB 1344-Change provisions of the NE Innovation Hub Act	0	416,494	248,870	248,870
LB 1368-Adopt the Nitrogen Reduction Incentive Act	0	107,005	107,005	107,005
LB 1394-Exempt National Guard income from tax	0	65,087	0	0
LB 1402-Change Opportunity Scholarships	0	10,000,000	10,000,000	10,000,000
A Bills	152,793	21,606,638	24,548,762	29,616,445

GENERAL FUND FINANCIAL STATUS

General Fund Financial Status

End of 2024 Session (Sine Die April 18, 2024)

	Actual FY2022-23	Current Biennium FY2023-24 FY2024-25		Est for Following Biennium FY2025-26 FY2026-27	
1 BEGINNING BALANCE					
2 Beginning Cash Balance	2,494,107,852	1,853,785,088	1,424,732,107	873,116,115	697,879,707
3 Cash Reserve transfers-automatic	(1,287,998,995)	(2,982,492)	(39,976,800)	0	0
4 Carryover obligations from FY23	0	(555,832,617)		0	0
4a Lapse FY23 carryover obligations	0	126,449,292	0	0	0
4b Lapses 2024 Committee	0	31,300,000	0	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	1,206,108,857	1,452,719,271	1,379,755,307	868,116,115	692,879,707
7 REVENUES & TRANSFERS					
8 Net Receipts	6,367,982,492	7,020,000,000	5,840,000,000	6,359,890,000	6,267,132,000
9 General Fund transfers-out (current law)	(518,053,459)	(1,399,760,000)	(944,028,886)	(952,417,382)	(976,636,640)
10 General Fund transfers-in (current law)	in actual	in forecast	in forecast	0	0
10a General Fund transfers-in (2024)	0	146,416,542	51,376,716	0	0
11 Cash Reserve transfers	(50,000,000)	(440,000,000)	1,000,000	0	0
11a Cash Reserve transfers (2024)	0	0	3,000,000	0	0
12 Accounting Adjustment	1,937,066	0	0	0	0
13 2024 General Fund transfers-out (LB 1329)	0	0	(525,000)	0	0
14 2024 Revenue Bills	0	0	(2,497,801)	(10,770,468)	(20,752,918)
13 General Fund Net Revenues	5,801,866,099	5,326,656,542	4,948,325,029	5,396,702,150	5,269,742,442
14 APPROPRIATIONS					
15 Expenditures / Appropriations	5,154,189,868	5,125,672,253	5,125,672,253	5,125,672,253	5,125,672,253
16 Mainline Budget and A bills (2023 session)	0	223,762,168	244,673,628	244,673,628	244,673,628
17 Projected budget increase, following biennium	0	0	0	135,791,704	252,081,804
18 2024 TEEOSA adjustments	0	(2,134,335)	65,272,568	41,513,078	29,654,713
21 Mid-biennium Adj (LB 1412)	0	17,090,827	7,739,134	4,739,134	4,739,134
20 2024 Budget Floor amendments	0	(10,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
22 2024 State Claims (LB 1188)	0	100,000	0	0	0
23 2024 A bills	0	152,793	21,606,638	24,548,762	29,616,445
24 General Fund Appropriations	5,154,189,868	5,354,643,706	5,454,964,221	5,566,938,559	5,676,437,977
25 ENDING BALANCE					
26 \$ Ending balance (per Financial Status)	1,853,785,088	1,424,732,107	873,116,115	697,879,707	286,184,171
27 \$ Ending balance (at Min. Reserve 3.0%)			352,013,807		336,103,710
28 Excess (shortfall) from Minimum Reserve			521,102,308		(49,919,539)
29 Biennial Reserve (%)			7.5%		2.5%
General Fund Appropriations					
30 Annual % Change - Appropriations (w/o deficits)	6.4%	4.5%	1.9%	2.1%	2.0%
31 Two Year Average	3.5%	--	3.2%	--	2.0%
32 Est. Revenue Growth (rate/base adjusted)	1.7%	6.5%	0.5%	6.0%	3.6%
33 Two Year Average	10.7%	--	3.5%	--	4.8%
34 Five Year Average	9.7%	--	8.4%	--	3.7%
35 Unadjusted % change over prior year	0.3%	10.2%	-16.8%	8.9%	-1.5%
36 On-Going Revenues vs Appropriations	726,193,847	412,012,836	(510,639,192)	(170,236,409)	(406,695,536)

CASH RESERVE FUND	FY2022-23	FY2023-24	FY2024-25	Estimated	Estimated
				FY2025-26	FY2026-27
Beginning Balance	927,523,568	1,637,852,563	912,817,475	903,410,475	853,410,475
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	39,976,800	0	0
To/from Gen Fund (LB 388 - 2024)	50,000,000	0	0	0	0
To/from Gen Fund (LB531-2023 & LB818-2023)	(10,000,000)	440,000,000	(1,000,000)	0	0
To/from Gen Fund (LB 1413)	0	0	(3,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(166,673,580)	(29,458,800)	0	0
To University Next project (LB1107-2020)	0	0	0	(50,000,000)	(50,000,000)
To Perkins County Canal Fund	(53,500,000)	(574,500,000)	0	0	0
To Jobs & Econ Develop Initiative	0	(52,000,000)	0	0	0
To Nebr Rural Projects Act	(50,000,000)	0	0	0	0
To Trail Develop/Improve Fund	(8,300,000)	0	0	0	0
To Rural Workforce Housing fund	(30,000,000)	0	0	0	0
To Surface Water Irrigation Fund	(50,000,000)	0	0	0	0
To Intern Nebraska Cash Fund	(20,000,000)	0	0	0	0
To Site & Building Fund	(20,000,000)	(2,000,000)	0	0	0
To Military Base Development fund	(30,000,000)	0	0	0	0
To Middle Income Housing fund	(20,000,000)	0	0	0	0
To Roads Operations Cash Fund	(100,000,000)	0	0	0	0
To State Indemnification Revolving Fund	(18,750,000)	0	0	0	0
From Gov Emergency Fund	0	15,841,000	0	0	0
To Econ Recovery Contingency	0	(240,000,000)	0	0	0
To Shovel Ready Capital Recovery Fund	0	(70,000,000)	0	0	0
To Critical Infrastructure Facilities Fund	0	(10,000,000)	0	0	0
To Economic Development Cash Fund	0	(20,000,000)	0	0	0
To Public Safety Fund	0	(1,115,000)	0	0	0
To Accounting Division Revolving Fund	0	(1,100,000)	0	0	0
To Health and Human Services Cash	0	(11,320,000)	(3,500,000)	0	0
To Risk Loss Trust (State Colleges)	0	(3,000,000)	0	0	0
To Youth Outdoor Education Fund	0	(10,000,000)	0	0	0
To Public Safety Comm Systems Revolving Fund	0	(5,000,000)	(2,425,000)	0	0
To Materiel Division Revolving Fund	0	(2,500,000)	0	0	0
To State Building Revolving Fund	0	(1,400,000)	0	0	0
To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	0	0	0	0
To State Insurance Fund	0	(3,250,000)	(5,000,000)	0	0
To School Safety and Security Fund (LB705-2023)	0	(10,000,000)	0	0	0
To Municipality Infrastructure Aid Fund (LB 600-2024)	0	0	(5,000,000)	0	0
Projected Unobligated Ending Balance	1,637,852,563	912,817,475	903,410,475	853,410,475	803,410,475
Ending Balance as % of Revenues	25.7%	13.0%	15.5%	13.4%	12.8%
Ending Balance as % of Expenditures	31.8%	17.0%	16.6%	15.3%	14.2%

Estimated Financial Status - FY26/FY27 Biennium

Pursuant to Legislative Rule 8, section 7, the Appropriations Committee and Revenue Committee met on April 20, 2023, and voted to approve net revenue estimates in each year of the FY26 and FY27 biennium based upon the average of the Legislative Fiscal Office and Department of Revenue forecasts for those two fiscal years. The committees also voted to approve appropriations estimates of 2.0% budget growth in FY26 and 1.9% budget growth in FY27. These increases were based on the net revenue receipts and appropriations estimates presented for the base year, FY2024-25, at the time of the meeting, which were the February 2024 NEFAB revenue forecast for FY2024-25 and the Appropriations Committee budget recommendation for the second year of the biennium.

Revenue

The estimated net revenue receipts approved at the time were \$6.359 billion for FY2025-26 and \$6.267 billion for FY2026-27. Table 1 shows the total net receipts for FY2025-26 and FY2026-27, adjusted for 2024 legislation enacted as shown in Table 1.

Table 1 Revenue Impact of 2023 Legislation

	NEFAB FY2023-24	NEFAB FY2024-25	LFO FY2025-26	LFO FY2026-27
Forecast - Feb 2024				
Sales and Use Tax	2,500,000,000	2,600,000,000	2,658,679,000	2,763,256,000
Individual Income Tax	2,800,000,000	2,230,000,000	2,959,377,000	2,794,599,000
Corporate Income Tax	1,400,000,000	740,000,000	515,698,000	497,574,000
Miscellaneous receipts	320,000,000	270,000,000	226,136,000	211,703,000
Total General Fund Revenues (NEFAB Feb 2024)	7,020,000,000	5,840,000,000	6,359,890,000	6,267,132,000
2024 Session Legislation				
Sales and Use Tax	0	(1,096,333)	(2,212,000)	(2,423,450)
Individual Income Tax	0	(396,000)	(11,294,750)	(19,080,750)
Corporate Income Tax	0	(398,000)	3,284,750	(827,250)
Miscellaneous receipts	146,416,542	50,769,248	(548,468)	(521,468)
Total 2024 Session Legislation	146,416,542	48,878,915	(10,770,468)	(22,852,918)
Total GF Revenues – Sine Die 2024				
Sales and Use Tax	2,500,000,000	2,598,903,667	2,656,467,000	2,760,832,550
Individual Income Tax	2,800,000,000	2,229,604,000	2,948,082,250	2,775,518,250
Corporate Income Tax	1,400,000,000	739,602,000	518,982,750	496,746,750
Miscellaneous receipts	466,416,542	320,769,248	225,587,532	211,181,532
Total General Fund Revenues	7,166,416,542	5,888,878,915	6,349,119,532	6,244,279,082

Appropriations

Approved estimated increases in appropriations for FY2025-26 were \$107,927,605 and \$217,313,058 for FY2026-27. These estimates do not include any adjustments at this time. Estimates related to appropriations for the following biennium are for planning purposes. These estimates do not include ongoing amounts for 2023 "A" bills, which are shown on a separate line on the financial status or the ongoing baseline budget amounts included in the enacted 2023 biennial budget.

Table 2 shows an estimated breakdown of projected increases and percentage growth by budget category to arrive at the estimated increases.

Table 2 Projected Budget Increases-Following Biennium

	Annual % Change			Annual \$ Change		
	FY25-26	FY26-27	2 Yr Avg	FY25-26	FY26-27	2 Yr Total
AID TO LOCAL GOVT						
Aid to K-12 Schools (TEEOSA GF only)	1.43%	2.35%	1.89%	13,549,663	36,032,500	49,582,163
Special Education	1.08%	1.08%	1.08%	2,545,824	5,119,144	7,664,968
Community Colleges	2.00%	2.00%	2.00%	2,282,334	4,610,315	6,892,649
Homestead Exemption	6.00%	6.00%	6.00%	8,016,000	16,512,960	24,528,960
All Other (Aid-Local)	--	--	--	0	0	0
AID TO INDIVIDUALS						
Medicaid	2.00%	2.00%	2.00%	20,546,729	41,504,392	62,051,121
Public Assistance	0.00%	1.00%	0.50%	0	863,801	863,801
Child Welfare Aid	2.00%	2.00%	2.00%	12,753,363	16,660,670	29,414,033
Developmental Disability aid	2.00%	2.00%	2.00%	3,951,344	7,981,714	11,933,058
Behavioral Health aid	2.00%	2.00%	2.00%	2,991,333	5,857,896	8,849,229
Children's Health Insurance (SCHIP)	2.00%	2.00%	2.00%	624,926	1,262,350	1,887,276
All Other (Aid-Ind)	--	--	--	(250,000)	(250,000)	(500,000)
AGENCY OPERATIONS						
Employee Salaries (agencies)	3.00%	3.00%	3.00%	25,404,867	51,571,879	76,976,746
Employee Health Insurance (agencies)	4.00%	4.00%	4.00%	4,440,454	9,058,525	13,498,979
University/Colleges increased funding	2.20%	2.30%	2.25%	16,395,194	33,302,365	49,697,559
Operations increase (all agencies)	3.00%	3.00%	3.00%	5,196,454	10,548,801	15,745,254
Staffing/population costs/medical (Corrections)	--	--	specific	3,722,530	7,445,060	11,167,590
Retirement (Schools, Patrol, Judges)	--	--	specific	(66,831)	2,100,000	2,033,169
All Other (Oper)	--	--	specific	(453,375)	1,899,432	1,446,057
CONSTRUCTION	66.38%	0.00%	33.19%	14,140,896	0	14,140,896
TOTAL GENERAL FUND (Biennial Basis)	2.10%	2.00%	2.00%	135,791,704	252,081,804	387,873,508

Cash Reserve Fund

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the ending General Fund balance for a biennium) and was created as a separate and distinct fund to cover cash flow needs within a month or several month period. The Cash Reserve Fund also serves as a "rainy day fund" in that revenues in excess of a "certified forecast" are transferred from the General Fund to Cash Reserve fund at the end of a fiscal year. As the certified forecast is basically the revenue estimate at Sine Die when the budget is finalized, these transfers sequester revenues in excess of that which is needed to balance the budget.

Table 3 - Cash Reserve Fund Cash Flow

CASH RESERVE FUND	FY2022-23	FY2023-24	FY2024-25	Estimated	Estimated
				FY2025-26	FY2026-27
Beginning Balance	927,523,568	1,637,852,563	912,817,475	903,410,475	853,410,475
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	39,976,800	0	0
To/from Gen Fund (LB 388 - 2024)	50,000,000	0	0	0	0
To/from Gen Fund (LB531-2023 & LB818-2023)	(10,000,000)	440,000,000	(1,000,000)	0	0
To/from Gen Fund (LB 1413)	0	0	(3,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(166,673,580)	(29,458,800)	0	0
To University Next project (LB1107-2020)	0	0	0	(50,000,000)	(50,000,000)
To Perkins County Canal Fund	(53,500,000)	(574,500,000)	0	0	0
To Jobs & Econ Develop Initiative	0	(52,000,000)	0	0	0
To Nebr Rural Projects Act	(50,000,000)	0	0	0	0
To Trail Develop/Improve Fund	(8,300,000)	0	0	0	0
To Rural Workforce Housing fund	(30,000,000)	0	0	0	0
To Surface Water Irrigation Fund	(50,000,000)	0	0	0	0
To Intern Nebraska Cash Fund	(20,000,000)	0	0	0	0
To Site & Building Fund	(20,000,000)	(2,000,000)	0	0	0
To Military Base Development fund	(30,000,000)	0	0	0	0
To Middle Income Housing fund	(20,000,000)	0	0	0	0
To Roads Operations Cash Fund	(100,000,000)	0	0	0	0
To State Indemnification Revolving Fund	(18,750,000)	0	0	0	0
From Gov Emergency Fund	0	15,841,000	0	0	0
To Econ Recovery Contingency	0	(240,000,000)	0	0	0
To Shovel Ready Capital Recovery Fund	0	(70,000,000)	0	0	0
To Critical Infrastructure Facilities Fund	0	(10,000,000)	0	0	0
To Economic Development Cash Fund	0	(20,000,000)	0	0	0
To Public Safety Fund	0	(1,115,000)	0	0	0
To Accounting Division Revolving Fund	0	(1,100,000)	0	0	0
To Health and Human Services Cash	0	(11,320,000)	(3,500,000)	0	0
To Risk Loss Trust (State Colleges)	0	(3,000,000)	0	0	0
To Youth Outdoor Education Fund	0	(10,000,000)	0	0	0
To Public Safety Comm Systems Revolving Fund	0	(5,000,000)	(2,425,000)	0	0
To Materiel Division Revolving Fund	0	(2,500,000)	0	0	0
To State Building Revolving Fund	0	(1,400,000)	0	0	0
To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	0	0	0	0
To State Insurance Fund	0	(3,250,000)	(5,000,000)	0	0
To School Safety and Security Fund (LB705-2023)	0	(10,000,000)	0	0	0
To Municipality Infrastructure Aid Fund (LB 600-2024)	0	0	(5,000,000)	0	0
Projected Unobligated Ending Balance	1,637,852,563	912,817,475	903,410,475	853,410,475	803,410,475
Ending Balance as % of Revenues	25.7%	13.0%	15.5%	13.4%	12.8%
Ending Balance as % of Expenditures	31.8%	17.0%	16.6%	15.3%	14.2%

Excess of Certified Forecasts

Shown on line 3 of the Financial Status, revenues in excess of "certified" forecasts are required by statute to be transferred from the General Fund to the Cash Reserve Fund (CRF). These would take place in July of the fiscal year following completion of that year.

The actual FY22-23 receipts exceeded the certified forecast of \$6.365 billion by \$3 million, which is transferred to the Cash Reserve Fund. The statutory provision retaining any amount in the General Fund is not triggered for FY22-23 because net receipts for FY22-23 did not exceed net receipts for FY21-22 by 103.5%.

The NEFAB revised the forecast for FY2023-24 in February 2024 and increased the estimated General Fund net receipts by \$575 million. The February 2024 forecast for FY2023-24 plus General Fund transfers in enacted in the budget adjustments now exceed the certified forecast by \$729.3 million. At sine die, it is estimated that the transfer from the General Fund to the Cash Reserve Fund at the beginning of FY2024-25 will be less than the \$729.3 million excess above the certified forecast. Pursuant to section 77-4602, beginning in FY23-24, the method for automatic transfers to the Cash Reserve Fund is changed as follows:

1. At the completion of the fiscal year, the Tax Commissioner will calculate (1) actual General Fund net receipts for the most recently completed fiscal year minus estimated General Fund net receipts for such fiscal year; and (2) Fifty percent of the product of actual General Fund net receipts for the most recently completed fiscal year times the difference between the annual percentage increase in the actual General Fund net receipts for the most recently completed fiscal year and the average annual percentage increase in the actual General Fund net receipts over the twenty previous fiscal years, excluding the year in which the annual percentage change in actual General Fund net receipts is the lowest.
2. If actual GF net receipts minus estimated GF net receipts is a positive number, the Tax Commissioner shall immediately certify the greater of the two numbers. The State Treasurer shall transfer the certified amount from the General Fund to the Cash Reserve Fund upon certification of such amount. The transfer shall be made as follows:
 - An amount equal to the amount actual GF net receipts exceed estimated GF net receipts is transferred immediately; and
 - The remainder, if any, shall be transferred by the end of the subsequent fiscal year.
3. If the transfer causes the balance in the Cash Reserve Fund to exceed sixteen percent of the total budgeted General Fund expenditures for the current fiscal year, such transfer shall be reduced so that the balance of the Cash Reserve Fund does not exceed such amount.

Based on the February forecast, net receipts are estimated to be \$582.9 million above the July 2023 certified forecast. The enacted budget also includes \$146.4 million in transfers into the General Fund, which are considered miscellaneous tax receipts. Therefore, there is a total of \$729.3 estimated above the July 2023 certified forecast.

The unobligated ending balance in the Cash Reserve Fund for FY23-24 is approximately 16.7% of the new budgeted General Fund appropriations for FY24-25 as enacted in the 2024 session. Additionally, General Funds not expended in FY23-24 will be reappropriated to FY24-25, which will increase total General Fund budgeted expenditures.

The CRF automatic transfer related to the excess above the certified forecast will be reduced so the balance of the CRF does not exceed 16% of General Fund budgeted expenditures. Therefore, if, for instance,

reappropriated amounts from FY2023-24 total \$500 million, total General Fund budgeted expenditures will be equal to the new appropriation plus the \$500 million of reappropriated General Funds (for a total of \$5.954 billion). The CRF FY23-24 projected unobligated ending balance as a percentage of that total is 15.3%, and the automatic transfer from the General Fund to the CRF is estimated to be reduced to \$39.977 million. This is the calculated amount necessary to bring the CRF balance up to 16% of the total General Fund budgeted expenditures. However, the actual amount transferred will be affected by the actual amount reappropriated from FY2023-24 to FY24-25.

Transfers-To & From General Fund

Unlike the automatic transfers that occur after the close of the fiscal year and are statutorily required, other transfers can take place as specifically enacted by the Legislature.

The 2023 enacted budget included two transfers to the General Fund from the Cash Reserve Fund. These include \$440 million in FY2023-24 due to the revenue forecast being recertified following the April 2023 forecast after a reduction in the FY2022-23 forecast, and \$1 million in FY2024-25 for the Precision Agriculture grant program pursuant to LB 361. In addition, LB 531, enacted in 2023, included a CRF transfer to the General Fund in FY22-23 of \$10 million for the Economic Recovery Act.

The 2024 enacted budget adjustments include an additional transfer of \$3 million in FY24-25 to fund the provisions of LB1289. The funds will be used by the Military Department to award a grant to a municipal airport located in a city of the primary class. The grant shall only be used by the municipal airport for the maintenance, repair, and construction of runway facilities that serve the purposes of providing: (a) national and state military preparedness; (b) defense mission support; and (c) civilian passenger or cargo air services.

Transfers To & From Other Funds

In addition to the transfers to the General Fund, the enacted budget includes several new transfers to and from the Cash Reserve Fund. A brief summary is in the table below, followed by a more detailed description for each fund.

2023 Session	During the 2023 session, the Legislature utilized a net \$1.289 billion of CRF funds. There also was a transfer back of \$2 million unused COVID money. The enacted budget included a transfer to the General Fund of \$10 million in FY23 and \$1 million in FY25. The enacted budget also included a transfer from the General Fund to the CRF of \$440 million in FY24.		
	Three transfers were vetoed by the Governor: to the Rural Income Housing Investment Fund and Middle Income Investment Housing Fund (originally \$20 million each) and the transfer to the Shovel-Ready Fund was reduced by \$20 million to \$70 million.		
	To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	FY23
	To School Safety and Security Fund (LB705-2023)	(10,000,000)	FY23
	To Roads Operation Cash	(100,000,000)	FY23
	To State Indemnification Fund	(18,750,000)	FY23
	To Nebr Capital Construction Fund (NCCF)	(540,000)	FY23
	To Econ Recovery Contingency	(240,000,000)	FY24
	To Shovel Ready Capital Recovery Fund*	(70,000,000)	FY24
	To Critical Infrastructure Facilities Fund	(10,000,000)	FY24
	To Economic Development Cash Fund	(20,000,000)	FY24
	To Public Safety Fund	(1,115,000)	FY24
	To Accounting Division Revolving Fund	(1,100,000)	FY24
To Health and Human Services Cash	(11,320,000)	FY24	

To Risk Loss Trust (State Colleges)	(3,000,000)	FY24
To Youth Outdoor Education Fund	(10,000,000)	FY24
To Public Safety Comm Systems Revolving Fund	(5,000,000)	FY24
To Materiel Division Revolving Fund	(2,500,000)	FY24
To State Building Revolving Fund	(1,400,000)	FY24
To Middle Income Housing fund	Veto	FY24
To Rural Workforce Housing fund	Veto	FY24
To Perkins County Canal Fund	(575,500,000)	FY24
To Nebr Capital Construction Fund (NCCF)	(182,623,825)	FY24
To Nebr Capital Construction Fund (NCCF)	(25,458,800)	FY25
From Governor's Emergency Fund	2,000,000	FY24
Total Net	(1,289,307,625)	
<p>2024 Session During the 2024 session, the Legislature's enacted transfers result in a net gain to the CRF of \$34.6 million. There was a transfer into the CRF of \$13.841 million from the Governor's Emergency Fund and \$28 million from the JEDI Fund (unused lake project). The enacted budget included a transfer to the GF of \$3 million in FY25.</p>		
To Health and Human Services Cash	(3,500,000)	FY24
To State Insurance Fund	(3,250,000)	FY24
To State Insurance Fund	(5,000,000)	FY25
To Municipality Infrastructure Aid Fund (LB 600-2024)	(5,000,000)	FY25
To Public Safety Comm Systems Revolving Fund	(2,425,000)	FY25
To Nebr Capital Construction Fund (NCCF)	15,950,245	FY24
To Nebr Capital Construction Fund (NCCF)	(4,000,000)	FY25
From Governor's Emergency Fund	13,841,000	FY24
From JEDI Fund	28,000,000	FY24
Total Net	34,616,245	

2024 Changes in Cash Reserve Fund Transfers

Governor's Emergency Cash Fund

The enacted budget also includes a transfer of remaining unspent funds in the Governor's Emergency Cash Fund. Eighty-three million in funds were originally transferred from the Cash Reserve Fund to the Governor's Emergency Cash Fund in 2020 for COVID-19 relief prior to receipt of federal funds for such purpose. Because of this only \$19.2 million had been expended through FY19-20. Previously, the Legislature transferred \$60 million of the unused funds back to the Cash Reserve Fund, and the enacted budget in 2023 transferred an additional \$2 million back to the CRF. The 2024 enacted budget adjustments include transferring the remaining unused amount of \$13.841 million back to the CRF, for a total transfer of \$15.841 million in FY23-24.

Health and Human Services Cash Fund

The 2023 enacted budget includes a transfer from the Cash Reserve Fund to the Health and Human Services Cash Fund in FY2023-24 for three specific purposes: \$6.5 million to supplement the \$5 million in fee revenue available for the Public Health vital records modernization project; \$4 million for the Public Health data nexus project, and \$820,000 for the Public Health Parkinson's Registry.

The 2024 enacted budget adjustments include \$5 million in ARPA funds in FY2023-24 and \$3 million in cash funds in FY2024-25 from the Health and Human Services Cash Fund, transferred from the Cash Reserve Fund, for a grant program for heating, ventilation, and air conditioning system repair or restoration for a rehabilitation hospital. An additional \$500,000 in FY2024-25 is transferred to the Health and Human Services Cash Fund for state aid to a nonprofit organization that provides health care screening, sports competitions, educational

opportunities, and leadership training for persons with developmental or intellectual disabilities (provisions originally in LB 1154).

Nebraska Capital Construction Fund (NCCF)

To fund various capital construction projects approved in the 2023 enacted budget, three transfers were authorized from the Cash Reserve Fund to NCCF. In FY22-23, an additional \$540,000 is transferred to the NCCF for three projects by the Nebraska Educational Telecommunications Commission (a tower lighting project, emergency alert system, and two translator sites). In FY23-24, \$182,623,825 is transferred to the NCCF, including \$95,850,000 for the remaining funding for construction of a new correctional facility. In FY24-25, an additional \$25,458,800 is transferred to the NCCF. The amounts transferred in FY23-24 and FY24-25 are for several reaffirmations and new construction projects, which are discussed in detail in the Capital Construction section of this report.

In the 2024 enacted budget adjustments, two changes are included related to the transfer in FY23-24 to the NCCF from the Cash Reserve Fund:

- The reduction of the transfer to the Nebraska Capital Construction Fund (NCCF) in FY23-24 due to the savings in construction of the State Patrol Troop A headquarters; and
- A transfer from the CRF to NCCF of \$2,249,775 for additional funding for the State Patrol Crime Lab project.

Additionally, the 2024 budget adjustments include two changes related to the transfer in FY24-25 to the NCCF from the Cash Reserve Fund:

- A transfer from the CRF to the Nebraska Capital Construction Fund (NCCF) of \$1.5 million for additional funding for the State Capitol 5th Floor renovation project (LB1210); and
- A transfer of \$2.5 million for purposes of repairing the water system at the York Correctional Facility for Women.

Public Safety Communication Systems Revolving Fund

Five million is transferred from the Cash Reserve Fund to the Nebraska Public Safety Communication System Revolving Fund in FY23-24 and will be distributed as grants to pay for portable and mobile radios, programming, and installation of radios and equipment for volunteer departments. The Chief Information Officer shall not charge any subscription, programming, or training fees for any volunteer department connected to the Statewide Radio System after receiving a grant from the program.

In the 2024 budget adjustments, an additional \$2.425 million is transferred in FY2024-25 for additional grants under the program.

Municipality Infrastructure Aid Fund

LB 600 (2024) includes a one-time transfer from the Cash Reserve Fund to the Municipality Infrastructure Aid Fund of \$5 million in FY24-25. Funds will be used to finance infrastructure improvements in cities of the first class, cities of the second class, and villages.

State Insurance Fund

The 2024 budget adjustments include a \$2 million revolving fund appropriation in FY2024-25 for the state insurance program. The increase is primarily for property insurance premiums, driven mostly by wind and hail damage. Accompanying this increased appropriation is a transfer of \$5 million in FY2024-25 from the Cash Reserve Fund to the State Insurance Fund. In addition, a transfer from the Cash Reserve Fund to the State Insurance Fund in FY23-24 of \$3.25 million is included to provide funding for payment of a state claim.

Jobs & Economic Development Initiative Fund (STARWARS)

LB 406 (2021) created the Statewide Tourism and Recreational Water Access and Resource Sustainability (STARWARS) special legislative Committee. This Committee was tasked with conducting studies related to economic development and public safety at (1) the Lake McConaughy region of Keith County, (2) Knox County region that lies north of State Highway 12 and extends to the South Dakota border and includes Lewis and Clark Lake and Niobrara State Park and (3) the Platte River and its tributaries from Columbus to Plattsmouth. The proposals of the special STARWARS Committee were subsequently incorporated into legislation (LB 1023, 2022). In 2022, two new cash funds were created; the Jobs and Economic Development Initiative Fund under the Dept. of Natural Resources and the Water Recreation Enhancement Fund under the Game and Parks Commission.

A total of \$100 million has been transferred to the JEDI Fund to date from the CRF (\$80 million) and the General Fund (\$20 million). The 2024 budget adjustments include transferring \$28 million back to the Cash Reserve Fund and \$50 million to the Roads Operations Cash Fund.

Cash Reserve Fund Historical Balances

Table 4 Cash Reserve Fund – Historical Balances

	Beginning Balance	Automatic Transfers (1)	Legislative Transfers (2)		Ending Balance	EB as % of revenue	EB as % of expend
			Gen Fund	Other Funds			
FY00-01	142,159,429	77,576,670	(24,500,000)	(25,000,000)	170,236,099	6.9%	6.9%
FY01-02	170,236,099	0	(59,800,000)	(370,000)	110,066,099	4.7%	4.2%
FY02-03	110,066,099	0	(87,400,000)	0	59,142,545	2.4%	2.3%
FY03-04	59,142,545	0	(61,191,862)	(385,807)	87,028,337	3.2%	3.4%
FY04-05	87,028,337	108,727,007	(26,000,000)	(758,180)	177,167,720	5.8%	6.5%
FY05-06	177,167,720	261,715,297	0	(165,266,227)	273,616,790	8.2%	9.4%
FY06-07	273,616,790	259,929,524	(15,674,107)	(1,784,416)	516,087,791	15.1%	16.5%
FY07-08	516,087,791	191,436,773	(60,177,767)	(101,801,000)	545,545,797	15.6%	16.8%
FY08-09	545,545,797	116,976,571	(54,990,505)	(29,340,000)	578,191,863	17.2%	17.4%
FY09-10	578,191,863	0	(105,000,000)	(5,990,237)	467,201,626	14.6%	14.1%
FY10-11	467,201,626	0	(154,000,000)	0	313,201,626	8.9%	9.4%
FY11-12	313,201,626	145,155,092	(37,000,000)	3,560,802	428,878,372	11.6%	12.4%
FY12-13	428,878,372	104,789,781	(78,000,000)	(76,008,427)	384,121,402	9.5%	10.7%
FY13-14	384,121,402	285,292,610	49,400,000	251,294	719,065,306	17.5%	18.7%
FY14-15	719,065,306	96,721,232	(67,701,112)	(20,250,000)	727,835,426	16.9%	18.1%
FY15-16	727,835,426	84,599,532	0	(81,779,850)	730,655,108	17.0%	17.4%
FY16-17	730,655,108	0	0	(50,000,000)	680,655,108	16.0%	15.7%
FY17-18	680,655,108	0	(225,000,000)	(115,930,772)	339,990,065	7.4%	7.8%
FY18-19	339,990,065	61,995,773	(48,000,000)	(20,436,714)	333,549,124	6.8%	7.6%
FY19-20	333,549,124	176,378,178	0	(83,619,600)	426,307,702	8.6%	9.2%
FY20-21	426,307,702	10,655,528	(30,000,000)	60,000,972	466,964,202	7.8%	10.3%
FY21-22	466,964,202	535,259,366	50,000,000	(124,700,000)	927,523,568	14.6%	19.9%
FY22-23	927,523,568	1,287,998,995	40,000,000	(617,670,000)	1,637,852,563	25.7%	31.8%
FY23-24 Est	1,637,852,563	2,982,492	440,000,000	(1,168,017,580)	912,817,475	13.0%	17.0%
FY24-25 Est	912,817,475	39,976,800	(4,000,000)	(45,383,800)	903,410,475	15.5%	16.6%
FY25-26 Est	903,410,475	0	0	(50,000,000)	853,410,475	13.4%	15.3%
FY26-27 Est	853,410,475	0	0	(50,000,000)	803,410,475	12.8%	14.2%

(1) Automatic transfers reflect the prior year variance from forecast. For example, the \$2.9 million transfer in FY23-24 actually reflects FY22-23 "excess" receipts compared to the certified forecast. After FY95-96 transfers only occurred if receipts were above forecast.

(2) Legislative transfers are enacted by legislation and include transfers to the General Fund or other funds.

GENERAL FUND REVENUES

General Fund Revenue Forecasts

The FY2021-22 actual receipts were \$1.469 billion above the certified forecast. Of this \$1.469 billion above certified forecast amount, \$1.288 billion is transferred to the Cash Reserve Fund while the other \$181.4 million is retained in the General Fund. Section 77-4602 as amended provides that the amount to be transferred to the Cash Reserve Fund is the amount actual receipts exceed the certified forecast less receipts above a 3.5% growth over the prior year revenues. Originally under LB1107 this amount would have been added to the income tax credit, but LB873 (2022) fixed those credit amounts for 2022 and 2023, so the difference now is simply retained in the General Fund. FY2022-23 rate and base adjusted revenue growth was 18.7%.

At the October 28, 2022 meeting, the NEFAB increased their forecasts for FY2022-23 by \$620.6 million. The NEFAB also set the forecast for the first time for FY2023-24 and FY2024-25. The forecasts exceeded the LFO preliminary estimates by \$809.5 million FY2023-24 and \$1.059 billion in FY2024-25 for a two year total of \$1.868 billion. The NEFAB reaffirmed the forecast estimates for all three fiscal years at the February 2023 meeting.

At the April 2023 meeting, the NEFAB lowered the forecast for FY2022-23 from \$6.445 billion to \$6.365 billion, and the forecast for FY2022-23 was recertified. Actual receipts for FY2022-23 were \$6.368 billion, which exceeded the certified forecast by \$3 million. The excess above the certified forecast is transferred to the Cash Reserve Fund in FY2023-24. The NEFAB also raised the FY2023-24 forecast from \$6.475 billion to \$6.5 billion and the FY2024-25 forecast from \$6.555 billion to \$6.610 billion.

In July 2023, the FY23-24 forecast was certified at \$6.437 billion, and the FY24-25 forecast, adjusted for 2023 legislation, was \$6.378 billion.

The NEFAB adjusted the forecast at the October 2023 meeting for FY23-24 from \$6.437 billion to \$6.445 billion and for FY24-25 from \$6.378 billion to \$6.365 billion. A more significant adjustment was made to the forecast in February 2024 by the NEFAB to reflect changes in net receipts estimates due to a tax provision enacted in 2023 (LB 754) that changed the filling elections for pass-through entities and created a credit for members for taxes paid by the entity. As a result, the NEFAB raised the forecast for FY23-24 from \$6.445 billion to \$7.02 billion and lowered the forecast for FY24-25 from \$6.365 billion to \$5.84 billion.

Table 5 shows General Fund revenue, including the change in revenue from 2023 and 2024 enacted legislation. In Table 5, LFO Prelim estimates for FY2025-26 and FY2026-27 are the average of all forecasts (LFO S&P GLOBAL, LFO Moody's, NDR S&P GLOBAL, and NDR Moody's) from October 2023. Rate and base adjusted growth in FY2025-26 is 6.0% and in FY2026-27 is 3.6% for a two-year average of 4.8%. Five-year average growth for the status period is 3.7%.

Table 5 General Fund Revenue Forecasts

<i>Revenue Estimates February 2024 Forecast</i>	Actual FY2022-23	NEFAB+Bills FY2023-24	NEFAB+Bills FY2024-25	LFO Prelim+Bills FY2025-26	LFO Prelim+Bills FY2026-27
<u>Actual/Forecast</u>					
Sales and Use Tax	2,335,899,936	2,500,000,000	2,598,903,667	2,656,467,000	2,760,832,550
Individual Income Tax	3,005,952,059	2,800,000,000	2,229,604,000	2,948,082,250	2,775,518,250
Corporate Income Tax	692,964,729	1,400,000,000	739,602,000	518,982,750	496,746,750
Miscellaneous receipts	333,165,768	466,416,542	320,769,248	225,587,532	211,181,532
Total General Fund Revenues	6,367,982,492	7,166,416,542	5,888,878,915	6,349,119,532	6,244,279,082
<u>Adjusted Growth</u>					
Sales and Use Tax	4.1%	7.0%	4.1%	2.2%	4.3%
Individual Income Tax	-2.1%	4.0%	2.9%	15.1%	3.0%
Corporate Income Tax	2.3%	19.3%	-13.0%	-17.9%	5.6%
Miscellaneous receipts	37.9%	-4.2%	-14.2%	-8.1%	-0.7%
Total General Fund Revenues	1.7%	6.5%	0.5%	6.0%	3.6%
Two Yr Average	10.7%	--	3.5%	--	4.8%
Five Yr Average	9.7%	--	8.4%	--	3.7%
<u>Unadjusted Growth</u>					
Sales and Use Tax	9.5%	7.0%	4.0%	2.2%	3.9%
Individual Income Tax	-7.3%	-6.9%	-20.4%	32.2%	-5.9%
Corporate Income Tax	-3.1%	102.0%	-47.2%	-29.8%	-4.3%
Miscellaneous receipts	29.4%	40.0%	-31.2%	-29.7%	-6.4%
Total General Fund Revenues	0.3%	12.5%	-17.8%	7.8%	-1.7%
Two Yr Average	3.4%	--	-2.6%	--	3.1%
Five Yr Average	7.1%	--	4.4%	--	0.2%

It is very difficult to look at the current revenue forecasts for the five year financial status and compare one year to the next because there are so many large items that affect each year differently. These are the types of adjustments that are made for purposes of calculating rate and base adjusted revenue growth, including enacted legislation that provides business tax incentives, lowers tax rates, creates tax credits, or creates exemptions from tax.

Large adjustments include the phase-in of lower individual and corporate income tax rates in LB 873 (2022) and LB 754 (2023), deduction of Social Security income and military retirement income, ImagiNE Act and Nebraska Advantage Act tax incentives, and LB 1107 (2020) income tax credits for property taxes paid. The total of all adjustments, which largely affect individual income taxes, are shown below.

Sales	83,286,603	87,860,603	96,048,936	97,811,003	111,089,413
Ind Income	610,524,500	960,589,400	1,641,578,150	1,507,407,350	1,814,209,990
Corp	171,012,121	(369,428,779)	156,802,271	216,912,871	280,302,271
Misc	(29,575,957)	(175,649,442)	(71,428,013)	3,444,660	16,154,660
TOTAL ADJUSTMENTS	835,247,267	503,371,782	1,823,001,344	1,825,575,884	2,221,756,334

Chronology of Revenue Forecasts

Table 6 contains a chronology of the revenue forecasts for FY22-23 through FY24-25. The first five columns show the total revenue forecast. The last four columns break down the total dollar change in the forecast whether caused by bills enacted by the Legislature, other items such as federal tax changes, with the remaining amount simply a change in the revenue expectations (base).

Table 6 Chronology of Revenue Forecasts

	Sales/Use	Individual	Corporate	Misc	Total Forecast	Change in Forecast			
						Base	Bills	Other	Total
FY2022-23									
Board Est-Oct 2020	2,095,000	2,655,000	345,000	180,000	5,275,000				
Board Est-Feb 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	93,000	0	0	93,000
Board Est-April 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	0	0	0	0
Sine Die-2021 Session	2,119,794	2,477,629	310,601	219,333	5,127,358	0	(51,121)	(189,522)	(240,642)
Board Est-October 2021	2,180,000	2,700,000	450,000	225,000	5,555,000	427,642	0	0	427,642
Board Est-February 2022	2,350,000	2,900,000	475,000	235,000	5,960,000	405,000	0	0	405,000
Sine Die-2022 Session	2,343,598	2,795,159	462,300	223,318	5,824,375	0	(135,625)	0	(135,625)
Board Est-October 2022	2,400,000	3,200,000	575,000	270,000	6,445,000	620,625	0	0	620,625
Board Est-February 2023	2,400,000	3,200,000	575,000	270,000	6,445,000	0	0	0	0
Board Est-April 2023	2,350,000	3,050,000	675,000	290,000	6,365,000	(80,000)	0	0	(80,000)
Sine Die 2023 Session	2,350,000	3,050,000	675,000	300,000	6,375,000	0	10,000	0	10,000
Actual Receipts FY2022-23	2,335,900	3,005,952	692,965	333,166	6,367,983	(7,017)	0	0	(7,017)
Change: First NEFAB to Actual	240,900	350,952	347,965	153,166	1,092,983	1,459,251	(176,747)	(189,522)	1,092,983
FY2023-24									
Sine Die-2022 Session	2,361,186	2,678,378	417,433	208,488	5,665,485	0	(242,515)	0	(242,515)
Board Est-October 2022	2,500,000	3,250,000	475,000	250,000	6,475,000	809,515	0	0	809,515
Board Est-February 2023	2,500,000	3,250,000	475,000	250,000	6,475,000	0	0	0	0
Board Est-April 2023	2,500,000	3,150,000	575,000	275,000	6,500,000	25,000	0	0	25,000
Sine Die 2023 Session	2,494,986	3,065,283	567,874	308,983	6,437,126	0	(62,874)	0	(62,874)
Board Est-October 2023	2,500,000	3,000,000	650,000	295,000	6,445,000	7,874	0	0	7,874
Board Est-Feb 2024	2,500,000	2,800,000	1,400,000	320,000	7,020,000	0	0	575,000	575,000
Sine Die 2024 Session	2,500,000	2,800,000	1,400,000	466,417	7,166,417	0	146,417	0	146,417
Change: First NEFAB to Current	0	(450,000)	925,000	216,417	691,417	32,874	83,542	575,000	691,417
FY2024-25									
Sine Die-2022 Session	2,350,972	2,559,438	385,359	200,403	5,496,172	0	(590,828)	0	(590,828)
Board Est-October 2022	2,600,000	3,275,000	450,000	230,000	6,555,000	1,058,828	0	0	1,058,828
Board Est-February 2023	2,600,000	3,275,000	450,000	230,000	6,555,000	0	0	0	0
Board Est-April 2023	2,600,000	3,225,000	525,000	260,000	6,610,000	55,000	0	0	55,000
Sine Die 2023 Session	2,590,618	2,986,557	505,412	295,698	6,378,285	(0)	(231,715)	0	(231,715)
Board Est-October 2023	2,560,000	2,945,000	580,000	280,000	6,365,000	(13,285)	0	0	(13,285)
Board Est-Feb 2024	2,600,000	2,230,000	740,000	270,000	5,840,000	0	0	(525,000)	(525,000)
Sine Die 2024 Session	2,598,904	2,229,604	739,602	320,769	5,888,879	(0)	48,879	0	48,879
Change: First NEFAB to Current	(1,096)	(1,045,396)	289,602	90,769	(666,121)	41,715	(182,836)	(525,000)	(666,121)

Historical General Fund Revenues

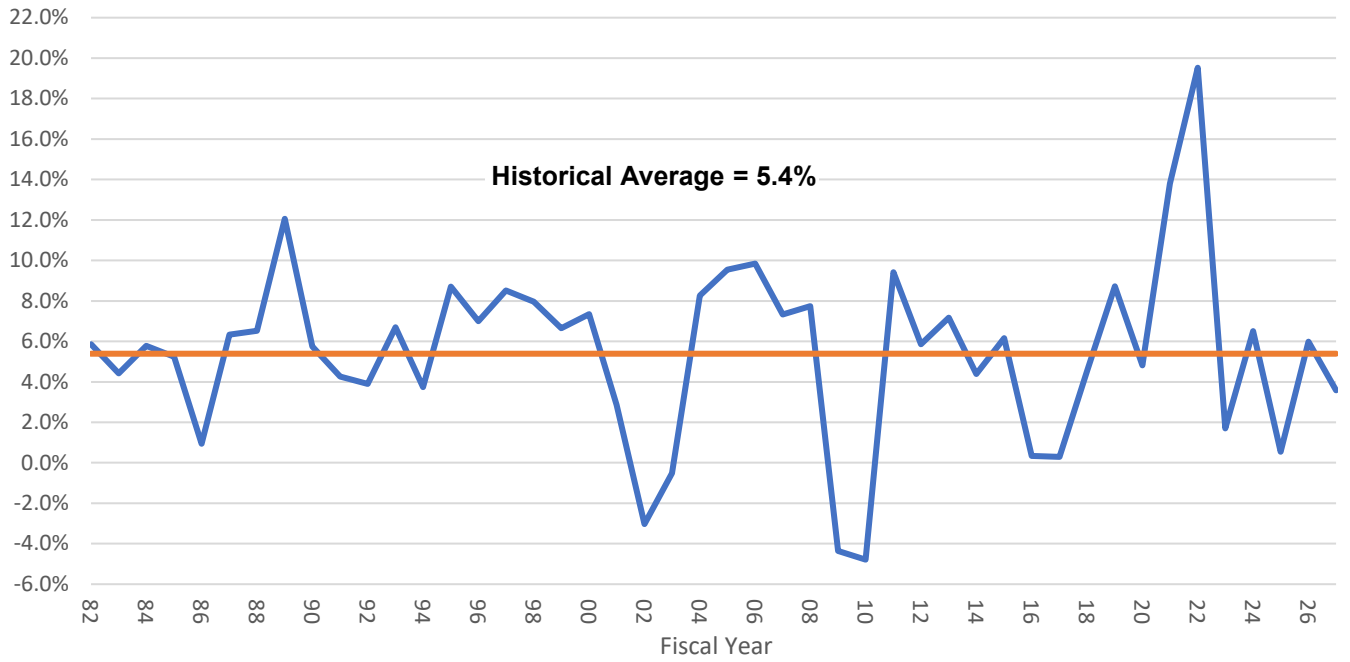
From the numbers shown above, a simple percent change over the prior year can be calculated. While these simple percent changes are appropriate when looking at the actual changes over time, they do not represent what is commonly referred to as revenue growth. *For purposes here, revenue growth means the growth in revenues caused by economic activity and inflation as arrived at by adjusting for items such as tax base and rate changes, legislation enacted, and one-time extraordinary items.* The objective is to measure underlying patterns of revenue growth ignoring such changes.

The average growth (adjusted for changes in tax rates and the tax base, legislation, etc.) over the past 46 years is 5.4%. This revenue growth over time reflects the ebb and flow of economic activity and economic cycles. It reflects new businesses created and existing businesses that close as well as new products and services added to the tax base and existing products and services that are eliminated or expire. The key is the **net** impact. The new or expanded businesses, products or services more than offsets those that decline or disappear leaving a net overall increase averaging a 5.4% growth. The unadjusted percent change, which does not account for any legislative changes in the tax base or tax rate, is shown in the second column from the right in Table 7. The last column on the right in Table 7, Adj. Growth, is the rate and base adjusted growth rate, which does account for these changes and is intended to show the economic changes in revenue.

Table 7 Actual and Projected General Fund Revenues

	Sales/ Use	Individual Income	Corporate Income	Misc. Receipts	Total GF Receipts	Adjusted Growth
FY2000-01 Actual	905.0	1,233.4	138.1	180.4	2,456.9	2.9%
FY2001-02 Actual	918.9	1,159.8	107.6	179.2	2,365.5	-3.0%
FY2002-03 Actual	1,028.9	1,129.4	111.6	186.4	2,456.4	-0.5%
FY2003-04 Actual	1,114.4	1,249.9	167.4	187.0	2,718.7	14.2%
FY2004-05 Actual	1,231.0	1,400.1	198.4	207.7	3,037.2	9.4%
FY2005-06 Actual	1,263.7	1,545.3	262.3	280.9	3,352.2	8.9%
FY2006-07 Actual	1,303.8	1,650.9	213.0	240.6	3,408.3	6.9%
FY2007-08 Actual	1,321.9	1,726.1	232.9	225.3	3,506.2	7.6%
FY2008-09 Actual	1,326.2	1,600.4	198.5	232.4	3,357.5	-1.6%
FY2009-10 Actual	1,289.8	1,514.8	154.3	245.7	3,204.7	-12.7%
FY2010-11 Actual	1,372.8	1,735.2	154.9	236.7	3,499.7	2.6%
FY2011-12 Actual	1,436.9	1,822.9	234.3	201.8	3,695.9	5.9%
FY2012-13 Actual	1,474.9	2,101.9	275.6	199.9	4,052.4	7.2%
FY2013-14 Actual	1,524.8	2,060.8	306.6	225.3	4,117.5	4.4%
FY2014-15 Actual	1,535.4	2,205.5	346.5	217.7	4,305.1	6.2%
FY2015-16 Actual	1,528.0	2,221.1	307.6	251.2	4,308.0	0.3%
FY2016-17 Actual	1,548.4	2,224.8	264.5	228.1	4,265.8	0.3%
FY2017-18 Actual	1,602.7	2,360.6	313.7	290.0	4,566.9	4.5%
FY2018-19 Actual	1,658.1	2,545.7	423.7	268.8	4,896.4	8.7%
FY2019-20 Actual	1,848.2	2,445.7	391.2	254.7	4,939.8	4.8%
FY2020-21 Actual	2,009.7	3,130.6	571.2	247.5	5,959.0	13.8%
FY2021-22 Actual	2,133.2	3,243.2	715.1	257.4	6,348.9	19.5%
FY2022-23 Actual	2,335.9	3,006.0	693.0	333.2	6,368.0	1.7%
FY2023-24 NEFAB	2,500.0	2,800.0	1,400.0	466.4	7,166.4	6.5%
FY2024-25 NEFAB	2,598.9	2,229.6	739.6	320.8	5,888.9	0.5%
FY2025-26 LFO Prelim	2,656.5	2,948.1	519.0	225.6	6,349.1	6.0%
FY2026-27 LFO Prelim	2,760.8	2,775.5	496.7	211.2	6,244.3	3.6%
Historical Average	4.4%	6.5%	6.3%	1.3%	5.4%	
Above Average Years (26)	5.7%	10.2%	13.8%	2.0%	8.1%	
Below Average Years (20)	2.6%	1.9%	-3.2%	1.4%	1.5%	

General Fund Adjusted Revenue Growth



General Fund Transfers-Out

This area tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation in that they reduce available funds, but are not expended as such and thus are shown under the revenue category (see line 9 on the Financial Status on page 6).

Table 8 - General Fund Transfers Out

	Biennial Budget			Following Biennium	
	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Property Tax Credit Fund	(310,000,000)	(360,000,000)	(395,000,000)	(427,000,000)	(442,000,000)
Water Resources Cash Fund	(3,300,000)	0	0	0	0
Cultural Preservation Endowment Fund (with LB142)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Water Sustainability Fund	(11,000,000)	(11,000,000)	(2,519,000)	(11,000,000)	(11,000,000)
Critical Infrastructure Fund (Gering-Ft. Laramie repairs)	0	0	0	0	0
Rural Workforce Housing Investment Fund (LB 773-2019)	0	0	0	0	0
Middle Income Workforce Housing Investment Fund (LB 866-20190)	0	0	0	0	0
NCCF- Corrections overcrowding	0	0	0	0	0
Prison Overcrowding Contingency Fund	0	0	0	0	0
Nebraska Revolving Loan Fund (per LB1107-2020)	(5,000,000)	0	0	0	0
Hall of Fame Trust Fund (LB 42-2021)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Customized Job Training Cash Fund (LB 391-2021)	0	0	0	0	0
Nebraska Film Office Cash Fund (2021)	0	0	0	0	0
Public Advocacy Cash Fund	(520,000)	(1,000,000)	(1,000,000)	0	0
Municipal gas emergency act (LB131-2021)	0	0	0	0	0
Municipal Inland Port Authority Act (LB156-2021)	(5,000,000)	(5,000,000)	0	0	0
Shovel-Ready Capital Recovery/Invest Act (LB566-2021)	(15,000,000)	0	0	0	0
Water Recreation Enhancement Fund (STARWARS) (LB 1011-2022)	(100,000,000)	0	0	0	0
NCCF - Fund shifts and new projects (LB 1011-2022)	(40,723,459)	0	0	0	0
Jobs & Econ Development Initiative (STARWARS) (LB 1011-2022)	(20,000,000)	0	0	0	0
Governors Emergency Fund (LB 1011-2022)	(5,000,000)	0	0	0	0
Nebr Environmental Response Act (LB 1102-2022)	(300,000)	0	0	0	0
Community College State Dependents Fund	(1,000,000)	(1,000,000)	0	0	0
Economic Recovery Act	0	(10,000,000)	(40,000,000)	0	0
Education Future Fund	0	(1,000,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
DEE LEAD Cash Fund	0	(10,000,000)	0	0	0
Nuclear & Hydrogen Deve. Fund (LB 565-2023)	(200,000)	0	0	0	0
Workers' Compensation Court Cash	0	(750,000)	0	0	0
School Mapping Fund (LB 1329-2024)	0	0	(525,000)	0	0
Community College Future Fund (LB 243-2023)	0	0	(254,499,886)	(263,407,382)	(272,626,640)
<i>General Fund Transfers-Out</i>	<i>(518,053,459)</i>	<i>(1,399,760,000)</i>	<i>(944,553,886)</i>	<i>(952,417,382)</i>	<i>(976,636,640)</i>

2024 Changes in General Fund Transfers-Out

Community College State Dependents Fund

Created in the mid-biennium adjustments in 2022 (LB 1012), this fund is used for community college tuition reimbursements for dependents of state employees. This program is designed to target dependents who begin their program of study between ages of 18-25 years old, and would provide tuition reimbursement (a maximum of 65 credit hours per student) for those dependents of state employees who earn a grade of C or higher upon completion of a course. Reimbursement checks would be administered by DAS Benefits Administration and would be issued directly to state employees. A separate cash fund was established to account for the expenditures, and the cash fund is funded by transfers from the General Fund. Funding was initially \$500,000 in

FY21-22 and \$1 million in FY22-23. In the 2023 enacted biennial budget, transfer from the General Fund of \$1 million in FY23-24 and \$1.5 million in FY24-25 are included to expand the program.

Due to the amount of available funding from transfers relative to expected expenditures through FY24-25, the enacted transfer in FY24-25 of \$1.5 million is reduced in the 2024 enacted budget. More time has been needed than originally anticipated to achieve maximize usage, and current funding is sufficient to last through the biennium.

Water Sustainability Fund

The 2024 budget adjustments include four items relating to the Water Sustainability Fund:

- Decreased the transfer from the General Fund to the Water Sustainability Fund from \$11,000,000 in FY2024-25 to \$2,519,000, a delta of \$8,481,000;
- Added an earmark prohibiting the Water Sustainability Fund to be expended on the Cedar/Knox Rural Drinking Water Project;
- Reduced the base re-appropriation of the Water Sustainability Fund by \$8,481,000; and
- Added an earmark for the Natural Resources Commission to prioritize projects for Federally recognized Indian Tribes which are under a no-drink order from the Environmental Protection Agency.

The Water Sustainability Fund was established in 2014 by LB1098 with initial transfer of \$21 million. The total funds transferred into the Water Sustainability Fund over the past decade is approximately \$100 million with approximately all funds having been awarded. Current fund balance is about \$40 million.

The Natural Resources Commission is tasked with awarding Water Sustainability Fund Projects with the scoring prescribed in statute under 2-1508. The Cedar/Knox County project was awarded \$8,481,000 in October of 2022 with the contract being signed in March of 2023. Once contracts are awarded under the Water Sustainability Fund the Department is statutorily required to create a subaccount corresponding to the project (2-1507), the intent is this would reduce the appropriation and fund balance of that subaccount thus voiding the contract through absence of state appropriation.

An earmark was created for the fund in LB1413 to require the Natural Resources Commission to prioritize projects for drinking water improvements for any federally recognized Indian Tribe whose drinking water is under a no-drink order from the United States Environmental Protection Agency.

Community College Future Fund

LB 243 (2023) limits the ability of community college areas to levy property taxes for FY 24-25 and after. The state would distribute funds to community college areas to offset the funds lost by community college areas with the elimination of their levy authority under subdivisions (2) (a) and (c) of section 85-1517 with community colleges retaining the levy authority under (b). The funds would be distributed to community college areas by the government of the State of Nebraska in the following manner:

- FY 24-25: The amount of property taxes levied by the community college area for FY 23-24 pursuant to subdivisions (2) (a) and (c) of section 85-1517 or the amount of property taxes that would have been generated from a levy of \$0.075 per \$100 of taxable valuation, whichever is greater, with the amount then increased by 3.5% or the percentage increase in the reimbursable educational units of the community college area, whichever is greater.
- FY 25-26 and after: The amount distributed to the community college area in the prior fiscal year, increased by 3.5% or the percentage increase in the reimbursable educational units of the community college area, whichever is greater.

The amounts are calculated by the Coordinating Commission for Postsecondary Education (Commission). The Commission annually certifies the total amount to be distributed. The State Treasurer transfers the certified

amount from the General Fund to the newly created Community College Future Fund in 10 equal payments distributed monthly beginning in September and continuing through June. The Commission makes distributions to the community college areas in ten equal payments distributed monthly beginning in September and continuing through June each year.

Beginning in FY 24-25, if the state would fail to provide the full funding calculated for it to distribute in this aspect of the amendment, a community college area could, if approved by a majority vote of the community college board of governors, levy an amount for the fiscal year under subdivision (2) (a) of section 85-1517 sufficient to generate revenue equal to the amount that would have been provided to the community college area as calculated by the Commission to be fully funded minus the amount that was actually provided to the community college area.

The total amount transferred in FY24-25, originally estimated to be \$246,499,886, is now estimated to be approximately \$8 million higher based on the most recent information. Updated estimates on growth in REU's lead to an increased estimate for aid required under the act. In future years, total certified aid continues to increase from the prior year at 3.5% or the percentage increase in REU's, whichever is greater. For purposes of the General Fund financial status, increases in the total amount transferred in FY25-26 and FY26-27 is estimated to grow at 3.5%.

School Emergency Mapping Fund

LB 1329 (2024) creates the School Emergency Mapping Fund and provides for a transfer from the General Fund of \$525,000 in FY24-25. Under the bill, school boards or governing authorities of approved schools may adopt a policy to provide mapping data to local, county, or state public safety agencies. The data must be compatible, printable, verified for accuracy, and include floor plans and site-specific labels. Schools adopting this policy must annually certify data accuracy.

Historical General Fund Transfers-Out

The total amount of funds transferred out of the General Fund has grown significantly over time, and most notably since FY20-21. In 2007, the Property Tax Credit Act was enacted and funded through a transfer to the Property Tax Credit Cash Fund. Transfers for this program constituted 80-96% of all transfers out of the General Fund until FY21-22.

In FY21-22, there was a 41% increase in transfers out, as compared to FY2020-21, followed by an 18% increase in FY22-23, and a 170% increase in FY2023-24. A large portion of the 41% increase in FY21-22 included funds transferred to the NCCF for construction of prison facilities. In FY22-23, additional transfers to the NCCF, to the Water Recreation Enhancement Fund and JEDI Fund for the STARWARS projects, and to the Shovel-Ready Capital Investment Fund contributed to an 18% increase in funds transferred out. Beginning in FY23-24, the transfer to the Education Future Fund for special education and foundation aid expenses contributed to the large 170% increase.

Estimates for transfers out in FY24-25 through FY26-27 indicate 40-45% of funds transferred will be to the Property Tax Credit Fund, 26% of funds transferred will be to the Education Future Fund, and about 27% of funds transferred will be to the Community College Future Fund for aid to community colleges.

Table 9 – Historical General Fund Transfers Out

Fiscal Year	Total General Fund Transfers Out	% Change from Prior Year	Prop Tax Credit Fund	% of Total Prop Tax Credit Fund	Education Future Fund	% of Total Education Future Fund	Comm College Future Fund	% of Total Comm College Future Fund
FY03-04	(1,640,000)	-69.06%	0	0.00%	0	0.00%	0	0.00%
FY04-05	(1,640,000)	0.00%	0	0.00%	0	0.00%	0	0.00%
FY05-06	(9,140,000)	457.32%	0	0.00%	0	0.00%	0	0.00%
FY06-07	(9,140,000)	0.00%	0	0.00%	0	0.00%	0	0.00%
FY07-08	(128,730,000)	1308.42%	(105,000,000)	81.57%	0	0.00%	0	0.00%
FY08-09	(120,200,000)	-6.63%	(115,000,000)	95.67%	0	0.00%	0	0.00%
FY09-10	(126,050,000)	4.87%	(112,000,000)	88.85%	0	0.00%	0	0.00%
FY10-11	(120,725,000)	-4.22%	(112,000,000)	92.77%	0	0.00%	0	0.00%
FY11-12	(140,800,000)	16.63%	(110,000,000)	78.13%	0	0.00%	0	0.00%
FY12-13	(114,700,000)	-18.54%	(110,000,000)	95.90%	0	0.00%	0	0.00%
FY13-14	(121,300,000)	5.75%	(113,000,000)	93.16%	0	0.00%	0	0.00%
FY14-15	(188,350,000)	55.28%	(138,000,000)	73.27%	0	0.00%	0	0.00%
FY15-16	(222,400,000)	18.08%	(202,000,000)	90.83%	0	0.00%	0	0.00%
FY16-17	(217,100,000)	-2.38%	(202,000,000)	93.04%	0	0.00%	0	0.00%
FY17-18	(233,470,000)	7.54%	(221,000,000)	94.66%	0	0.00%	0	0.00%
FY18-19	(230,300,000)	-1.36%	(221,000,000)	95.96%	0	0.00%	0	0.00%
FY19-20	(286,800,000)	24.53%	(272,000,000)	94.84%	0	0.00%	0	0.00%
FY20-21	(310,600,000)	8.30%	(272,000,000)	87.57%	0	0.00%	0	0.00%
FY21-22	(440,830,000)	41.93%	(297,000,000)	67.37%	0	0.00%	0	0.00%
FY22-23	(518,053,459)	17.52%	(310,000,000)	59.84%	0	0.00%	0	0.00%
FY23-24	(1,399,760,000)	170.20%	(360,000,000)	25.72%	(1,000,000,000)	71.44%	0	0.00%
FY24-25	(944,553,886)	-32.52%	(395,000,000)	41.82%	(250,000,000)	26.47%	(254,499,886)	26.94%
FY25-26	(952,417,382)	0.83%	(427,000,000)	44.83%	(250,000,000)	26.25%	(263,407,382)	27.66%
FY26-27	(976,636,640)	2.54%	(442,000,000)	45.26%	(250,000,000)	25.60%	(272,626,640)	27.91%

General Fund Transfers In

Cash funds are funds that contain earmarked revenue sources and monies in those funds can only be used for the purposes authorized by statute. In many instances (since the 2009 special session), an authorized use of monies in a cash fund is transfers to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as “Transfers in” and are included as General Fund revenues. These transfers do not include any transfers into the General Fund from the Cash Reserve Fund.

Historically there have been transfers from three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. In the 2021 session, the enacted budget included transfers-in of \$33.3 million in FY21-22 and \$39.3 million in FY22-23. Also included was cancellation of a \$2.25 million of the \$28 million FY21 transfer of Securities Act funds due to lack of adequate cash flow.

In the 2023 session, transfers into the General Fund in the enacted budget equaled the same amount as in FY22-23. These transfer amounts are already incorporated into the “Net Receipts” figures of the NEFAB forecasts.

The 2024 budget adjustments include additional transfers into the General Fund of \$146,416,542 in FY23-24 and \$51,376,716 in FY24-25.

The total amount of transfers included in the recommendation is \$185,712,499 in FY23-24 and \$90,672,673 in FY24-25, which includes those amounts enacted in 2023 and included in the February 2024 NEFAB General Fund net revenue forecast.

Table 10 General Fund Transfers-In Already in Forecast (Enacted 2023)

	Actual	Biennial Budget		Following Biennium	
	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Securities Act Cash Fund	24,000,000	24,000,000	24,000,000	0	0
Dept of Insurance Cash Fund	8,000,000	8,000,000	8,000,000	0	0
Tobacco Products Admin Cash Fund	7,000,000	7,000,000	7,000,000	0	0
State Settlement Cash Fund	295,957	295,957	295,957	0	0
Total General Fund Transfers-In (2023)	39,295,957	39,295,957	39,295,957	0	0

Table 11 General Fund Transfers-In (Enacted 2024)

	Biennial Budget		Following Biennium	
	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Securities Act Cash Fund	15,500,000	15,500,000	0	0
Dept of Insurance Cash Fund	24,000,000	4,000,000	0	0
Tobacco Products Admin Cash Fund	8,000,000	2,000,000	0	0
State Settlement Cash Fund	10,000,000	5,000,000	0	0
Universal Services Fund (interest)	0	interest	0	0
Records Management Cash Fund	3,000,000	0	0	0
Revenue Enforcement Fund	4,000,000	1,000,000	0	0
Charitable Gaming Operations Fund	7,000,000	1,500,000	0	0
Civic and Community Center Fund	0	4,000,000	0	0
Water Recreation Enhancement Fund	6,500,000	0	0	0
Contractor & Professional Employer Org Reg.	1,000,000	0	0	0
Dept of Motor Vehicles Cash Fund	1,166,542	526,716	0	0
Site and Building Development Fund	0	9,000,000	0	0
Job Training Cash Fund	0	2,600,000	0	0
State Unemployment Insurance Trust	30,000,000	0	0	0
Employment Security Contingency	2,500,000	2,500,000	0	0
Training and Support Fund	1,000,000	0	0	0
Behavioral Health Services Cash	11,000,000	2,000,000	0	0
Health and Human Services Cash	14,750,000	1,750,000	0	0
HHS Professional & Occupational Credentialing	7,000,000	0	0	0
Transfers-In (2024)	146,416,542	51,376,716	0	0

2024 Increases in Existing Transfers-In

Securities Act Cash Fund

The Securities Act Cash Fund transfer to the General Fund is increased by \$15.5 million per year for a total of \$39.5 million per year for FY24 and FY25. Projected fund balance at the end of FY24-25 will be approximately \$15.3 million.

Insurance Cash Fund

The Insurance Cash Fund transfer to the General Fund was increased by \$24 million for FY24 and \$4 million for FY25. The total transfer is \$32 million for FY24 and \$12 million for FY25. Projected fund balance at the end of FY24-25 will be approximately \$7.3 million.

Tobacco Products Administration Cash Fund

The 2024 budget adjustments include an increase to the transfers from the Tobacco Products Administration Cash Fund to the General Fund. The enacted budget increases this transfer from \$7 million to \$15 million in FY24 and \$7 million to \$9 million in FY25. The Tobacco Products Administration Cash Fund receives tobacco tax revenue with administrative expenditures connected to this tax paid out of the fund. Projected fund balance at the end of FY24-25 will be approximately \$1.4 million.

State Settlement Cash Fund

The 2023 enacted budget included a transfer to the General Fund from the State Settlement Cash Fund of \$295,957 each year. The 2024 budget adjustments include transferring an additional \$10 million in FY23-24 and \$5 million in FY24-25 due to the high unobligated balance in the State Settlement Cash Fund. Funds in the State Settlement Cash Fund originate from court ordered settlements for prior cases. Projected fund balance at the end of FY2024-25 will be approximately \$12.2 million.

New 2024 General Fund Transfers-In

Universal Services Fund

For FY24-25, all interest earned on the Universal Service Fund, minus any amount transferred to the 211 Cash Fund, is transferred to the General Fund. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be approximately \$127.3 million.

Records Management Cash Fund

The 2024 budget adjustments include a transfer of \$3 million from the Records Management Cash Fund to the General Fund in FY23-24. Funds in the Records Management Cash Fund originate from fees for services provided. Projected fund balance at the end of FY24-25 will be approximately \$3.7 million.

Department of Revenue Enforcement Cash Fund

The budget includes transfers from the Department of Revenue Enforcement Cash Fund to the General Fund of \$4 million in FY24 and \$1 million in FY25. This fund is permitted to be used for operational expenses related to revenue enforcement. Projected fund balance at the end of FY24-25 will be approximately \$2.1 million.

Charitable Gaming Operations Fund

The budget includes transfers from the Charitable Gaming Operations Fund to the General Fund of \$7 million in FY24 and \$1.5 million in FY25. 40% of taxes collected under the acts the Charitable Gaming Division of the Department of Revenue is responsible for are available for administering and enforcing the acts; the remaining 60% is transferred to the General Fund. This Cash Fund is also used to provide support for the Nebraska Commission on Problem Gambling. Projected fund balance at the end of FY24-25 will be approximately \$500,000.

Civic and Community Center Fund

The budget includes a transfer of \$4 million from the Civic and Community Center Financing Fund (CCCCF) in FY24-25 to the General Fund. The CCCCCF receives 30% of the revenue certified under the Convention Center Facility Financing Act, a sales-tax turnback used for financing Convention Centers. The CCCCCF is used to award grants for the construction of new civic and recreation centers, renovation of existing centers, preservation of historic buildings or districts, upgrading public spaces including demolition of substandard or abandoned buildings, technical studies related to upgrading civic spaces, and in assisting creative arts districts. Projected fund balance at the end of FY24-25 will be approximately \$1.6 million.

Water Recreation Enhancement Fund

The Water Recreation and Enhancement Fund was funded by a \$100 million transfer from the General Fund in FY22-23. This fund is used to support the Statewide Tourism and Recreational Water Access and Resource Sustainability (STARWARS) initiatives at three state park areas as proposed by the STARWARS Legislative special (Lewis and Clark State Recreation Area, Niobrara State Park, and Lake McConaughy State Recreation Area) for the purpose of increasing access to water resources, outdoor recreational opportunities, and tourism. The \$6.5 million transfer and corresponding reappropriation lapse of the same amount both narrow the scope of projects slightly by eliminating authorization for projects to increase access to the parks. Projected fund balance at the end of FY24-25 will be approximately \$88.3 million.

Contractor and Professional Employer Organization Regulation Fund

The budget includes a transfer of \$1 million from the Contractor and Professional Employer Organization Registration Cash Fund in fiscal year 2023/24 to the General Fund. Funds in the Contractor and PEO fund originate from fees collected pursuant to the Farm Labor Contractors Act, the Contractor Registration Act, and the Professional Employer Organization Registration Act. Projected fund balance at the end of FY24-25 will be approximately \$500,000.

Department of Motor Vehicles Cash Fund

The budget includes a transfer of \$1,166,542 in FY23-24 and \$526,716 in FY24-25 from the Department of Motor Vehicles Cash Fund. The transfer amounts equal the savings resulting to the agency from reduced OCIO rates in each fiscal year. Revenue in the fund is from fees related to motor vehicles, including drivers' licenses, registration, license plates, issuance of title, and ignition interlock permits, and is used for administration expenses of the department. Projected fund balance at the end of FY24-25 will be approximately \$10 million.

Site and Building Development Fund

The budget includes a transfer of \$9 million in FY24-25 from the Site and Building Development Fund to the General Fund in FY24-25. The Fund was established in 2011 by LB388 and has historically been funded by a portion of the Documentary Stamp Tax though recently has received large transfers from the General and Cash Reserve Funds approved by the Legislature. The primary purpose of the fund has been to issue grants to municipalities to assist in making sites ready for industrial development, though there have been projects earmarked for special purposes within the fund. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be approximately \$5 million.

Job Training Cash Fund

The Job Training Cash Fund Cash Fund, in its current form, was established via a transfer of \$15 million from the Cash Reserve Fund in 2005 (LB427). The budget includes a transfer of the balance of the fund as it exists at the end of FY2024-25. Current balance in the fund is approximately \$2.6 million. The Department of Economic Development has been in the process of winding down the fund with the fund balance being unable to continue the program in FY25-26. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be zero.

State Unemployment Insurance Trust Fund

The budget includes a transfer of \$30 million from the State Unemployment Insurance Trust Fund (SUIT) in FY23-24 to the General Fund. An additional \$40 million is transferred from the SUIT Fund to a newly created Workforce Development Program Fund, for the purpose of the Department of Labor's Workforce Development Program. This provides funding for 4 years of the program. Funds in the SUIT Fund originate from all state unemployment insurance tax collected under sections 48-648 to 48-661. The transfers require amending the provisions of the fund to allow transfer to the two funds. Projected fund balance at the end of FY24-25 will be approximately \$7.2 million.

Employment Security Special Contingent Fund

The budget includes a transfer of \$2.5 million each fiscal year from the Employment Security Special Contingent Fund to the General Fund. Funds in the Employment Security Special Contingent Fund originate from interest on delinquent unemployment insurance contributions. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be approximately \$3.7 million.

Training and Support Fund

The budget includes a transfer of \$1 million from the Training and Support Cash Fund in FY23-24 to the General Fund. Funds in the Training and Support Cash Fund originate from interest earned on the SUIT Fund. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be approximately \$2.2 million.

Behavioral Health Services Cash Fund

The budget includes a transfer \$11 million in FY23-24 and \$2 million in FY24-25 from the Behavioral Health Services Fund to the General Fund. This fund receives a portion of the Documentary Stamp Tax, approximately \$5 million in the past two years. The balance has grown over time as expenditures on aid have remained flat at approximately \$3 million. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY24-25 will be approximately \$3.2 million.

Health and Human Services Cash Fund

The 2024 budget adjustments include includes a transfer \$14.75 million in FY23-24 and \$1.75 million in FY24-25 from the Health and Human Services Cash Fund to the General Fund. The total is composed of transfers from the following sub-funds: \$8 million in FY2023-24 only from the HHS MMIS Fund, \$2.75 million in FY2023-24 and \$750,000 in FY2024-25 from the X-Ray Fund, \$2 million in FY2023-24 and \$500,000 in FY2024-25 from the Pharmacy Fund, and \$2 million in FY2023-24 and \$500,000 in FY2024-25 from the Wholesale Drug Distributor Fund. Projected fund balance at the end of FY24-25 will be approximately \$5 million.

Professional and Occupational Credentialing Cash Fund

The budget includes a transfer \$7 million in FY23-24 from the Professional and Occupational Credentialing Cash Fund to the General Fund. The fund collects revenue from fees imposed on 43 different professions and occupations that are overseen by DHHS. Revenue fluctuates on a two-year basis due to biennial renewals. The balance has grown over time as revenues have grown while expenditures on operations remain flat. Projected fund balance at the end of FY24-25 will be approximately \$5.6 million.

Historical General Fund Transfers-In

Table 12 shows historical transfers from cash funds, not including the Cash Reserve Fund, to the General Fund. In times of economic downturn, the amounts are generally higher (i.e. FY09-10, FY10-11, FY17-18, and FY18-19).

Table 12 Historical General Fund Transfers-In

Fiscal Year	Fiscal Year End Cash Fund Balances	Annual % Change	GF Transfers In	GF transfer as % of Cash Balance
FY06-07	703,953,655		26,750,000	3.80%
FY07-08	784,089,055	11.38%	14,350,000	1.83%
FY08-09	783,844,862	-0.03%	34,000,000	4.34%
FY09-10	830,080,007	5.90%	73,010,000	8.80%
FY10-11	898,463,791	8.24%	72,158,100	8.03%
FY11-12	980,149,585	9.09%	37,897,500	3.87%
FY12-13	1,039,318,217	6.04%	33,300,000	3.20%
FY13-14	1,113,368,176	7.12%	37,200,000	3.34%
FY14-15	1,186,428,822	6.56%	44,000,000	3.71%
FY15-16	1,169,967,853	-1.39%	55,645,000	4.76%
FY16-17	1,209,813,774	3.41%	48,800,000	4.03%
FY17-18	1,235,730,547	2.14%	107,829,101	8.73%
FY18-19	1,335,267,411	8.05%	97,589,933	7.31%
FY19-20	1,493,155,555	11.82%	48,795,957	3.27%
FY20-21	1,754,898,719	17.53%	49,045,957	2.79%
FY21-22	1,989,682,173	13.38%	33,295,957	1.67%
FY22-23	2,528,892,295	27.10%	39,295,957	1.55%
FY23-24*	2,679,435,245	5.95%	185,712,499	6.93%
FY24-25*	2,838,939,897	5.95%	90,672,673	3.19%

* Fiscal year end cash fund balance is estimated.

General Fund Revenue Legislation – 2024 Session

Legislation affecting General Fund Revenue enacted in 2023 is described in detail in the 2023 Biennial Budget Report, and the amount related to such enacted legislation are incorporated in the General Fund net receipts forecast and “out-year” estimates used for the 2024 session.

There were several significant revenue bills enacted in the 2024 legislative session. The following table lists the bills enacted followed by a narrative description of the major bills in numerical order.

Table 13 General Fund Revenue Bills Enacted – 2024 Session

2024 Revenue Bills Enacted	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Type
LB 287-Change election and Open Meetings Act	0	(1,011,468)	(1,011,468)	(1,011,468)	Misc
LB 685-Change amusement device fees	0	404,000	463,000	490,000	Misc
LB 937-Change income tax credits	0	(688,000)	(1,183,000)	(1,343,000)	Sales
LB 937-Change income tax credits	0	(375,000)	(4,125,000)	(5,625,000)	Ind
LB 937-Change income tax credits	0	(125,000)	(1,375,000)	(1,875,000)	Corp
LB 1023-Provide for deductions expenditures	0	(10,470,000)	(30,289,000)	(34,327,500)	Ind
LB 1023-Provide for deductions expenditures	0	0	(1,250,000)	(4,351,500)	Corp
LB 1197-Change Sports Arena Facility Financing	0	indeterminate, but could be up to \$20 mil/yr			Sales
LB 1317-Change tax provisions	0	(408,333)	(1,029,000)	(1,080,450)	Sales
LB 1317-Change tax provisions	0	12,093,000	7,275,250	6,387,750	Ind
LB 1317-Change tax provisions	0	(48,000)	(115,250)	(100,750)	Corp
LB 1344-Change NE Innovation Hub Act	0	(675,000)	(675,000)	(2,250,000)	Ind
LB 1344-Change NE Innovation Hub Act	0	(225,000)	(225,000)	(750,000)	Corp
LB 1394-Exempt National Guard income from tax	0	(969,000)	(2,231,000)	(2,016,000)	Ind
LB 1402-Change Opportunity Scholarships	0	0	18,750,000	18,750,000	Ind
LB 1402-Change Opportunity Scholarships	0	0	6,250,000	6,250,000	Corp
Total - Revenue Bills	0	(2,497,801)	(10,770,468)	(22,852,918)	
Cash Fund Transfers In - Budget bills	146,416,542	51,376,716	0	0	Misc
Total Revenue Bills to add to NEFAB forecast	146,416,542	48,878,915	(10,770,468)	(22,852,918)	
LB 1329-Change Career Scholarship Act	0	(525,000)	0	0	Tr.
Subtotal - GF Transfers Out	0	(525,000)	0	0	
Total - All Revenue Legislation	146,416,542	48,353,915	(10,770,468)	(22,852,918)	
2024 Bills by Type of Tax					
Sales/Use Tax	0	(1,096,333)	(2,212,000)	(2,423,450)	Sales
Individual Income Tax	0	(396,000)	(11,294,750)	(19,080,750)	Ind
Corporate Income Tax	0	(398,000)	3,284,750	(827,250)	Corp
Miscellaneous Tax	146,416,542	50,769,248	(548,468)	(521,468)	Misc
Total Revenue Bills to add to NEFAB forecast	146,416,542	48,878,915	(10,770,468)	(22,852,918)	Total

LB 287

LB 287 changes the allocation of the Driver Record Request fee. The net impact of this reallocation is that an additional \$1 per record is credited to the Department of Motor Vehicles Cash Fund and \$1 less per record is credited to the General Fund. It is estimated that \$1 is equivalent to \$1,011,468 each year.

The bill contains various, other provisions but those provisions have no fiscal impact to revenue.

LB 685

LB 685 makes changes to the Mechanical Amusement Device Tax Act.

Beginning January 1, 2025, the annual license for a distributor of a cash device is to be accompanied by a fee of \$100 per device up to a maximum of \$5,000. The license fee for a manufacturer of a cash device is to be \$5,000. These fees go into the General Fund.

In order to be eligible to operate cash devices, an owner or operator other than a fraternal organization needs to generate at least 60% of the gross operating revenue of the retail establishment from sources other than the total gross operating revenue of any cash devices located within the retail establishment. The number of cash devices permitted at any retail establishment cannot exceed the lesser of either:

- Except for a fraternal organization, the number of cash devices it takes to generate 40% of the gross operating revenue of the retail establishment; or
- Four cash devices, except that an establishment with over 4,000 square feet can have one cash device for each 1,000, up to a maximum of 15 cash devices.

The bill changes the age to play or participate in any way in the operation of a cash device from 19 to 21 years of age.

No political subdivision of the State of Nebraska can levy or impose any tax on mechanical amusement devices in addition to the taxes imposed by the Act.

The bill requires the Tax Commissioner to establish a central server for purposes of receiving data and accurate revenue and income reporting from cash devices across the state. The server needs to be in place and operational within one year after the effective date of the bill.

Under LB 685, beginning on and after July 1, 2025, any operator of a cash device within the state other than a fraternal organization pays a tax for each cash device operated each calendar quarter during the taxable year. The tax is 5% of the net operating revenue for each cash device. The operator would submit the quarterly tax on a form prescribed by the Tax Commissioner documenting the total gross and net operating revenue for that quarter. The Tax Commissioner would remit the taxes to the State Treasurer for credit as follows:

- 20% to the Charitable Gaming Operations Fund for enforcement of the Act and maintenance of the central server
- 2.5% to the Compulsive Gamblers Assistance Fund
- 2.5% to the General Fund
- 10% to the Nebraska Tourism Commission Promotional Cash Fund
- 40% to the Property Tax Credit Cash Fund
- 25% to the county treasurer of the county in which the cash device is located to be distributed as follows:
 - If the cash device is located completely within an unincorporated area of a county, all 25% would be distributed to the county in which the cash device is located; or
 - If the cash device is located within the limits of a city or village in such county, half of the 25% would be distributed to such county and half of the 25% would be distributed to the city or village in which such cash device is located.

The provisions related to the Mechanical Amusement Device Tax Act have a revenue impact as follows:

	FY 24-25	FY 25-26	FY 26-27
Charitable Gaming Operations Fund		\$ 400,000	\$ 546,000
Compulsive Gamblers Assistance Fund	\$ -	\$ 50,000	\$ 68,000
General Fund	\$ 404,000	\$ 463,000	\$ 490,000
Nebraska Tourism Commission Promotional Cash Fund	\$ -	\$ 200,000	\$ 273,000
Property Tax Credit Cash Fund	\$ -	\$ 800,000	\$ 1,093,000
County/City/Village	\$ -	\$ 500,000	\$ 683,000

Additionally, this bill makes changes to the Nebraska Liquor Control Act to add requirements for co-branded alcoholic beverages.

LB 937

LB 937 creates the Cast and Crew Nebraska Act. Qualified productions with qualified expenditures under the Act receive refundable tax credits that begin on or after taxable year 2025. The bill caps the total tax credits at \$500,000 in FY26 and \$1,000,000 each fiscal year after.

LB 937 creates the Nebraska Shortline Rail Modernization Act. For taxable years beginning on or after January 1, 2025 an eligible taxpayer is allowed a nonrefundable tax credit for qualified shortline railroad maintenance expenditures. The credit would be equal to 50% of the qualified shortline railroad maintenance expenditures incurred during the taxable year by the eligible taxpayer. The amount of the credit could not exceed an amount equal to \$1,500 multiplied by the number of miles of railroad track owned or leased in the state by the eligible taxpayer at the end of the taxable year. The total amount of tax credits allowed in any taxable year under the Act is not able to exceed \$500,000 in FY26 and \$1,000,000 for any fiscal year after. No new application for tax credits can be filed under the Act after December 31, 2033.

LB 937 creates the Nebraska Pregnancy Help Act. Under the Act, taxpayers are eligible for a nonrefundable income tax credit for contributions made to a pregnancy help organization that is approved by the Department of Revenue (DOR) as an eligible charitable organization under the Act.

The amount of the credit would be equal to the lesser of the total amount of such contributions made during the tax year or 50% of the income tax liability of the taxpayer for the tax year. The taxpayer would only be able to claim a credit for the portion of the contribution that was not claimed as a charitable contribution under the Internal Revenue Code of 1986, as amended. The annual limit for the total amount of these tax credits is \$500,000 for FY26 and \$1,000,000 each fiscal year after with no more than 50% of the credits allowed for any fiscal year to be for contributions to a single eligible charitable organization.

LB 937 establishes the Individuals with Intellectual Developmental Disabilities Support Act. For taxable years beginning on or after January 1, 2025 there are four income tax credits added for employers and direct support professionals. The DOR can approve credits under the Act each fiscal year until the total amount of credits approved for the fiscal year reaches \$1,000,000 for FY26, \$1,500,000 for FY27, and \$2,000,000 for any fiscal year after.

LB 937 establishes the Medical Debt Relief Act.

The Act creates the Medical Debt Relief Program to be administered by the State Treasurer. The State Treasurer is to enter into a contract with a medical debt relief coordinator to purchase and discharge medical debt owed by eligible residents with money allocated for the program. A medical debt relief coordinator would report to the State Treasurer summary statistics regarding eligible residents whose medical debt has been discharged. A medical debt relief coordinator would continue to fulfill its contractual obligations to the State Treasurer until all

money contracted to the medical debt relief coordinator is exhausted, regardless of whether money allocated to the program has been exhausted.

The Act creates the Medical Debt Relief Fund. The fund is administered by the State Treasurer and used to carry out the Act. The fund is to consist of money transferred to the fund by the Legislature and money donated as gifts, bequests, or other contributions from public or private entities.

For taxable years beginning on or after January 1, 2024 an individual can reduce his or her federal adjusted gross income by the amount of interest and principal balance of medical debt discharged under the Act, to the extent included in such individual's federal adjusted gross income.

Also, for taxable years beginning on or after January 1, 2024 federal adjusted gross income or, for corporations and fiduciaries, federal taxable income is to be reduced by the amount of contributions made to the Medical Debt Relief Fund, to the extent not deducted for federal income tax purposes.

LB 937 creates the Sustainable Aviation Fuel Tax Credit Act. For taxable years beginning on and after January 1, 2027, there is allowed a nonrefundable tax credit to any producer of sustainable aviation fuel for any sale or use of a qualified mixture. The amount of the credit would be equal to the number of gallons of sustainable aviation fuel in all sold or used qualified mixtures multiplied by the sum of \$0.75 plus the applicable supplementary amount. A producer of sustainable aviation fuel could only claim the credit in a total of five taxable years. The DOR can approve these tax credits each fiscal year until the total amount of credits approved for the fiscal year reaches \$500,000. The Act terminates on January 1, 2035.

LB 937 adopts the Caregiver Tax Credit Act. For taxable years beginning on or after January 1, 2025, there is allowed a nonrefundable income tax credit for any family caregiver who incurs eligible expenditures for the care and support of an eligible family member. The amount of the credit would be equal to 50% of the eligible expenditures incurred during the taxable year by a family caregiver for the care and support of an eligible family member. The maximum allowable credit in any single tax year for a family caregiver would be \$2,000 unless the eligible family member is a veteran or has a diagnosis of dementia in which case the maximum allowable credit would be \$3,000. If two or more family caregivers would claim the tax credit for the same eligible family member, the maximum allowable credit would be allocated in equal amounts between each of the family caregivers. The DOR can approve tax credits under this Act each fiscal year until the total amount of credits approved for the fiscal year equals \$1,500,000 for FY26 and FY27 and \$2,500,000 for any fiscal year after.

LB 937 creates the Reverse Osmosis System Tax Credit Act. For taxable years beginning on or after January 1, 2024, a taxpayer is eligible to receive a one-time refundable income tax credit for the cost of installation of a reverse osmosis system at the primary residence of the taxpayer if test results in the drinking water for such residence are above certain levels. Only one taxpayer per residence could be a recipient of the credit. The credit would be equal to 50% of the cost incurred by the taxpayer during the taxable year for installation of the reverse osmosis system, up to a maximum of \$1,000. The DOR can approve tax credits each fiscal year until the total amount of credits approved reaches \$500,000 for FY25, FY26, and FY27 and \$1,000,000 for any fiscal year after.

LB 937 amends section 77-2704.12 to provide additional sales and use tax exemptions for nonprofit organizations. Subdivision (1)(j) is added to provide a sales tax exemption to any nonprofit organization for purchases of property that will be transferred to an organization listed in subdivisions (a) through (i) of section 77-2704.12(1) until the property is transferred or the contract is completed, provided that the nonprofit organization:

- Acquires property that will be transferred to an organization listed in subdivisions (a) through (i) of section 77-2704.12(1); or

- Enters into a contract of construction, improvement, or repair upon property annexed to real estate if the property will be transferred to an organization listed in subdivisions (a) through (i) of section 77-2704.12(1)

The operative date for this exemption is October 1, 2024.

LB 937 provides a sales and use tax exemption for diapers beginning July 1, 2027.

LB 937 makes changes to an existing nonrefundable income tax credit in statute so that the credits begin on or after taxable year 2025 for any grocery store retailer or restaurant that donates food to a food pantry, food bank, or food rescue during the taxable year and any agricultural producer that makes a qualifying agricultural food donation to a food bank, food pantry, or food rescue during the taxable year. The credit is equal to 50% of the value of the food donations or qualifying agricultural food donations made during the taxable year, not to exceed \$2,500. Under the bill, the DOR can approve up to \$500,000 of credits in FY26 and each fiscal year after.

LB 937 makes changes to the Nebraska Biodiesel Tax Credit Act. The bill changes the limits for the credits so that the DOR can approve up to \$1,000,000 in tax credits in FY25 and up to \$1,500,000 in any fiscal year after. The bill also changes the sunset date from December 31, 2028 to December 31, 2029.

The provisions of the bill have the following impact to General Fund revenues:

	<i>FY 24-25</i>	<i>FY 25-26</i>	<i>FY 26-27</i>
Cast and Crew Nebraska Act	\$ -	\$ (500,000)	\$ (1,000,000)
Nebraska Shortline Rail Modernization Act	\$ -	\$ (500,000)	\$ (1,000,000)
Nebraska Pregnancy Help Act	\$ -	\$ (500,000)	\$ (1,000,000)
Intellectual Developmental Disabilities Support Act	\$ -	\$ (1,000,000)	\$ (1,500,000)
Medical Debt Relief Act	Indeterminant	Indeterminant	Indeterminant
Sustainable Aviation Fuel Tax Credit Act	\$ -	\$ -	\$ -
Caregiver Tax Credit Act	\$ -	\$ (1,500,000)	\$ (1,500,000)
Reverse Osmosis Sytem Tax Credit Act	\$ (500,000)	\$ (500,000)	\$ (500,000)
Nonprofit Organizations	\$ (688,000)	\$ (1,183,000)	\$ (1,343,000)
Food Donation Tax Credit	\$ -	\$ (500,000)	\$ (500,000)
Sales Tax Exemption-Diapers	\$ -	\$ -	\$ -
Nebraska Biodiesel Tax Credit Act	\$ -	\$ (500,000)	\$ (500,000)
Total General Fund Revenues	\$ (1,188,000)	\$ (6,683,000)	\$ (8,843,000)

The bill also retains the excise tax of 1.25 cents per gallon on ethanol producers, but the bill makes changes so that the tax would be on gasoline, natural gasoline, or any other gasoline component, including, but not limited to, any gasoline component produced from biomass feedstock, purchased for use as a denaturant by the producer at an ethanol facility and 2% of agricultural ethyl alcohol sold that is unfit for beverage purposes and does not meet the American Society for Testing and Materials D4806 standards. The tax revenue is remitted to the State Treasurer for credit to the Agricultural Alcohol Fuel Tax Fund.

LB 1023

LB 1023 establishes the Relocation Incentive Act.

For taxable years beginning on or after January 1, 2025, an employer that pays relocation expenses for a qualifying employee is eligible to receive a refundable credit that may be used to offset income taxes, premium and related retaliatory taxes, or franchise taxes. The credit would be in an amount equal to 50% of the relocation expenses that were paid by the employer for a qualifying employee during the taxable year, not to exceed a maximum credit of \$5,000 per qualifying employee. No credit would be granted unless the qualifying employee will receive an annual salary of at least \$70,000 per year and not more than \$250,000 per year. Credits claimed by the employer would be recaptured by the DOR if the qualifying employee moves out of the state within two years after the credit is claimed. For taxable years beginning on or after January 1, 2026, the DOR is required to adjust the \$70,000-\$250,000 salary range by the same percentage used to adjust individual income tax brackets under section 77- 2715.03(3). The DOR can approve tax credits under the Act each year until the total amount of credits approved for the year reaches \$5 million.

Also, under the bill, for taxable years beginning on or after January 1, 2025, a qualifying employee is eligible to make a one-time election within two calendar years of becoming a Nebraska resident to exclude all Nebraska-sourced wage income earned and received from an employer, to the extent included in federal adjusted gross income if the annual Nebraska-sourced wage income of the position accepted by the qualifying employee is at least \$70,000 per year but not more than \$250,000 per year and the qualifying employee was not a resident of the state in the year prior to the year in which residency is being claimed for purposes of qualifying for such exclusion. For any qualifying employee who would fail to maintain residency for two full calendar years following the calendar year in which the exclusion was taken, any reduction in tax as a result of such exclusion would be fully recaptured from the qualifying employee by the DOR. For taxable years beginning on or after January 1, 2026, the DOR is required to adjust the \$70,000-\$250,000 salary range by the same percentage used to adjust individual income tax brackets under section 77-2715.03(3).

LB 1023 provides for a reduction to federal adjusted gross income or, for corporations and fiduciaries, federal taxable income for the following:

- The cost of expenditures for business assets that are qualified property or qualified improvement property covered under section 168 of the Internal Revenue Code would be eligible for full expensing and could be deducted as an expense incurred by the taxpayer during the taxable year during which the property is placed in service, notwithstanding any changes to federal law related to depreciation of property beginning January 1, 2023, or on any other date. Such deduction would be allowed only to the extent that such cost has not already been deducted in determining federal adjusted gross income or, for corporations and fiduciaries, federal taxable income. If the taxpayer does not fully expense the costs in the taxable year in which the property is placed in service, the taxpayer could elect to depreciate the costs over a five-year irrevocable term.
- Taxpayers can elect to treat research or experimental expenditures which are paid or incurred by the taxpayer during the taxable year in connection with the taxpayer's trade or business as expenses which are not chargeable to the capital account. The expenditures so treated would be allowed as a deduction, notwithstanding any changes to the Internal Revenue Code related to the amortization of such research or experimental expenditures. Such deduction would be allowed only to the extent that such research or experimental expenditures have not already been deducted in determining federal adjusted gross income or, for corporations and fiduciaries, federal taxable income. If the taxpayer does not fully deduct the research or experimental expenditures in the taxable year in which the expenditures are paid or incurred, the taxpayer could elect to amortize the expenditures over a five-year irrevocable term.

LB 1023 also makes changes to the taxation of nonresident individuals through a modified version of LB 416. The bill replaces current language so that nonresident individuals' income includes when the individual's service is performed without this state for his or her convenience, but the service is directly related to a business, trade, or profession carried on within this state and, except for the individual's convenience, the service could have been performed within this state, provided that such individual must be present, in connection with such business, trade, or profession, within this state for more than seven days during the taxable year in which the compensation is earned. These changes would become operative starting for taxable year 2025. The bill would also add that only compensation paid to the individual for services performed within this state would constitute income derived from sources within this state.

Under the bill, through modified provisions of LB 173, compensation paid to a nonresident individual does not include income derived from sources within this state if all of the following conditions apply:

- The compensation is paid for employment duties performed by the individual while present in this state to attend a conference or training
- The individual is present in the state for seven or fewer employment duty days in the taxable year
- The individual performed employment duties in more than one state during the taxable year
- Total compensation while in the state does not exceed \$5,000 in the taxable year.

Nonresident income is not to include compensation that is paid to an individual who serves on the board of directors or similar governing body of a business and that relates to board or governing body activities taking place in this state.

LB 1023 also makes changes to the ImagiNE Nebraska Act to add a property tax exemption connected to business equipment and reduces the maximum occupation tax on the sale of telecommunications services.

The provisions of the bill have the following impact to General Fund revenues:

	<i>FY 24-25</i>	<i>FY 25-26</i>	<i>FY 26-27</i>
Relocation Incentive Act	\$ (8,020,000)	\$ (23,320,000)	\$ (21,221,000)
Expensing	\$ -	\$ (2,721,000)	\$ (12,406,000)
Nonresidents (LB 173)	Indeterminate Reduction to GF Revenues	Indeterminate Reduction to GF Revenues	Indeterminate Reduction to GF Revenues
Nonresidents (LB 416) with AM3400	\$ (2,450,000)	\$ (5,498,000)	\$ (5,052,000)
Property Tax Exemption	\$ -	\$ -	\$ -
Total	\$ (10,470,000)	\$ (31,539,000)	\$ (38,679,000)

LB 1197

LB 1197 makes changes to the Sports Arena Facility Financing Assistance Act.

The bill makes changes to the definition of new state sales tax revenue so that it is, for any eligible sports arena facility that is a sports complex located in a city of the second class or village, 100% of the state sales tax revenue that is collected by a nearby retailer and sourced to the program area.

The bill changes the program area in the Act for eligible sports arena facilities that are a sports complex not located in a city of the second class or village so that for applications for state assistance submitted on or after the effective date of the Act, it is the area that is located within 600 yards of an eligible sports arena facility, measured from any point of the exterior boundary or property line of the facility, except that if 25% or more of such area is unbuildable property, then the program area would be adjusted so that:

- It avoids as much of the unbuildable property as is practical; and
- It contains contiguous property with the same total amount of square footage that the program area would have contained had no adjustment been necessary.

For any eligible sports arena facilities that are a sports complex located in a city of the second class or village, the program area is the corporate limits of the city of the second class or village in which the facility is located.

The bill adds to the definition of sports complex under the Act so that it means a facility that contains at least two separate sports venues if such facility is located in a city of the second class or village.

For an eligible sports arena facility that is a privately owned sports complex, the state assistance could only be used by the applicant:

- To pay back amounts expended or borrowed through one or more issues of bonds to be expended by the applicant to acquire, construct, improve, or equip one or more public infrastructure projects, as defined in section 77-27,142, related to a privately owned sports complex;
- To lease all or a portion of such privately owned sports complex for the government use of the political subdivision;
- To promote sporting events which are open to or made available to the general public; or
- To pay back amounts expended or borrowed through one or more debt issues to be expended by the nonprofit corporation coapplicant to acquire, construct, improve, or equip a privately owned sports complex, subject to voter approval as provided under the bill.

The bill adds regarding the certified distributions under the Act that for any eligible sports arena facility that is a sports complex located in a city of the second class or village, the intent of the legislature would be for the distributions to be 25% of the state sales tax revenue collected by retailers doing business at eligible sports arena facilities on sales at such facilities, state sales tax revenue collected on primary and secondary box office sales of admissions to such facilities, and new state sales tax revenue collected by nearby retailers and sourced to the program area. The remaining 75% of state sales tax revenue would be distributed in accordance with section 77-27,132.

The bill makes changes so that state assistance would additionally be used to provide funding for promotion of sporting events with state assistance no longer being available after 10 years of funding or when state assistance reaches \$100 million, whichever comes first. If state assistance would be used to provide funding for a sports complex located in a city of the second class or village, such state assistance would no longer be available after five years of funding or when state assistance reaches \$100 million, whichever comes first.

The bill makes changes for the competitive grant program of the Nebraska Arts Council through the Support the Arts Cash Fund so that the grants can additionally fund planning expenses, architectural expenses, engineering expenses, live performances, and promotional or marketing efforts of the creative district.

There is estimated to be a negative, indeterminant fiscal impact as a result of the bill.

LB 1317

LB 1317 makes changes connected to the Good Life Transformational Projects Act. The changes also allow for local government involvement and funding regarding good life districts. This part of the bill is estimated to have an indeterminant, negative fiscal impact to General Fund revenues.

LB 1317 establishes the Financial Institution Data Match Act. The DOR is to operate a data match system with each financial institution doing business in the State of Nebraska. Under the system, a financial institution is to

receive from the DOR a listing of tax debtors to be used in matches within the financial institution's system. The financial institution is to receive the listing within 30 days after the end of each calendar quarter subsequent to the effective date under the bill. Within 30 days after receiving the listing, the financial institution is to match the listing to its records of accounts held in one or more person's names which are open accounts or accounts that were closed within the preceding calendar quarter. The financial institution is to provide the DOR with a match listing of all matches made within five working days of the match. The financial institution is to submit all match listings by an electronic medium approved by the DOR. The DOR can enter into agreements with financial institutions doing business in the state to operate the data match system. A financial institution can charge a reasonable fee, not to exceed actual cost, to be paid by the DOR for the service of reporting matches. The DOR can contract with one or more vendors to develop the data match system and perform the matches.

Within 15 days after the end of FY 24-25 and each fiscal year after, the Tax Commissioner is to determine and certify to the State Treasurer the following amounts:

- a) The total amount of any fees for services or reimbursements paid by the DOR or other costs incurred by the DOR during the previous fiscal year due to the contracts entered into; and
- b) The total amount of taxes, penalties, and interest collected during the previous fiscal year as a result of contracts entered into

After receiving the certification, the State Treasurer is to transfer the lesser of, from the General Fund to the DOR Enforcement Fund:

- The amount certified in part a above; or
- 2% of the amount certified under part b above

It is estimated that this part of the bill will have a positive, indeterminant impact on General Fund revenues.

LB 1317 removes the income tax adjustment for individuals to reduce federal adjusted gross income by amounts received as annuities under the Federal Employees Retirement System (FERS) for taxable years beginning on or after January 1, 2024.

The provisions related to this change in deductions have a General Fund fiscal impact as follows:

- FY 24-25: \$12,237,000
- FY 25-26: \$7,621,000
- FY 26-27: \$6,690,000

LB 1317 establishes the Gambling Winnings Setoff for Outstanding Debt Act.

The DOR, in consultation with the Department of Health and Human Services (DHHS), is to develop and implement a secure, electronic collection system to carry out the purposes of the Act. The collection system will inform the operator of the total amount owed without detailing the source of any of the amounts owed. DHHS can submit any certified debt of \$25 or more to the collection system except when the validity of the debt is legitimately in dispute. The DOR can submit to the collection system any amount of outstanding state tax liability owed by a taxpayer except when the validity of the outstanding state tax liability is legitimately in dispute.

If an obligor's applicable winnings are required to be set off pursuant to the Act, the full amount of the debt and outstanding state tax liability would be collected from any applicable winnings due the obligor. The operator would deduct the amount of debt and outstanding state tax liability identified in the collection system from the winnings payment and would remit the net winnings payment, if any, to the winner and the amount deducted to the DOR in a manner prescribed by the DOR. The DOR would first credit any such winnings payment against

any debt of such winner certified by DHHS until such debt is satisfied and then against any outstanding state tax liability owed by such winner until such liability is satisfied on a pro rata basis.

It is estimated that this part of the bill has a positive, indeterminant impact on General Fund revenues.

LB 1317 expands the sales and use tax exemption for bullion so that bullion now also includes coins, notes, leaf, foil, and film.

The bill adds that for taxable years beginning on or after January 1, 2025, federal adjusted gross income or, for corporations and fiduciaries, federal taxable income would be adjusted on the amount of any net capital gain or loss that is derived from the sale or exchange of gold or silver bullion to the extent such gain or loss is included in federal adjusted gross income except that such gain/loss would not be subtracted/added if the gain/loss is derived from the sale of bullion as a taxable distribution from any retirement plan account that holds gold or silver bullion.

This part of the bill has a General Fund fiscal impact as follows:

- FY 24-25: (\$600,333)
- FY 25-26: (\$1,490,000)
- FY 26-27: (\$1,483,450)
- FY 27-28: (\$1,488,473)

LB 1317 makes changes to the Sports Arena Facility Financing Assistance Act.

The bill adds to the definition of eligible sports arena facility so that it includes any large public stadium in which initial occupancy occurs on or after March 1, 2025, including dressing and locker facilities, concession areas, parking facilities, nearby parking facilities for the use of the stadium, and onsite administrative offices connected with operating the stadium.

Under the bill, new state sales tax revenue for a large public stadium is 100% of the state sales tax revenue that is collected by a nearby retailer that commenced collecting state sales tax during the period of time beginning on the date the project commenced and ending 48 months after the project completion date of the eligible sports arena facility and is sourced under sections 77-2703.01 to 77-2703.04 to the program area.

Program area for a large public stadium is the area that is located within 600 yards of an eligible sports area facility, measured from any point of the exterior perimeter of the facility but not from any parking facility or other structure, except that if 25% or more of such area is covered property or unbuildable property, then the program area would be adjusted so that:

- It avoids as much of the covered property and unbuildable property as is practical; and
- It contains contiguous property with the same total amount of square footage that the program area would have contained had no adjustment been necessary.

For any application for state assistance for a large public stadium approved on or after the operative date, up to 100% of the final costs of the project can be funded by state assistance received pursuant to section 13-3108.

For a large public stadium:

- The total amount of state assistance approved for such facility cannot exceed \$25 million;
- The amount of state assistance approved for such facility for any year cannot exceed \$1,250,000; and
- No state assistance for any large public stadium can be paid until after July 1, 2027.

If state assistance is used to provide funding for a large public stadium, such state assistance to the political subdivision would no longer be available after 20 years of funding or when state assistance reaches \$25 million, whichever comes first.

There is estimated to be a negative, indeterminant fiscal impact as a result of this part of the bill. State assistance for any large public stadium under this part of the bill would start after July 1, 2027 so the fiscal impact begins in FY28.

LB 1317 also makes various other changes to statute. The bill makes various changes connected to housing and property tax exemptions. The bill provides changes to fees and taxes of electric vehicles. The bill also makes changes connected to what constitutes a majority for the Tax Equalization and Review Commission (TERC) and when interest occurs as a result of TERC decisions. In addition, the bill makes changes to provisions connected to first responders via health insurance and the First Responder Recruitment and Retention Act. Finally, the bill makes changes to the submission and contents of inheritance tax reports.

LB 1344

LB 1344 establishes the Creating High Impact Economic Futures (CHIEF) Act and the Act does the following:

- Creates definitions under the Act;
- Sets administration of the Act within the Department of Economic Development (DED);
- Sets eligibility under the Act;
- Allows for projects along with programs to be eligible under the Act;
- Describes the requirements of proposals set to DED under the Act;
- Sets the criteria by which DED must review the proposals;
- Proposals submitted subsequent to the first year shall be evaluated on performance of the prior year's program or project, other resources developed, and continued need;
- Requires DED to approve or disapprove proposals within forty-five days after receipt of a completed application, requires DED to prepare and transmit a written agreement to approved or certified applicants;
- Enumerates the required documentation to be submitted to DED and allows DED to request additional documentation;
- Allows for individual taxpayers which make contributions to eligible programs or projects under the CHIEF Act to be eligible for a 100% tax credit under the Act;
- Enumerates and describes the tax credit schedule under the Act, which is as follows:
 - Individual - 100%;
 - Married, file separate for a tax year in which they could have filed a joint return – 50%;
 - Partnership, LLC, or S-Corp – 50%;
 - Estate or trust – 50%;
 - Corporation – 50%.
- Clarifies that the tax credit is a nonrefundable tax credit;
- Caps the credits under the Act at a total of \$900,000 in 2025 and 2026 with \$300,000 for each congressional district;
- Caps the credits under the Act at a total of \$3,000,000 per calendar year beginning 2027 with \$1,000,000 for each congressional district
- Caps the credits per project or program at \$150,000 for the first and third congressional districts;

This part of the bill is estimated to decrease General Fund revenue by \$900,000 in FY 24-25 and FY 25-26.

LB 1344 also makes the following changes to the Good Life Transformational Projects Act:

- Adds a definition of inland port district to the Act;
- Caps the number of Good Life Districts (GLDs) at five, limits the number of GLDs in a county with a population greater than 500,000 at one;
- Clarifies that students from another state who attend a Nebraska public or private university will not count as an out-of-state resident under the Act;
- Restricts projects which received funds under the Shovel-Ready Capital Recovery and Investment Act from qualifying under the Act and restricts projects which include any portion of a public or private university; and
- Allows for a GLD to be the size of an inland port district if one is located within an inland port district.

The fiscal impact of the GLDs is estimated to be indeterminant due to an unknown number of qualifying projects and the boundary of the GLDs.

Additionally, LB 1344 makes changes to provisions related to iHubs.

LB 1394

LB 1394 makes changes so that for taxable years beginning on or after January 1, 2025 an individual who is a member of the National Guard can exclude 100% of the income received from the following sources to the extent such income is included in the individual's federal adjusted gross income:

- Serving in a 32 U.S.C. duty status such as members attending drills, annual training, and military schools and members who are serving in a 32 U.S.C. active guard reserve or active duty for operational support duty status;
- Employment as a 32 U.S.C. federal dual-status technician with the Nebraska National Guard; or
- Serving in a state active duty status.

This bill has a General Fund fiscal impact as follows:

- FY 24-25: (\$969,000)
- FY 25-26: (\$2,231,000)
- FY 26-27: (\$2,016,000)
- FY 27-28: (\$1,921,000)
- FY 28-29: (\$1,979,000)
- FY 29-30: (\$2,039,000)

LB 1402

LB 1402 appropriates \$10,000,000 for FY25, and every year thereafter, from the General Fund to the State Treasurer for the purpose of providing educational scholarships to eligible students at qualified schools. Up to 7.5% of the funds may be used for administrative expenses.

The bill repeals the Opportunity Scholarships Act. LB 753 (2023) created the Opportunity Scholarships Act. Under LB 753 (2023), the General Fund revenue loss was estimated to be \$25,000,000 per year beginning in FY25. LB 1402's repeal of the Opportunity Scholarships Act will not occur until after FY25 begins and tax credits approved for tax year 2024. Therefore, the General Fund revenue loss is estimated to still occur in FY25. Beginning in FY26, this revenue loss will no longer be realized. Therefore, beginning in FY26, a General Fund revenue gain of \$25,000,000 is estimated.

GENERAL FUND APPROPRIATIONS

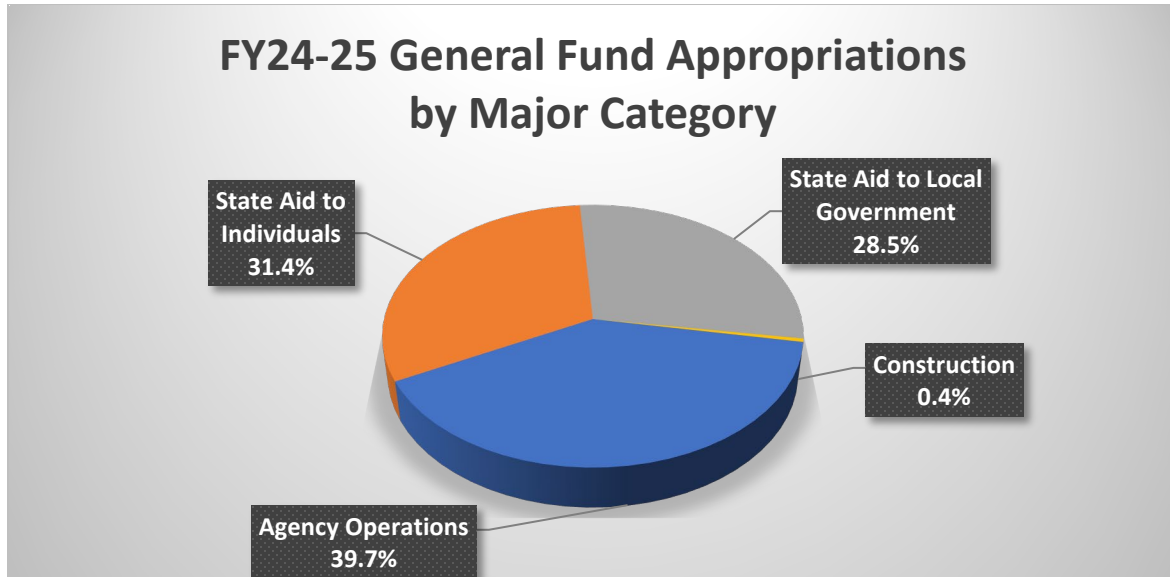
General Fund Appropriations

Table 14 contains a summary of the General Fund budget for the FY2023-24 and FY2024-25 biennium as enacted in the 2024 legislative session. Subsequent sections of this report contain a more detailed explanation of the various increases and reductions which are included in the totals shown below.

Table 14 General Fund Budget as Enacted in the 2024 Session

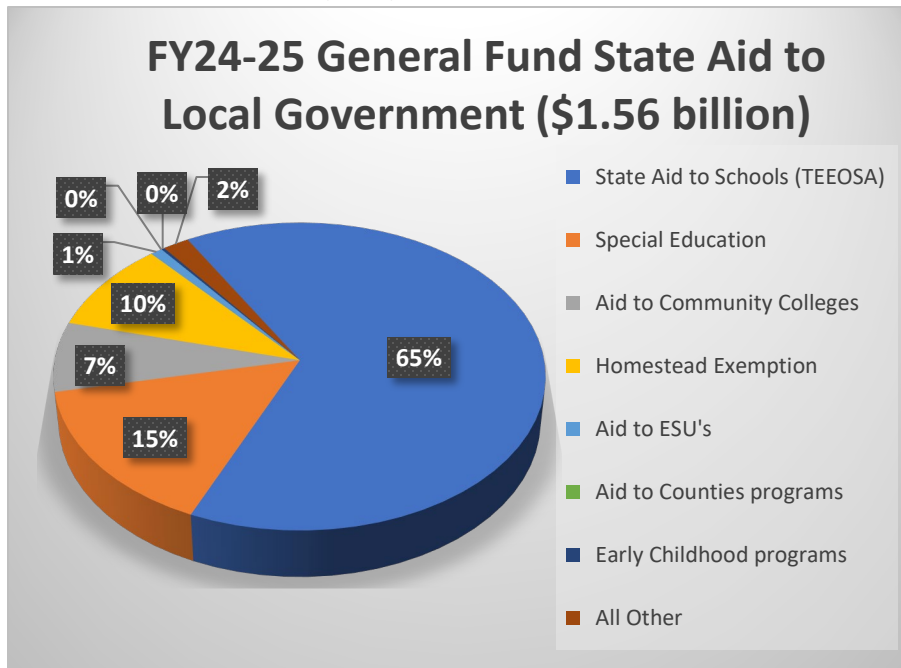
	W/o deficits FY2022-23	Per 2024 Session		Change vs Prior Yr FY23-24 (w/o deficits)		Change vs Prior Yr FY24-25 (w/o deficits)		2 Yr Avg % Change
		Adj Total FY2023-24	Adj Total FY2024-25	\$	%	\$	%	
Agency Operations								
University & State /Colleges	704,132,488	724,181,629	759,253,617	20,049,141	2.8%	35,071,988	4.8%	3.8%
Health & Human Services	291,885,024	353,435,016	355,679,902	61,549,992	21.1%	2,244,886	3.8%	10.4%
Correctional Services	289,961,758	341,607,765	362,905,164	51,646,007	17.8%	21,297,399	3.1%	11.9%
Courts	204,357,073	219,318,106	232,815,953	14,961,033	7.3%	13,497,847	6.0%	6.7%
State Patrol	70,282,670	82,953,661	90,739,673	12,670,991	18.0%	7,786,012	5.0%	13.6%
Retirement Board	57,826,161	60,972,169	66,700,303	3,146,008	5.4%	5,728,134	3.6%	7.4%
Revenue	30,222,159	31,044,458	35,914,869	822,299	2.7%	4,870,411	2.2%	9.0%
Other Agencies	224,524,827	251,543,223	260,942,035	27,018,396	12.0%	9,398,812	4.9%	7.8%
Total-GF Operations	1,873,192,160	2,065,056,027	2,164,951,516	191,863,867	10.2%	99,895,489	4.4%	7.5%
State Aid to Individuals/Others								
Opportunity Scholarships	0	0	9,250,000	0	--	9,250,000	--	na
Workforce Development	0	0	0	0	--	0	--	na
Medicaid	991,653,018	1,007,479,783	1,012,640,639	15,826,765	1.6%	5,160,856	0.5%	1.1%
Child Welfare Aid	179,864,054	202,837,350	182,756,746	22,973,296	12.8%	(20,080,604)	-9.9%	0.8%
Developmental disabilities aid	174,638,509	185,955,731	197,567,183	11,317,222	6.5%	11,611,452	6.2%	6.4%
Public Assistance	89,156,005	66,130,054	76,380,054	(23,025,951)	-25.8%	10,250,000	15.5%	-7.4%
Behavioral Health aid	74,311,162	69,505,211	70,132,211	(4,805,951)	-6.5%	627,000	0.9%	-2.9%
Childrens Health Insurance (SCHIP)	26,433,262	26,384,947	26,246,298	(48,315)	-0.2%	(138,649)	-0.5%	-0.4%
Nebr Broadband Bridge Act	19,795,788	19,795,788	19,795,788	0	0.0%	0	0.0%	0.0%
Business Innovation Act	19,251,162	19,234,402	19,234,402	(16,760)	-0.1%	0	0.0%	0.0%
Aging Programs	11,722,579	11,722,579	11,722,579	0	0.0%	0	0.0%	0.0%
Public Health Aid	11,314,060	11,314,060	11,314,060	0	0.0%	0	0.0%	0.0%
Nebraska Career Scholarships	14,050,000	19,107,500	20,240,000	5,057,500	36.0%	1,132,500	5.9%	20.0%
Higher Ed Student Aid programs	9,093,430	9,593,430	9,593,430	500,000	5.5%	0	0.0%	2.7%
Health Aid	6,877,196	6,877,196	7,352,196	0	0.0%	475,000	6.9%	3.4%
Nebraska Rural Projects Act	4,896,460	4,896,460	4,896,460	0	0.0%	0	0.0%	0.0%
All Other Aid to Individuals/Other	33,937,821	35,178,130	33,416,531	1,240,309	3.7%	(1,761,599)	-5.0%	-0.8%
Total-GF Aid to Individuals/Other	1,666,849,756	1,696,012,621	1,712,538,577	29,162,865	1.7%	16,525,956	1.0%	1.4%
State Aid to Local Govts								
State Aid to Schools (TEEOSA)	1,038,686,234	1,028,056,655	1,010,135,323	(10,629,579)	-1.0%	(17,921,332)	-1.7%	-1.4%
Property Tax Credit	313 mil (transfer)	363 mil (transfer)	398 mil (transfer)	--	--	--	--	--
Community College Future Fund	0	0	254 mil (transfer)	--	--	--	--	--
Special Education - General Fund	235,724,474	235,724,474	235,724,474	0	0.0%	0	0.0%	0.0%
Special Education - Ed Future Fund	0	227 mil (transfer)	206 mil (transfer)	--	--	--	--	--
Aid to Community Colleges	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%	1.9%
Homestead Exemption	121,300,000	142,700,000	149,000,000	21,400,000	17.6%	6,300,000	4.4%	10.8%
Aid to ESU's	13,613,976	13,613,976	13,613,976	0	0.0%	0	0.0%	0.0%
Aid to Counties programs	2,000,000	0	0	(2,000,000)	-100.0%	0	--	-100.0%
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0.0%	0	0.0%	0.0%
Early Childhood programs	11,119,357	11,119,357	11,119,357	0	0.0%	0	0.0%	0.0%
Community Based Juvenile Services	5,798,000	5,798,000	5,798,000	0	0.0%	0	0.0%	0.0%
Governors Emergency Program	5,000,000	5,000,000	5,000,000	0	0.0%	0	0.0%	0.0%
Other Aid to Local Govt	16,319,394	15,976,531	9,319,394	(342,863)	-2.1%	(6,657,137)	-41.7%	-24.4%
Total-GF Aid to Local Govt	1,561,708,727	1,572,271,127	1,556,170,197	10,562,400	0.7%	(16,100,930)	-1.0%	-0.2%
Capital Construction								
	23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%	-5.6%
TOTAL-MAINLINE BUDGET	5,125,672,253	5,354,643,703	5,454,964,218	228,971,450	4.5%	100,320,515	1.9%	3.2%

The following highlights some major changes in each category.



State Aid to Local Governments

Aid to Local Governments accounts for aid payments to local governments that have the authority to levy a property tax such as cities, counties, K-12 schools, community colleges, natural resource districts (NRDs), and educational services units (ESUs).



Aid to local governments increased by \$10.5 million (0.7%) in FY23-24 and declined \$16.1 million (-1.0%) in FY24-25. The two year average change is -0.2%.

Homestead Exemption reimbursement increases by 17.6% in FY23-24 and 4.4% in FY24-25, which is a two year average increase of 10.8%.

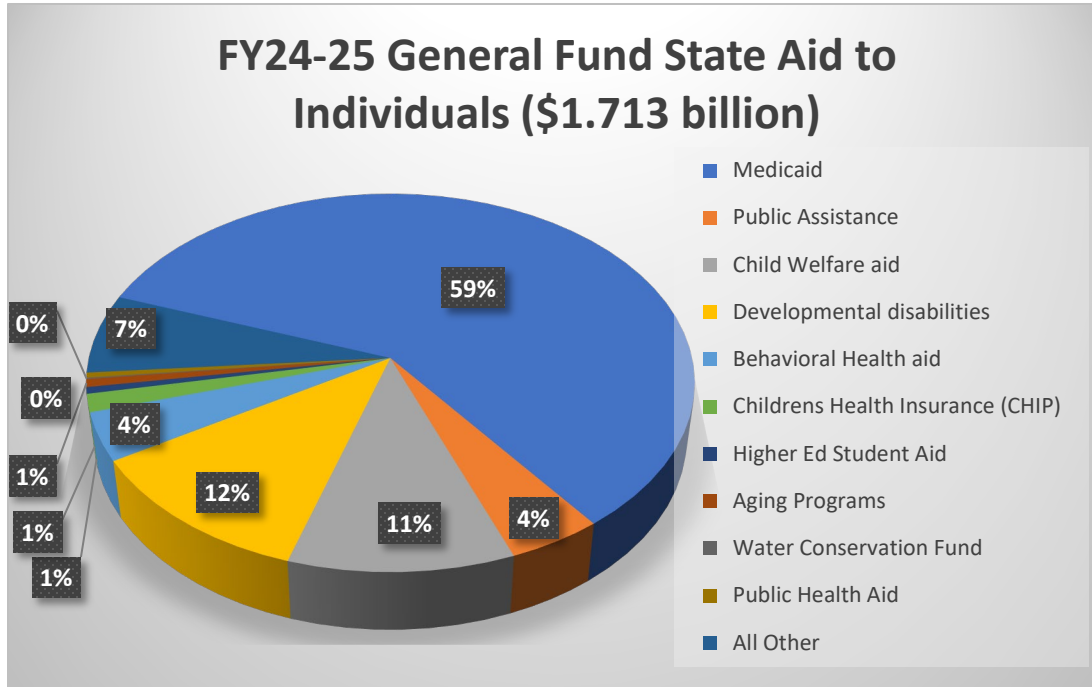
The budget also provides for a 1.9% per year increase in funding for Community Colleges (about \$2.1 million each year).

There was no change in the General Fund portion of special

education funding in the enacted budget, although overall funding for special education increased by 96.1% in FY23-24, as compared to FY22-23, due to the provisions of LB 583 (2023) and the cash fund appropriation from the Education Future Fund. The appropriation for FY24-25 for special education (General and cash fund) is a slight decline of -0.04 over the prior year, although once the actual special education reimbursement amount is certified in late 2024, this amount may be adjusted by the Legislature in the upcoming session.

State Aid to Individuals / Others

Aid to Individuals/Other includes programs such as Medicaid, public assistance programs, child welfare services and student scholarships where state funds are provided for the direct benefit of an individual. This area also includes aid to quasi-government units, which are those local agencies that do not have the authority to levy property taxes. This would include entities such as area agencies on aging, mental health regions and developmental disability regions.



Aid to individuals increased by \$29.2 million in FY23-24 (1.7%) and \$16.5 million (1.0%) in FY24-25. The two year average change is 1.4%. There is a reduction of \$20.1 million in FY23-24 and \$24 million in FY24-25 due to an increase in the Federal Medical Assistance Percentage (FMAP). The 2024 budget

adjustments also included base reductions in both Behavioral Health Aid and Public Assistance.

The enacted budget includes a 3% increase in FY23-24 for provider rate for Child Welfare, Medicaid, Behavioral Health, and Developmental Disability in DHHS as well as child welfare and medical services in probation programs within the Supreme Court. The increase is partially offset by base reductions in the behavioral health and developmental disability programs, and the increase in DHHS Child Welfare is funded with federal ARPA dollars instead of General Funds. Additionally, there is a 2% provider rate increase in FY24-25 for Child Welfare, Behavioral Health, and Developmental Disability in DHHS as well as child welfare and medical services in probation programs within the Supreme Court. The increase is partially offset by base reductions in the behavioral health and developmental disability programs, and the increase in DHHS Child Welfare is funded with federal ARPA dollars in both FY23-24 and FY24-25. The Medicaid provider rate increases in FY24-25, which were included in the Appropriations Committee recommendation and approved by the Legislature at the 2% increase level, were vetoed by the Governor in the 2023 session.

In addition to provider rates, there was an increase of \$20 million in FY23-24 for Child Welfare Aid due to increased monthly expenses of approximately \$2 million per month for this fiscal year.

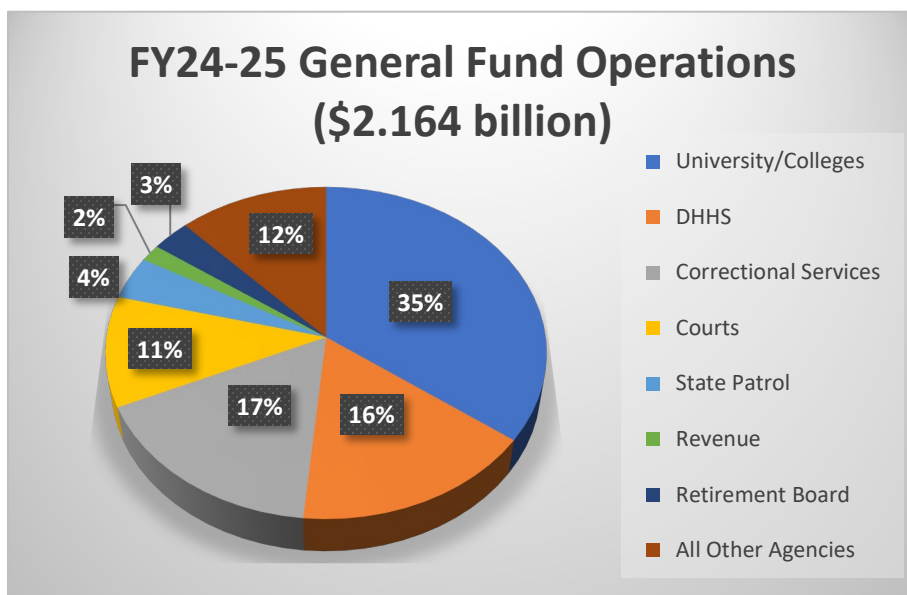
The 2024 budget adjustments also reduced the General Fund appropriation to the Department of Labor for workforce development grants (\$10 million per year), instead funding the program for FY23-24 through FY26-27 with \$40 million from the State Unemployment Trust Fund, transferred to a newly created cash fund.

LB 227 (2023) appropriates \$6.9 million in FY23-24 and \$8 million in FY24-25 to the Medicaid program for provisions of the bill to extend Medicaid postpartum coverage, reimbursements for certain hospital patients,

and increasing the standard of need for eligible aged, blind, and disabled persons for a personal needs allowance. LB 531 (2023) appropriates \$9.2 million in aid for grants under the Economic Recovery Act. LB 1402 (2024) appropriates \$9.25 million in aid for opportunity scholarships.

Agency Operations

This area accounts for the costs of operating state agencies, including costs of employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, etc. In the enacted budget, 39.7% of all General Fund appropriations are for agency operations. Although there are 50 state agencies that receive General Fund appropriations, higher education (University of Nebraska and State Colleges) and the six largest agencies (Health and Human Services, Corrections, Courts, State Patrol, Revenue, and Retirement Board) account for 88% of state operations. Note that all of the General Funds for the Retirement Board are actually state contributions for the K-12 School employee retirement plan. They are not shown under aid to local governments as the monies are placed directly into the retirement fund and are not actually paid to a school district.



General Funds for agency operations shows a \$191.8 million increase (10.2%) in FY23-24 and a \$100 million increase (4.4%) in FY24-25. The two year average change is 7.5%. The most significant increases in operations in both years are salary and health insurance increases for state employees. Salary increases in the 2023 session for state employees were \$54.8 million in FY23-24 and \$90.3 million in FY24-25. Health insurance increases for state employees were \$4.4 million in FY23-24 and \$9.1 million in FY24-25. In the

2024 budget adjustments, additional funding for salaries for the State Patrol and Department of Education were included to adjust for the biennial salary increases.

Other increases related to staffing include a base adjustment of \$14.5 million per year for the Department of Correctional Services, which was requested due to salary increases for certain employees at 24/7 facilities authorized in 2021 and previously accommodated with vacancy savings. Vacancy savings within the agency are no longer available as the agency has hired more employees at the higher wages. Similarly, \$4.4 million in FY24-25 and \$9.7 million in FY24-25 is included for the Department of Veteran’s Affairs as the agency hired additional employees at veterans’ homes.

A 2.5% increase in funding for University of Nebraska operations is also included, totaling \$16.1 million in FY23-24 and \$32.6 million in FY24-25, and additional funding of \$14.5 million for the Rural Health Education Center in Kearney is included for FY24-25. Funding for the State Colleges operations increased by \$3.9 million in FY23-24 and \$7.6 million in FY24-25.

Operations costs from the General Fund due to legislation enacted in the 2023 session totaled \$15.4 million in FY23-24 and \$14.8 million in FY24-25. Operations costs from the General Fund due to legislation enacted in the 2024 session totaled \$0 in FY23-24 and \$12 million in FY24-25.

Capital Construction

Of the General Funds included in the budget for capital construction, 100% is to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations. There is a relatively small change in the overall amount relative to the current FY22-23 level.

Funding for new projects in the enacted budget includes agency cash funds, federal funds, and transfers to the Nebraska Capital Construction Fund from the Cash Reserve Fund. More detail on individual projects is listed in the section on Capital Construction.

Significant General Fund Changes - 2024 Session

Table 15 contains a listing of General Fund appropriations by bill. A summary listing of 2024 General Fund budget adjustments is contained in Table 16 as shown below. A complete listing of all items is included in Appendix A.

Table 15 General Fund Appropriations by Bill – 2024 Session

	Biennial Budget - 2023		Following Biennium	
	FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 1412 Mainline Budget Bill	4,956,492	63,011,702	36,252,212	24,393,847
LB 1188 State Claims	100,000	0	0	0
Subtotal-Mainline Bills	5,056,492	63,011,702	36,252,212	24,393,847
LB 20-Change voting provisions	0	8,900	0	0
LB 52-Eliminate limitation on tuition assistance	152,793	152,793	152,793	152,793
LB 62-Change Medical Assistance Act provisions	0	11,470	0	0
LB 126-Change homestead exemption	0	20,313	317,000	503,000
LB 196-Change State Patrol retirement provisions	0	2,770,810	2,770,810	2,770,810
LB 204-Change pharmacy dispensing fees	0	75,000	0	2,585,597
LB 233-Provide for child support payment disregard	0	0	717,237	705,976
LB 253-Change veteran court provisions	0	0	4,698,575	4,698,575
LB 262-Change grain, hemp, and pure food act provisions	0	72,250	72,250	72,250
LB 287-Change election and Open Meetings provisions	0	120,800	0	0
LB 358-Increase dental services reimbursement rates	0	0	0	3,452,712
LB 600-Adopt the Municipality Infrastructure Aid Act	CRF transfer	(\$5 million)	0	0
LB 631-Change provisions related to Board of Parole	0	2,276,819	1,910,012	1,410,012
LB 685-Change mechanical amusement device fees	0	1,596,870	141,870	0
LB 829-Change provisions relating to insurance	0	19,777	39,554	39,554
LB 870-Amend Sexual Assault Victims' Bill of Rights	0	8,820	0	0
LB 876-Adopt the Newborn Safe Haven Act	0	65,000	10,000	10,000
LB 937-Change income tax credits	0	385,883	1,106,097	602,602
LB 1023-Provide for deductions for research expenditures	0	242,573	0	0
LB 1035-Adopt the prescription Drug Donation Act	0	551,218	528,352	528,352
LB 1074-Change banking and finance law	0	31,103	43,545	43,545
LB 1200-Change motor vehicles and 911 system provisions	0	(23,339)	(23,339)	(23,339)
LB 1284-Provide for education programs	0	148,487	80,358	80,358
LB 1300-Adopt the Pacific Conflict Stress Test Act	0	763,880	1,107,760	1,107,760
LB 1301-Adopt the Foreign-owned Real Estate Nat'l Security Act	0	82,703	126,275	126,275
LB 1317-Change tax provisions	0	1,635,922	393,738	393,738
LB 1344-Change provisions of the NE Innovation Hub Act	0	416,494	248,870	248,870
LB 1368-Adopt the Nitrogen Reduction Incentive Act	0	107,005	107,005	107,005
LB 1394-Exempt National Guard income from tax	0	65,087	0	0
LB 1402-Change Opportunity Scholarships	0	10,000,000	10,000,000	10,000,000
Subtotal-"A" Bills	152,793	21,606,638	24,548,762	29,616,445
Total-Appropriations Bills (General Funds)	5,209,285	84,618,340	60,800,974	54,010,292

Table 16 Significant General Fund Increases / Reductions – 2024 Session

Agency	Prog	Item	FY2023-24	FY2024-25
Education	Mult	Salary Adjustments	415,704	580,863
Education	158	Maintenance of Equity - ESSRS	505,407	0
Education	158	TEEOSA Adjustment - Jan recal	(2,134,355)	65,272,568
Revenue	108	Additional Forecasted Homestead Exemption	14,700,000	15,400,000
Labor	31	Workforce Development	(10,000,000)	0
DHHS	38	Base Reduction: Behavioral Health	(15,000,000)	(15,000,000)
DHHS	347	Base Reduction: Public Assistance	(20,000,000)	(10,000,000)
DHHS	354	Increase Child Welfare Aid	20,000,000	0
DHHS	365	Regional Centers Increased Staff Costs	15,000,000	0
DHHS	424	Adjust Developmental Disabilities Provider Rate Funding	10,000,000	0
Military	544	Grant for runway project	0	3,000,000
State Patrol	100	Salary Compression Adjustments	0	935,261
Econ Dev	603	State Marketing Campaign	0	5,000,000
Econ Dev	603	Bioeconomy Initiative	2,500,000	0
Environ & Energy	513	Dredge and Fill Program	(804,136)	(1,588,372)
Mult Agencies	--	OCIO Costs	(10,488,281)	(3,547,866)
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(1,023,942)
Retirement	515	Additional Retirement Contribution	0	3,561,303
--	--	All Other	262,153	421,887
Total General Funds –New Appropriations			4,956,492	63,011,702

TEEOSA State Aid

The enacted budget includes funding for state aid to schools at the amount calculated under enacted provisions of LB 583 (2023), which added a foundation aid component to the TEEOSA formula. The FY23-24 is based on the calculation prepared by the Dept of Education in June 15 and reflects the certification amount. The FY24-25 estimate is the amount appropriated following the 2024 budget adjustments.

The State Department of Education issued the FY24-25 TEEOSA state aid estimate in November 2023 based on assumptions and estimates discussed at the joint meeting with DAS Budget and LFO. The total TEEOSA aid was estimated to be \$1.070 billion with \$916 million paid from the General Fund. A recalculation is done annually each December and the results of the recalculation are released the following January. Actual financial data replaces the estimated data Fall Membership data is replaced with the Average Daily Membership (ADM) data.

Each year adjustments to the initial estimation amount are needed based on the January recalculation data. The Adjusted GFOE (General Fund Operating Expenditures) data for FY2024-25 came in 2.34% higher than estimated. Adjusted GFOE is calculated by taking the General Fund Operating Expenditures multiplied by the cost growth factor (1.05) minus Allowances. There are allowances for transportation, special receipts, poverty, limited English proficiency, distance education and telecommunications, elementary sites, summer school, focus school and programs, non-qualified limited English proficiency, and community achievement.

Accounting for all additional changes in the recalculation, total equalization aid increased by 23.04%, total amount of General Funds need increased by 10.29%, and total TEEOSA aid increased by 8.73% from the November 2023 estimate to the January 2024 recalculation.

Table 17 TEEOSA State Aid Components November 2023 and January 2024

	Nov. 2023 Initial	Jan. 2024 Recalc.	Difference – \$	Difference - %
Adj. GFOE	\$4,161,202,196	\$4,258,391,151	\$97,188,955	2.34%
Formula Needs	\$4,215,032,768	\$4,353,745,678	\$138,712,910	3.29%
Total Resources	\$3,808,021,618	\$3,852,957,878	\$44,936,260	1.18%
Equalization Aid	\$407,011,150	\$500,787,799	\$93,776,649	23.04%

Table 18 TEEOSA State Aid Estimates FY2024-25, FY2025-26, and FY2026-27

	Certified Aid 2023-24	Estimated 2024-25	Estimated 2025-26	Estimated 2026-27
November 2023 Estimate				
State General Funds	1,028,075,516	916,000,000	900,029,462	919,175,001
Education Futures Fund	112,353,247	113,000,000	113,998,045	114,915,590
Insurance Premium Tax (w/o deficit)	39,616,070	41,000,000	42,500,000	45,000,000
Total TEEOSA Aid	1,180,044,833	1,070,000,000	1,056,527,508	1,079,090,591
% Change from Prev Year	-0.82%	-9.33%	-1.26%	2.14%
January 2024 Estimate				
State General Funds	1,028,075,516	1,010,135,323	1,000,059,345	1,010,746,757
Education Futures Fund	112,353,247	112,309,502	112,729,367	113,204,174
Insurance Premium Tax (w/o deficit)	39,616,070	41,000,000	42,500,000	45,000,000
Total TEEOSA Aid	1,180,044,833	1,163,444,825	1,155,288,712	1,168,950,931
% Change from Prev Year	-0.82%	-1.41%	-0.70%	1.18%
Difference - Nov to Jan				
State General Funds	0	94,135,323	100,029,882	91,571,757
Education Futures Fund	0	(690,498)	(1,268,678)	(1,711,416)
Insurance Premium Tax (w/o deficit)	0	0	0	0
Total Change in TEEOSA Aid	0	93,444,825	98,761,204	89,860,341

Homestead Exemption

The enacted budget reflects the projected increase for appropriations needed to fully reimburse local governments for losses associated with homestead exemptions. The forecast for FY24 and FY25 projects an increase of \$14.7 million and \$15.4 million needed for homestead exemptions, respectively. This would make the appropriation for homestead exemptions \$142.7 million in FY24 and \$149.0 million in FY25. The large increase in FY23-24 is a 19.4% increase over FY22-23 (with deficits included) and a 17.6% increase over FY22-23 (without deficits included). The projected increase for FY24-25 is a 4.4% increase over FY23-24.

The projected increases for the following biennium include the impact of LB 126 (2024). The bill adds the term “occupy” and defines it to mean to reside on a property with the intention of maintaining the property as the owner’s primary residence. A departure from the property for reasons of health or legal duty does not disqualify

the owner of the property from receiving an exemption, so long as the owner demonstrates an intention to return to the property. The bill adds that for homesteads valued at or above the maximum value, the exempt amount for certain claimants is not be reduced and the homestead remains eligible for an exemption for the current year if the homestead: (1) Received an exemption in the previous year; (2) Was valued below the maximum value in such previous year; and (3) Is not ineligible for an exemption for any reason other than exceeding the maximum value by \$20,000 or more.

If this applies for the claimant, the percentage of the exempt amount for a year where the homestead is valued at or above the maximum value and remains eligible for exemption is equal to the percentage of the exempt amount for the homestead in the last year the homestead received an exemption and was valued below the maximum value. If the increase in value is due to improvements, the changes do not apply.

Table 19 Homestead Exemption Program Changes FY21-22 to FY26-27

Homestead Exemption	Previous Biennium		Enacted Budget		Following Biennium	
	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Base Year appropriation	101,100,000	101,100,000	121,300,000	121,300,000	149,000,000	149,000,000
Change eligibility, valuation, rates	7,300,000	12,600,000	6,700,000	12,300,000	317,000	503,000
Midbiennium Changes	--	7,600,000	--	15,400,000	0	0
Total General Funds (without deficits)	108,400,000	121,300,000	128,000,000	149,000,000	149,317,000	149,503,000
Deficit	3,800,000	(1,800,000)	14,700,000	?	?	?
Total General Funds (with deficits)	112,200,000	119,500,000	142,700,000	149,000,000	149,317,000	149,503,000

Table 20 Historical Homestead Exemption Program Appropriations

	New		Final Appropriation	Change over prior yr	
	Appropriation	Deficit		\$	%
FY2004-05	48,838,100	1,563,176	50,401,276	3,781,276	8.1%
FY2005-06	52,920,000	907,000	53,827,000	3,425,724	6.8%
FY2006-07	56,473,000	260,000	56,733,000	2,906,000	5.4%
FY2007-08	70,056,960	(7,000,000)	63,056,960	6,323,960	11.1%
FY2008-09	76,120,104	(14,870,104)	61,250,000	(1,806,960)	-2.9%
FY2009-10	62,250,000	3,609,000	65,859,000	4,609,000	7.5%
FY2010-11	65,000,000	3,800,000	68,800,000	2,941,000	4.5%
FY2011-12	72,300,000	(4,200,000)	68,100,000	(700,000)	-1.0%
FY2012-13	72,500,000	(5,000,000)	67,500,000	(600,000)	-0.9%
FY2013-14	71,600,000	(6,500,000)	65,100,000	(2,400,000)	-3.6%
FY2014-15	73,521,000	(6,121,000)	67,400,000	2,300,000	3.5%
FY2015-16	71,000,000	600,000	71,600,000	4,200,000	6.2%
FY2016-17	72,515,000	2,235,000	74,750,000	3,150,000	4.4%
FY2017-18	78,200,000	3,100,000	81,300,000	6,550,000	8.8%
FY2018-19	84,100,000	1,300,000	85,400,000	4,100,000	5.0%
FY2019-20	92,800,000	0	92,800,000	7,400,000	8.7%
FY2020-21	101,100,000	2,000,000	103,100,000	10,300,000	11.1%
FY2021-22	108,400,000	3,800,000	112,200,000	9,100,000	8.8%
FY2022-23	121,300,000	(1,800,000)	119,500,000	7,300,000	6.5%
FY2023-24	128,000,000	14,700,000	142,700,000	23,200,000	19.4%
FY2024-25	149,000,000	--	149,000,000	6,300,000	4.4%
20 Yr Ave Growth (without deficits)					5.7%
20 Yr Ave Growth (with deficits)					5.6%

DHHS Base Adjustments

The 2024 budget adjustments include a \$15 million per year base reduction for Behavioral Health Aid. Spending on services has been significantly below the appropriated amount, and implementation of Medicaid expansion is a contributing factor. After this reduction, the FY24 appropriation would be \$77 million, approximately \$25 million more than the average General Funds spent in recent years.

The 2024 budget adjustments also include a \$20 million reduction in FY23-24 and a \$10 million reduction in FY24-25 in the base appropriation for the Public Assistance program. The reduction of \$10 million each year aligns the appropriation with post-pandemic spend patterns. DHHS has requested an additional \$10 million reduction in FY23-24 due to availability of ARPA funding which offsets the need for these funds.

DHHS Regional Centers Staffing Costs

The 2024 budget adjustments include appropriation increases for nursing costs at the Lincoln Regional Center. The census at adult facilities, primarily the Lincoln Regional Center (LRC), have risen, and DHHS is beginning to implement staffing increases to ensure safety. This has required hiring a variety of roles, primarily nurses and security, and continued use of contracted nursing services. Costs have increased due to raises, which were funded based on staffing levels at that time. DHHS expects reductions in contract staff and overtime costs, but the current appropriation is insufficient. Without additional funding, the Regional Centers may fall below industry standards for nursing and staffing ratios and risk CMS accreditation.

DHHS Child Welfare

The 2024 budget adjustments include the agency request of \$20 million of additional funds in FY23-24 for the Child Welfare program. The Department indicates increased monthly expenses in FY23-24, averaging \$18 million per month up from \$16 million per month in FY22-23.

DHHS Developmental Disabilities Provider Rates

The 2024 budget adjustments include the agency request for the Developmental Disabilities (DD) aid program to allow payment for provider rate increases, originally authorized in LB 1014 (2022) with ARPA funds, via the typical process of a mix of General Funds and Federal Medicaid Funds. In LB 1014, a total of \$47.5 million was appropriated and intent was included to designate \$20 million in ARPA FY22-23 and \$27.5 million total for the current biennium (\$15 million for FY23-24 and \$12.5 million for FY24-25). The budget adjustments reduce the reappropriated ARPA funds by \$27.5 million and appropriate \$10 million General Funds and \$17.5 million in Federal Funds. The typical method of funding provider rates consists of using both state General Funds and Federal Funds based on the Federal Medical Assistance Percentage (FMAP). Due to the incorporation of LB 1264 into the 2024 budget adjustments, discussed in the section on Federal Funds, the federal funds used for developmental disability services will be reported in Program 424, beginning in FY24-25.

Child Support Pass Through and Disregard

LB 233 requires DHHS, beginning July 1, 2027, to pay the recipients Aid to Dependent Children (ADC) current child support collected pursuant to the assignment or adopt a child support pass-through policy not to exceed \$100/month for one child or for a family with two or more children \$200. The bill also requires DHHS to disregard all child support income for purposes of calculating a recipient's eligibility for ADC. The cost of system updates to accomplish this policy are unknown but expected to be incurred in the upcoming FY26-27 biennium.

Medicaid Pharmacy Dispensing Fee Increase for Independent Pharmacies

LB 204 increases the Medicaid pharmacy dispensing fee reimbursement to independent pharmacies, defined as those with 6 or fewer pharmacy locations to \$10.38 per prescription dispensed. The estimated cost is \$2.5 million General Funds and \$4.5 million Federal Funds however it was determined that there is sufficient appropriation in Agency 25 Program 348 for FY 2024-25 to absorb the expenditure. Existing funding within the Medical Assistance Program is earmarked for this purpose and increases the General Fund appropriation for

administration by \$75,000 for the required study pertaining to dispensing fee rates in Nebraska. Future years funding is uncertain, therefore the agency may need additional appropriation in the FY26-27 biennium.

Medicaid Rate Increase for Dental Providers

LB 358 increases reimbursement rates for dental services provided by Medicaid and CHIP by 12.5% in FY25. The estimated cost is \$3.5 million General Funds and \$6.5 million Federal Funds however it was determined that there is sufficient appropriation in Agency 25 Program 348 for FY 2024-25 to absorb the expenditure. Existing funding within the Medical Assistance Program is earmarked for this purpose. Future years funding is uncertain, therefore the agency may need additional appropriation in the FY26-27 biennium.

Military Department

The 2024 budget adjustments include additional funding for tuition assistance for Service Members in the amount of \$47,207 to meet their current statutory annual cap of \$900,000. In addition, LB 52 was passed by the Legislature, and the bill eliminates the cap on the program. Based on current needs for tuition assistance, passage of LB 52 necessitated an additional appropriation of \$152,793 for FY23-24 and FY24-25.

Provisions of LB 1289 were included in the budget bill to include an appropriation of state aid in the amount of \$3 million in FY24-25 to award a grant to a municipal airport located in a city of the primary class. The grant shall only be used by the municipal airport for the maintenance, repair, and construction of runway facilities that serve the purposes of providing: (a) national and state military preparedness; (b) defense mission support; and (c) civilian passenger or cargo air services. The General Fund appropriation is funded by the one-time transfer of \$3 million from the Cash Reserve Fund in FY24-25.

LB 1300 (2024) also includes a General Fund appropriation for grants under a newly established Nebraska Nonprofit Security Grant Program Act. The aid appropriation for grants is \$411,683 in FY24-25. Additional funds are appropriated for administration of the program.

State Patrol Salary Compression Adjustments

At the beginning of FY23-24, the SLEBC Labor Union, which includes Troopers, Sergeants, Investigative Officers, and Investigative Sergeants, received a salary increase of 22.1%. To prevent salary compression between union members and their higher-ranking, non-union supervisory counterparts, similar salary adjustments were also applied to non-union personnel. Initially, the agency mitigated the financial impact of these increases by utilizing funds from currently vacant positions, but additional funding is included in the 2024 budget adjustments. The total amount included is \$1,114,030 (\$935,261 in General Funds).

Department of Economic Development

The 2024 budget adjustments include \$5 million General Fund appropriation in FY2024-25 for a marketing campaign targeting talented professionals to consider moving to the state of Nebraska. The program was initiated in the fall of 2021 with a \$10 million CARES Act Grant.

The 2024 budget adjustments include a one-time \$2.5 million appropriation of General Funds with the intent to contract with an entity to assist in growing Nebraska's bioeconomy, including expansions in the biomanufacturing and biotechnology segments.

Department of Environment and Energy – Dredge and Fill Program

The 2024 budget adjustments include a reduction in appropriation of \$804,136 General Funds in FY23-24 and \$1,588,732 General Funds in FY24-25. Appropriated funds were related to the LB809 (2022), which granted the Department authority to issue permits relating to dredge and fill of waters of the United States. The program was in the process of becoming active, and this lapse of appropriation will cease the program. The Agency testified that changes to the definitions of waters of the United States mean a state operated program is no

longer necessary. Dredge and fill permits are currently issued by the U.S. Army Corps of Engineers, and the Corps will continue to issue permits in Nebraska going forward.

Lapsed General Fund Reappropriation (Supreme Court, Military Dept, and Crime Commission)

The 2024 budget adjustments include lapsing FY2022-23 General Funds, which were reappropriated for the current biennium in the 2023 budget, from the following:

- (1) \$5 million from the Supreme Court, Program 52, Operations;
- (2) \$5 million from the Supreme Court, Program 435, Community Corrections;
- (3) \$20 million from the Military Department, Program 192, Governor’s Emergency Program; and
- (4) \$1.3 million from the Crime Commission, Program 199, Law Enforcement Training Center.

These funds are unexpended funds from the previous biennium and are not anticipated to be needed for the current biennium, and as such, will lapse back to the General Fund to increase overall General Funds available.

Aid to Public Power Districts

LB 565 (2023) appropriates \$250,000 General Funds each year for two years for grants to any public power district that serves a majority of counties in the state to be used for engineering and modeling work to prepare and support the state in competing for one of the U.S. Department of Energy’s regional clean energy hydrogen hub designations and associated federal funding. The 2024 budget adjustments reduced the funding for this purpose as it was no longer needed.

Opportunity Scholarships

LB 1402 appropriates \$10 million from the General Fund beginning in fiscal year 24-25, and every year thereafter, to provide educational scholarships for K-12 students at qualified schools. Of this \$10 million, \$9.25 million is appropriated for aid (scholarships) and \$750,000 is appropriated for administrative costs. The bill also outright repeals the Opportunity Scholarships Act (LB 753, 2023). The outright repeal results in the reversal of an estimated General Fund revenue loss of \$25 million per year beginning in FY25-26.

Nebraska Career Scholarships (University, State Colleges, DED, CCPE)

In the 2020 session, the Governor’s budget recommendation included funding and distribution language for the Nebraska Career Scholarship Program through the University of Nebraska, State Colleges, and Community Colleges (through Dept. of Economic Development). The original proposal included intent language to increase funding through FY23-24. The distribution language was codified in LB 902 (2022).

The 2023 enacted budget includes the final year of intended increases from the original proposed funding levels, however, increasing the University program to \$8 million per year, the State Colleges program to \$4 million per year (with additional funds for cooperative programs with Wayne State College), and the community colleges program through DED to \$4 million per year. In addition, the 2023 enacted budget includes an additional \$1 million in FY23-24 and \$2 million in FY24-25 under DED to provide Nebraska Career Scholarship funds for students attending a private, not for profit university or college in the state.

The 2024 budget adjustments did not change the funding level for these scholarships, but did restructure the administering agency for scholarships for community colleges and private nonprofit institutions from the Department of Economic Development to the Coordinating Commission for Postsecondary Education (CCPE), enacted as part of LB 1329 (2024), beginning in FY24-25.

Table 21 Nebraska Career Scholarships

Nebraska Career Scholarships	FY19-20	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
University of Nebraska	0	2,000,000	4,000,000	6,000,000	8,000,000	8,000,000
State Colleges	0	1,000,000	2,000,000	3,050,000	4,107,500	4,240,000
DED (Community Colleges)	0	1,000,000	2,000,000	3,000,000	4,000,000	0
DED (private nonprofit)	0	0	1,000,000	2,000,000	3,000,000	0
CCPE (Community Colleges)	0	0	0	0	0	4,000,000
CCPE (private nonprofit)	0	0	0	0	0	4,000,000
Total GF impact	0	4,000,000	9,000,000	14,050,000	19,107,500	20,240,000

Defined Benefit Retirement Plans

The Public Employees Retirement Board (PERB) is the entity through which the state contributes funding for the three defined benefit plans for K-12 school employees, judges, and State Patrol. Financing for the benefits provided by these three defined benefit plans comes from employee and matching employer contributions as set in statute, court fees (for the judges’ plan), the investment return on those contributions, and state contributions as required by statute. There also are two cash balance plans which are what could be termed “defined return” plans where the state in essence guarantees an annual return on the investment not a guaranteed benefit amount. In both cases, when revenue from these sources is not actuarially sufficient, state appropriations are required. For all these programs, the state General Fund is responsible for financing any actuarial shortfalls in these programs at statutory employee and employer contribution rates.

Funding for the defined benefit retirement plans for schools, judges, and the State Patrol are based on the actuary report from Cavanaugh Macdonald Consultants. Overall, the increase is \$3.1 million in FY23-24 and \$5.3 million in FY24-25. In the 2024 budget adjustments, an additional \$3.6 million is added for FY24-25.

In addition, LB 196 amended provisions related to the State Patrol’s retirement plan, and \$2.8 million per fiscal year was appropriated to the State Patrol for payment of retirement contributions by the agency.

Table 22 Changes in Defined Benefit Retirement Plans

Retirement Plans	FY2022-23	Biennial FY2023-24	Budget FY2024-25	Increase vs FY2023-24	Prior Year FY2024-25
<i>Plan Yr Beginning</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>		
School - 2% Salary State	44,704,077	45,821,148	47,734,715	1,117,071	1,913,567
School - 2% Salary Omaha	7,534,456	7,798,499	8,639,634	264,043	841,135
School - Omaha Service Annuity	1,603,111	1,964,600	1,701,782	361,489	(262,818)
Judges - Additional State Contribution	231,537	1,295,917	1,370,712	1,064,380	74,795
Patrol - Additional State Contribution	3,752,980	4,092,005	7,253,460	339,025	3,161,455
Total	57,826,161	60,972,169	66,700,303	3,146,008	5,728,134

Commission of Asian American Affairs

A new state agency, the Commission of Asian American Affairs, was established in LB 1300 (2024). The agency is funded by a General Fund appropriation in FY24-25 of \$143,880, with anticipated increases in the following biennium. Additional revolving funds are appropriated to the Department of Administrative Services for start-up and maintenance costs.

Historical General Fund Appropriations

While the previous sections provide an overview of the FY23-24 and FY24-25 General Fund biennial budget, 24 provides an historical perspective showing appropriations for the twenty year period FY04-05 to FY24-25.

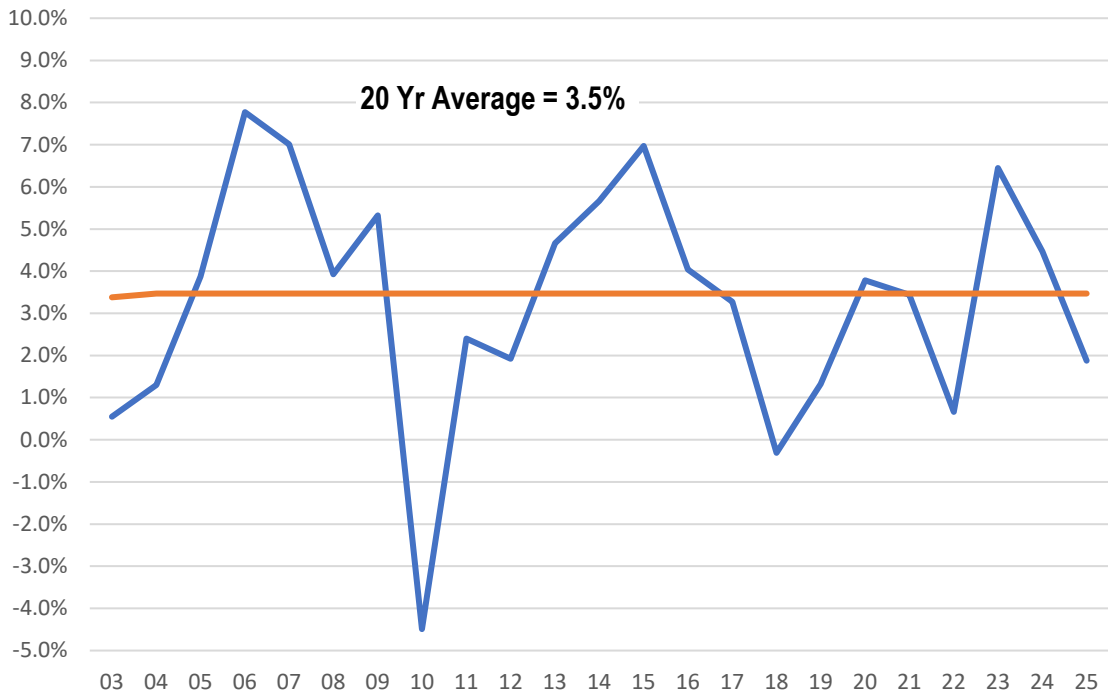
Table 23 Breakdown of General Fund Appropriations – Last 20 Years

	w/o Deficits FY2004-05	w/o Deficits FY2014-15	Per 2024 Session Adj Total FY2024-25
Agency Operations			
University & State /Colleges	433,776,904	592,212,914	759,253,617
Health & Human Services	180,700,556	209,854,144	355,679,902
Correctional Services	132,139,178	181,813,346	362,905,164
Courts	55,641,210	149,427,839	232,815,953
State Patrol	41,539,950	56,576,821	90,739,673
Retirement Board	17,048,711	46,645,251	66,700,303
Revenue	25,371,604	26,428,021	35,914,869
Other Agencies	131,799,097	166,520,755	260,942,035
Total-GF Operations	1,018,017,210	1,429,479,091	2,164,951,516
State Aid to Individuals/Others			
Opportunity Scholarships	--	--	9,250,000
Workforce Development	--	--	0
Medicaid	470,355,382	777,723,897	1,012,640,639
Child Welfare Aid	113,269,755	137,778,999	182,756,746
Developmental disabilities aid	58,032,370	137,040,195	197,567,183
Public Assistance	77,852,044	110,319,888	76,380,054
Behavioral Health aid	30,919,130	67,444,214	70,132,211
Childrens Health Insurance (SCHIP)	12,510,455	27,560,027	26,246,298
Nebr Broadband Bridge Act	0	0	19,795,788
Business Innovation Act	0	6,760,000	19,234,402
Aging Programs	5,696,975	9,463,465	11,722,579
Public Health Aid	0	4,308,060	11,314,060
Nebraska Career Scholarships	--	0	20,240,000
Higher Ed Student Aid programs	5,766,815	7,553,156	9,593,430
Health Aid	2,898,516	6,437,612	7,352,196
Nebraska Rural Projects Act	0	0	4,896,460
All Other Aid to Individuals/Other	8,271,094	12,512,373	33,416,531
Total-GF Aid to Individuals/Other	785,572,536	1,304,901,886	1,712,538,577
State Aid to Local Govts			
State Aid to Schools (TEEOSA)	618,568,757	913,571,842	1,010,135,323
Property Tax Credit	--	137 mil (transfer)	398 mil (transfer)
Community College Future Fund	--	--	254 mil (transfer)
Special Education - General Fund	161,146,721	213,767,961	235,724,474
Special Education - Ed Future Fund	--	--	206 mil (transfer)
Aid to Community Colleges	62,887,646	95,040,351	114,116,711
Homestead Exemption	48,838,100	73,521,000	149,000,000
Aid to ESU's	10,564,913	14,051,761	13,613,976
Aid to Counties programs	8,467,271	0	0
High ability learner programs	2,336,921	0	2,342,962
Early Childhood programs	2,097,180	9,235,164	11,119,357
Community Based Juvenile Services	0	4,950,000	5,798,000
Governors Emergency Program	0	500,000	5,000,000
Other Aid to Local Govt	5,693,592	6,735,912	9,319,394
Total-GF Aid to Local Govt	935,446,662	1,345,007,109	1,556,170,197
Capital Construction			
	19,046,316	26,437,444	21,303,928
TOTAL-MAINLINE BUDGET	2,758,082,724	4,105,825,530	5,454,964,218

Table 24 Historical General Fund Appropriations

<i>Excludes Deficits</i>	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total Appropriations	% Change
FY2003-04 Approp	999,655,261	705,616,238	929,503,078	20,515,031	2,655,289,608	1.3%
FY2004-05 Approp	1,018,017,210	785,572,536	935,446,662	19,046,316	2,758,082,724	3.9%
FY2005-06 Approp	1,079,894,592	850,904,771	1,018,289,225	23,350,481	2,972,439,069	7.8%
FY2006-07 Approp	1,151,463,639	938,524,594	1,058,983,563	31,878,981	3,180,850,777	7.0%
FY2007-08 Approp	1,172,764,317	978,026,675	1,146,759,149	8,150,822	3,305,700,963	3.9%
FY2008-09 Approp	1,221,557,978	1,015,815,632	1,236,048,810	8,238,322	3,481,660,742	5.3%
FY2009-10 Approp	1,210,527,988	880,256,943	1,220,339,540	14,172,233	3,325,296,704	-4.5%
FY2010-11 Approp	1,253,663,584	946,598,966	1,191,036,509	13,802,233	3,405,101,292	2.4%
FY2011-12 Approp	1,225,276,661	1,057,283,733	1,173,944,302	14,027,233	3,470,531,929	1.9%
FY2012-13 Approp	1,259,610,962	1,135,669,688	1,216,370,872	20,772,233	3,632,423,755	4.7%
FY2013-14 Approp	1,315,231,996	1,212,891,823	1,284,215,064	25,830,024	3,838,168,907	5.7%
FY2014-15 Approp	1,429,479,091	1,304,901,886	1,345,007,109	26,437,444	4,105,825,530	7.0%
FY2015-16 Approp	1,521,595,794	1,348,844,879	1,374,980,396	26,382,800	4,271,803,869	4.0%
FY2016-17 Approp	1,580,659,703	1,398,520,670	1,410,271,464	22,239,000	4,411,690,837	3.3%
FY2017-18 Approp	1,570,199,266	1,378,600,757	1,427,473,593	21,739,000	4,398,012,616	-0.3%
FY2018-19 Approp	1,583,458,863	1,415,580,493	1,435,505,259	21,739,000	4,456,283,615	1.3%
FY2019-20 Approp	1,639,165,838	1,437,130,930	1,510,109,279	38,265,811	4,624,671,858	3.8%
FY2020-21 Approp	1,699,786,897	1,490,875,709	1,554,478,631	38,625,661	4,783,766,898	3.4%
FY2021-22 Approp	1,742,597,825	1,525,934,190	1,505,445,122	41,526,176	4,815,503,313	0.7%
FY2022-23 Approp	1,873,192,160	1,666,994,506	1,561,708,727	23,921,610	5,125,817,003	6.4%
FY2023-24 Budget	2,065,056,027	1,696,012,621	1,572,271,127	21,303,928	5,354,643,703	4.5%
FY2024-25 Budget	2,164,951,516	1,712,538,577	1,556,170,197	21,303,928	5,454,964,218	1.9%
Average Annual Growth						
FY12 / FY13 Biennium	0.2%	9.5%	1.1%	22.7%	3.3%	
FY14 / FY15 Biennium	6.5%	7.2%	5.2%	12.8%	6.3%	
FY16 / FY17 Biennium	5.2%	3.5%	2.4%	-8.3%	3.7%	
FY18 / FY19 Biennium	0.1%	0.6%	0.9%	-1.1%	0.5%	
FY20 / FY21 Biennium	3.6%	2.6%	4.1%	33.3%	3.6%	
FY22 / FY23 Biennium	5.0%	5.7%	0.2%	-21.3%	3.5%	
FY24 / FY25 Biennium	7.5%	1.4%	-0.2%	-5.6%	3.2%	
Avg FY05 to FY15 (10 yr)	3.5%	5.2%	3.7%	3.3%	4.1%	
Avg FY15 to FY25 (10 yr)	4.2%	2.8%	1.5%	-2.1%	2.9%	
Avg F05 to FY25 (20 yr)	3.8%	4.0%	2.6%	0.6%	3.5%	

General Fund Budget Growth - Past 20 Years



General Fund Appropriation By Agency

Table 25 FY24/FY25 Biennial Budget as Enacted in the 2024 Legislative Session

		Per 2023 Session		Per 2024 Session		Per 2024 Session		
		Enacted	Enacted	Enacted	Enacted	Adj Total	Adj Total	
Type		FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	
#03	Legislative Council	Oper	26,499,433	27,803,022	0	0	26,499,433	27,803,022
#03	Legislative Council	Total	26,499,433	27,803,022	0	0	26,499,433	27,803,022
#05	Supreme Court	Aid	270,000	270,000	0	0	270,000	270,000
#05	Supreme Court	Oper	219,392,861	232,452,664	(74,755)	363,289	219,318,106	232,815,953
#05	Supreme Court	Total	219,662,861	232,722,664	(74,755)	363,289	219,588,106	233,085,953
#07	Governor	Oper	2,211,929	2,211,929	0	0	2,211,929	2,211,929
#07	Governor	Total	2,211,929	2,211,929	0	0	2,211,929	2,211,929
#08	Lt. Governor	Oper	158,750	160,838	0	0	158,750	160,838
#08	Lt. Governor	Total	158,750	160,838	0	0	158,750	160,838
#09	Secretary of State	Oper	3,643,499	3,149,647	0	129,700	3,643,499	3,279,347
#09	Secretary of State	Total	3,643,499	3,149,647	0	129,700	3,643,499	3,279,347
#10	State Auditor	Oper	3,624,560	3,989,059	0	0	3,624,560	3,989,059
#10	State Auditor	Total	3,624,560	3,989,059	0	0	3,624,560	3,989,059
#11	Attorney General	Oper	7,763,172	8,061,298	0	0	7,763,172	8,061,298
#11	Attorney General	Total	7,763,172	8,061,298	0	0	7,763,172	8,061,298
#12	State Treasurer	Aid	0	0	0	9,250,000	0	9,250,000
#12	State Treasurer	Oper	1,280,827	1,320,027	0	750,000	1,280,827	2,070,027
#12	State Treasurer	Total	1,280,827	1,320,027	0	10,000,000	1,280,827	11,320,027
#13	Education	Aid	1,302,610,142	1,217,281,907	(1,628,928)	65,272,568	1,300,981,214	1,282,554,475
#13	Education	Oper	33,185,214	34,082,281	575,361	1,056,234	33,760,575	35,138,515
#13	Education	Total	1,335,795,356	1,251,364,188	(1,053,567)	66,328,802	1,334,741,789	1,317,692,990
#14	Public Service Comm	Aid	20,702,266	20,697,004	0	0	20,702,266	20,697,004
#14	Public Service Comm	Oper	2,598,034	2,680,792	50,149	127,613	2,648,183	2,808,405
#14	Public Service Comm	Total	23,300,300	23,377,796	50,149	127,613	23,350,449	23,505,409
#15	Parole Board	Oper	9,098,692	9,969,596	0	(8,361,051)	9,098,692	1,608,545
#15	Parole Board	Total	9,098,692	9,969,596	0	(8,361,051)	9,098,692	1,608,545
#16	Revenue	Aid	128,000,000	133,600,000	14,700,000	15,400,000	142,700,000	149,000,000
#16	Revenue	Oper	32,404,613	33,115,321	(1,360,155)	2,799,548	31,044,458	35,914,869
#16	Revenue	Total	160,404,613	166,715,321	13,339,845	18,199,548	173,744,458	184,914,869
#18	Agriculture	Aid	1,006,000	1,006,000	0	0	1,006,000	1,006,000
#18	Agriculture	Oper	7,010,695	6,824,995	(18,434)	80,433	6,992,261	6,905,428
#18	Agriculture	Total	8,016,695	7,830,995	(18,434)	80,433	7,998,261	7,911,428
#21	Fire Marshal	Oper	5,268,621	5,433,134	(64,702)	251,927	5,203,919	5,685,061
#21	Fire Marshal	Total	5,268,621	5,433,134	(64,702)	251,927	5,203,919	5,685,061
#23	Labor	Aid	10,000,000	0	(10,000,000)	0	0	0
#23	Labor	Oper	714,525	739,805	0	0	714,525	739,805
#23	Labor	Total	10,714,525	739,805	(10,000,000)	0	714,525	739,805
#25	DHHS	Aid	1,596,668,836	1,624,348,891	(5,000,000)	(24,775,000)	1,591,668,836	1,599,573,891
#25	DHHS	Oper	346,126,184	359,340,835	7,308,832	(3,660,933)	353,435,016	355,679,902
#25	DHHS	Total	1,942,795,020	1,983,689,726	2,308,832	(28,435,933)	1,945,103,852	1,955,253,793

		Per 2023 Session		Per 2024 Session		Per 2024 Session		
		Enacted	Enacted	Enacted	Enacted	Adj Total	Adj Total	
Type		FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	
#28	Veterans Affairs	Aid	2,500,000	0	0	0	2,500,000	0
28	Veterans Affairs	Oper	47,400,624	54,989,268	(27,264)	(95,508)	47,373,360	54,893,760
#28	Veterans Affairs	Total	49,900,624	54,989,268	(27,264)	(95,508)	49,873,360	54,893,760
#29	Natural Resources	Aid	1,806,112	1,806,112	0	0	1,806,112	1,806,112
#29	Natural Resources	Oper	11,837,784	12,223,866	(127,396)	104,560	11,710,388	12,328,426
#29	Natural Resources	Total	13,643,896	14,029,978	(127,396)	104,560	13,516,500	14,134,538
#31	Military Dept	Aid	5,852,793	5,852,793	200,000	3,611,683	6,052,793	9,464,476
#31	Military Dept	Oper	5,118,485	5,234,211	0	88,317	5,118,485	5,322,528
#31	Military Dept	Total	10,971,278	11,087,004	200,000	3,700,000	11,171,278	14,787,004
#32	Ed Lands & Funds	Oper	462,359	481,080	0	0	462,359	481,080
#32	Ed Lands & Funds	Total	462,359	481,080	0	0	462,359	481,080
#33	Game & Parks	Aid	52,500	52,500	0	0	52,500	52,500
#33	Game & Parks	Oper	12,907,811	13,332,647	0	0	12,907,811	13,332,647
#33	Game & Parks	Total	12,960,311	13,385,147	0	0	12,960,311	13,385,147
#34	Library Commission	Aid	1,404,136	1,435,711	0	0	1,404,136	1,435,711
#34	Library Commission	Oper	3,072,928	3,197,880	0	0	3,072,928	3,197,880
#34	Library Commission	Total	4,477,064	4,633,591	0	0	4,477,064	4,633,591
#35	Liquor Control	Oper	1,952,388	2,015,297	(73,193)	(5,490)	1,879,195	2,009,807
#35	Liquor Control	Total	1,952,388	2,015,297	(73,193)	(5,490)	1,879,195	2,009,807
#46	Correctional Services	Aid	4,000,000	4,000,000	0	0	4,000,000	4,000,000
#46	Correctional Services	Oper	342,518,271	353,230,798	(910,506)	9,674,366	341,607,765	362,905,164
#46	Correctional Services	Total	346,518,271	357,230,798	(910,506)	9,674,366	345,607,765	366,905,164
#47	NETC	Oper	11,456,877	11,557,557	0	0	11,456,877	11,557,557
#47	NETC	Total	11,456,877	11,557,557	0	0	11,456,877	11,557,557
#48	Coordinating Comm	Aid	9,593,430	9,593,430	0	8,000,000	9,593,430	17,593,430
#48	Coordinating Comm	Oper	1,517,411	1,575,026	0	0	1,517,411	1,575,026
#48	Coordinating Comm	Total	11,110,841	11,168,456	0	8,000,000	11,110,841	19,168,456
#50	State Colleges	Aid	4,407,500	4,840,000	0	0	4,407,500	4,840,000
#50	State Colleges	Oper	64,242,223	67,940,555	0	0	64,242,223	67,940,555
#50	State Colleges	Total	68,649,723	72,780,555	0	0	68,649,723	72,780,555
#51	University of Nebraska	Aid	8,000,000	8,000,000	0	0	8,000,000	8,000,000
#51	University of Nebraska	Oper	659,939,406	691,043,285	0	269,777	659,939,406	691,313,062
#51	University of Nebraska	Total	667,939,406	699,043,285	0	269,777	667,939,406	699,313,062
#54	Historical Society	Oper	5,120,464	5,286,038	20,000	0	5,140,464	5,286,038
#54	Historical Society	Total	5,120,464	5,286,038	20,000	0	5,140,464	5,286,038
#57	Oil & Gas Comm.	Oper	175,000	175,000	0	0	175,000	175,000
#57	Oil & Gas Comm.	Total	175,000	175,000	0	0	175,000	175,000
#64	State Patrol	Oper	82,859,249	87,039,432	94,412	3,700,241	82,953,661	90,739,673
#64	State Patrol	Total	82,859,249	87,039,432	94,412	3,700,241	82,953,661	90,739,673
#65	Admin Services (DAS)	Oper	9,660,243	9,919,827	100,000	372,816	9,760,243	10,292,643
#65	Admin Services (DAS)	Total	9,660,243	9,919,827	100,000	372,816	9,760,243	10,292,643
#67	Equal Opportunity	Oper	1,443,415	1,456,854	0	0	1,443,415	1,456,854
#67	Equal Opportunity	Total	1,443,415	1,456,854	0	0	1,443,415	1,456,854
#68	Latino American Comm.	Oper	288,554	299,086	0	0	288,554	299,086
#68	Latino American Comm.	Total	288,554	299,086	0	0	288,554	299,086

		Per 2023 Session		Per 2024 Session		Per 2024 Session		
		Enacted	Enacted	Enacted	Enacted	Adj Total	Adj Total	
Type		FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	
#69	Arts Council	Aid	1,851,819	1,849,209	0	0	1,851,819	1,849,209
#69	Arts Council	Oper	748,558	779,570	0	0	748,558	779,570
#69	Arts Council	Total	2,600,377	2,628,779	0	0	2,600,377	2,628,779
#70	Foster Care Review	Aid	500,000	500,000	0	0	500,000	500,000
#70	Foster Care Review	Oper	2,490,533	2,586,432	0	0	2,490,533	2,586,432
#70	Foster Care Review	Total	2,990,533	3,086,432	0	0	2,990,533	3,086,432
#72	Economic Development	Aid	46,410,294	38,261,624	(250,000)	(8,250,000)	46,160,294	30,011,624
#72	Economic Development	Oper	9,913,270	9,402,840	2,500,000	5,386,475	12,413,270	14,789,315
#72	Economic Development	Total	56,323,564	47,664,464	2,250,000	(2,863,525)	58,573,564	44,800,939
#76	Indian Affairs Commission	Oper	283,511	295,530	0	0	283,511	295,530
#76	Indian Affairs Commission	Total	283,511	295,530	0	0	283,511	295,530
#77	Industrial Relations	Oper	325,401	333,982	0	0	325,401	333,982
#77	Industrial Relations	Total	325,401	333,982	0	0	325,401	333,982
#78	Crime Commission	Aid	12,305,805	12,305,805	0	0	12,305,805	12,305,805
#78	Crime Commission	Oper	6,532,950	6,462,741	0	36,846	6,532,950	6,499,587
#78	Crime Commission	Total	18,838,755	18,768,546	0	36,846	18,838,755	18,805,392
#81	Blind & Visually Impaired	Aid	381,871	381,871	0	0	381,871	381,871
#81	Blind & Visually Impaired	Oper	2,233,686	2,406,221	0	0	2,233,686	2,406,221
#81	Blind & Visually Impaired	Total	2,615,557	2,788,092	0	0	2,615,557	2,788,092
#82	Deaf & Hard of Hearing	Oper	1,164,268	1,211,665	0	0	1,164,268	1,211,665
#82	Deaf & Hard of Hearing	Total	1,164,268	1,211,665	0	0	1,164,268	1,211,665
#83	Community Colleges	Aid	111,939,172	114,116,711	0	0	111,939,172	114,116,711
#83	Community Colleges	Total	111,939,172	114,116,711	0	0	111,939,172	114,116,711
#84	Environment & Energy	Oper	7,906,337	7,448,556	(804,136)	(665,254)	7,102,201	6,783,302
#84	Environment & Energy	Total	7,906,337	7,448,556	(804,136)	(665,254)	7,102,201	6,783,302
#85	Retirement Board	Oper	60,972,169	63,139,000	0	3,561,303	60,972,169	66,700,303
#85	Retirement Board	Total	60,972,169	63,139,000	0	3,561,303	60,972,169	66,700,303
#87	Account/Disclosure	Oper	653,612	673,169	0	0	653,612	673,169
#87	Account/Disclosure	Total	653,612	673,169	0	0	653,612	673,169
#90	African American Affairs	Oper	277,053	287,760	0	0	277,053	287,760
#90	African American Affairs	Total	277,053	287,760	0	0	277,053	287,760
#93	Tax Equal/Review Comm	Oper	1,411,365	1,481,966	0	0	1,411,365	1,481,966
#93	Tax Equal/Review Comm	Total	1,411,365	1,481,966	0	0	1,411,365	1,481,966
#97	Asian Affairs Comm	Oper	0	0	0	143,880	0	143,880
#97	Asian Affairs Comm	Total	0	0	0	143,880	0	143,880
	Construction-Reaffirm	Const	21,303,928	21,303,928	0	0	21,303,928	21,303,928
	Construction-New	Const	0	0	0	0	0	0
	Construction-Total	Total	21,303,928	21,303,928	0	0	21,303,928	21,303,928
TOTAL GENERAL FUNDS			5,349,434,418	5,370,345,878	5,209,285	84,618,340	5,354,643,703	5,454,964,218

General Fund State Aid by Aid Program

Table 26 FY24/FY25 Biennial Budget State Aid as Enacted in the 2024 Legislative Session

		Per 2023 Session		Per 2024 Session			
Agency	Aid Program	Enacted FY2023-24	Enacted FY2024-25	Enacted FY2023-24	Enacted FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
Courts	Dispute resolution	270,000	270,000	0	0	270,000	270,000
Treasurer	Opportunity Scholarships	0	0	0	9,250,000	0	9,250,000
Treasurer	Aid to Counties	0	0	0	0	0	0
Education	Teach in Nebraska Today	5,000,000	5,000,000	0	0	5,000,000	5,000,000
Education	TEEOSA State Aid	1,030,190,990	944,862,755	(2,134,335)	65,272,568	1,028,056,655	1,010,135,323
Education	Special Education	235,724,474	235,724,474	0	0	235,724,474	235,724,474
Education	Aid to ESU's	13,613,976	13,613,976	0	0	13,613,976	13,613,976
Education	High ability learner	2,342,962	2,342,962	0	0	2,342,962	2,342,962
Education	Early Childhood grant	3,619,357	3,619,357	0	0	3,619,357	3,619,357
Education	Early Child. Endowment	7,500,000	7,500,000	0	0	7,500,000	7,500,000
Education	Nurturing Healthy Behaviors	400,000	400,000	0	0	400,000	400,000
Education	School Lunch	392,032	392,032	0	0	392,032	392,032
Education	Textbook loan program	1,465,500	1,465,500	0	0	1,465,500	1,465,500
Education	School Breakfast	617,898	617,898	0	0	617,898	617,898
Education	Adult Education	214,664	214,664	0	0	214,664	214,664
Education	Learning Communities Aid	470,000	470,000	0	0	470,000	470,000
Education	Summer Food Service	90,000	90,000	0	0	90,000	90,000
Education	High School Equivalency	750,000	750,000	0	0	750,000	750,000
Education	Step Up to Quality Child Care - Scholarships	100,000	100,000	0	0	100,000	100,000
Education	Step Up to Quality Child Care - Bonuses	69,000	69,000	0	0	69,000	69,000
Education	Maintenance of Equity	0	0	505,407	0	505,407	0
Education	Vocational Rehabilitation	49,289	49,289	0	0	49,289	49,289
Public Service	Precision Ag	906,478	901,216	0	0	906,478	901,216
Public Service	NE Broadband Bridge Act	19,795,788	19,795,788	0	0	19,795,788	19,795,788
Revenue	Homestead Exemption	128,000,000	133,600,000	14,700,000	15,400,000	142,700,000	149,000,000
Agriculture	Riparian Vegetation grants	706,000	706,000	0	0	706,000	706,000
Agriculture	NE AgrAbility program	300,000	300,000	0	0	300,000	300,000
Labor	Workforce Development	10,000,000	0	(10,000,000)	0	0	0
DHHS	Behavioral Health Aid	84,505,211	85,382,211	(15,000,000)	(15,250,000)	69,505,211	70,132,211
DHHS	Med student asst/RHOP	2,180,723	2,180,723	0	0	2,180,723	2,180,723
DHHS	Children's Health Insurance	26,384,947	26,246,298	0	0	26,384,947	26,246,298
DHHS	Public Assistance	86,130,054	86,380,054	(20,000,000)	(10,000,000)	66,130,054	76,380,054
DHHS	Medicaid	1,007,479,783	1,012,640,639	0	0	1,007,479,783	1,012,640,639
DHHS	Child Welfare aid	182,837,350	182,756,746	20,000,000	0	202,837,350	182,756,746
DHHS	Youth in Transition aid	1,281,202	1,281,202	0	0	1,281,202	1,281,202
DHHS	Developmental disabilities	175,955,731	197,567,183	10,000,000	0	185,955,731	197,567,183
DHHS	Public Health aid	11,314,060	11,314,060	0	0	11,314,060	11,314,060
DHHS	Health Aid	6,877,196	6,877,196	0	475,000	6,877,196	7,352,196

		Per 2023 Session		Per 2024 Session			
Agency	Aid Program	Enacted FY2023-24	Enacted FY2024-25	Enacted FY2023-24	Enacted FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
DHHS	Developmental disabilities	175,955,731	197,567,183	10,000,000	0	185,955,731	197,567,183
DHHS	Public Health aid	11,314,060	11,314,060	0	0	11,314,060	11,314,060
DHHS	Health Aid	6,877,196	6,877,196	0	475,000	6,877,196	7,352,196
DHHS	Care Management	2,315,560	2,315,560	0	0	2,315,560	2,315,560
DHHS	Area agencies on aging	9,407,019	9,407,019	0	0	9,407,019	9,407,019
Vets Affairs	Grants for war memorial	2,500,000	0	0	0	2,500,000	0
Nat Resources	NE Water Conservation	1,806,112	1,806,112	0	0	1,806,112	1,806,112
Military Dept	Governors Emerg Program	5,000,000	5,000,000	0	0	5,000,000	5,000,000
Military Dept	Military preparedness	0	0	0	3,000,000	0	3,000,000
Military Dept	Nonprofit Security Grant	0	0	0	411,638	0	411,638
Military Dept	Guard tuition assistance	852,793	852,793	200,000	200,000	1,052,793	1,052,793
Game & Parks	Niobrara Council	52,500	52,500	0	0	52,500	52,500
Library Comm	Local libraries	1,404,136	1,435,711	0	0	1,404,136	1,435,711
Corrections	Vocational and Life Skills	4,000,000	4,000,000	0	0	4,000,000	4,000,000
Coord. Comm	NE Opportunity Grant	8,093,430	8,093,430	0	0	8,093,430	8,093,430
Coord. Comm	Access College Early	1,500,000	1,500,000	0	0	1,500,000	1,500,000
Coord. Comm	NE Career Scholarships	0	0	0	8,000,000	0	8,000,000
St Colleges	NE Career Scholarships	4,107,500	4,240,000	0	0	4,107,500	4,240,000
St Colleges	RHOP/PHEAST	300,000	600,000	0	0	300,000	600,000
University	NE Career Scholarships	8,000,000	8,000,000	0	0	8,000,000	8,000,000
Arts Council	Museum of Nebraska Arts	0	0	0	0	0	0
Arts Council	Aid to arts programs	1,851,819	1,849,209	0	0	1,851,819	1,849,209
Foster Care	CASA Aid	500,000	500,000	0	0	500,000	500,000
Econ Develop	Aid to development districts	1,000,000	1,000,000	0	0	1,000,000	1,000,000
Econ Develop	NE Rural Projects Act	4,896,460	4,896,460	0	0	4,896,460	4,896,460
Econ Develop	Mentorship Program	4,877,702	4,880,762	0	0	4,877,702	4,880,762
Econ Develop	Business Innovation Act	19,234,402	19,234,402	0	0	19,234,402	19,234,402
Econ Develop	NE Career Scholarships	7,000,000	8,000,000	0	(8,000,000)	7,000,000	0
Econ Develop	Hydrogen hub grants	250,000	250,000	(250,000)	(250,000)	0	0
Econ Develop	Economic Recovery Act	9,151,730	0	0	0	9,151,730	0
Crime Comm	Juvenile services grants	564,300	564,300	0	0	564,300	564,300
Crime Comm	Community Based Juvenile	5,798,000	5,798,000	0	0	5,798,000	5,798,000
Crime Comm	Crimestoppers program	12,919	12,919	0	0	12,919	12,919
Crime Comm	Reinvestment Grants	480,000	480,000	0	0	480,000	480,000
Crime Comm	Attraction/Retention inct.	4,789,769	4,789,769	0	0	4,789,769	4,789,769
Crime Comm	Victim Witness assistance	50,457	50,457	0	0	50,457	50,457
Crime Comm	Crime Victims reparations	19,200	19,200	0	0	19,200	19,200
Crime Comm	Violence Prevention Grants	591,160	591,160	0	0	591,160	591,160
Blind & Vis Imp	Blind rehabilitation	381,871	381,871	0	0	381,871	381,871
Comm College	Aid to Community Colleges	111,939,172	114,116,711	0	0	111,939,172	114,116,711
TOTAL GF STATE AID		3,270,262,676	3,200,199,568	(1,978,928)	68,509,206	3,268,283,748	3,268,708,774

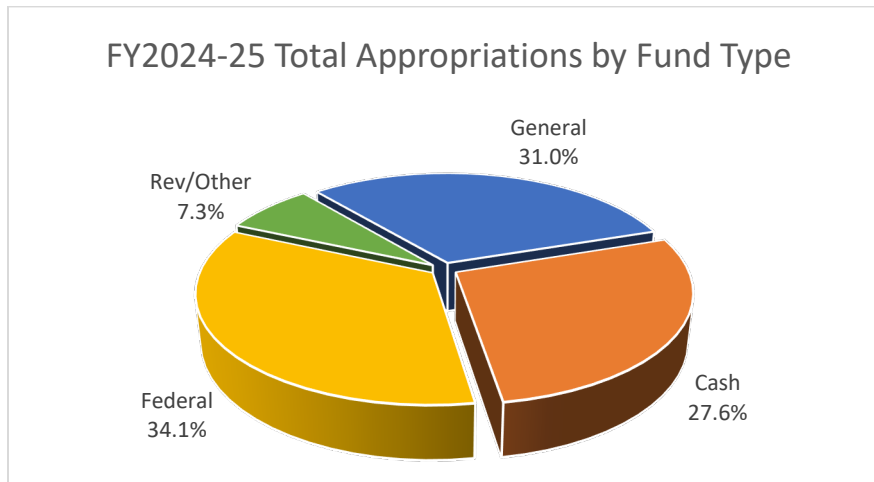
APPROPRIATIONS
ALL FUND SOURCES

Appropriations - All Fund Sources

This section of the report reflects the enacted budget for all funds sources, including Cash, Federal, and Revolving Funds. Table 27 contains the overall total appropriations by fund source broken down by operations, state aid, and capital construction. Following the tables is a description of each type of fund source and highlights of major increases inside of each fund category.

Table 27 FY24/FY25 Biennial Budget as Enacted - All Fund Sources

FY2022-23 (w/o deficits)	General	Cash	Federal	Rev/Other	Total
Agency Operations	1,873,047,410	2,023,864,733	1,080,785,465	1,108,278,878	6,085,976,486
State Aid	3,228,703,233	1,169,969,132	4,125,821,750	1,369,771	8,525,863,886
Capital Construction	23,921,610	154,423,930	60,178,150	87,643,459	326,167,149
Total	5,125,672,253	3,348,257,795	5,266,785,365	1,197,292,108	14,938,007,521
FY2023-24	General	Cash	Federal	Rev/Other	Total
<u>Per 2024 Session</u>					
Agency Operations	2,065,056,027	2,380,794,467	1,086,611,794	1,138,501,805	6,670,964,093
State Aid	3,268,283,748	1,582,800,179	3,712,790,544	1,369,771	8,565,244,242
Capital Construction	21,303,928	86,673,930	4,367,875	150,163,580	262,509,313
Total	5,354,643,703	4,050,268,576	4,803,770,213	1,290,035,156	15,498,717,648
<u>Change over prior year</u>					
Agency Operations	192,008,617	356,929,734	5,826,329	30,222,927	584,987,607
State Aid	39,580,515	412,831,047	(413,031,206)	0	39,380,356
Capital Construction	(2,617,682)	(67,750,000)	(55,810,275)	62,520,121	(63,657,836)
Dollar Change	228,971,450	702,010,781	(463,015,152)	92,743,048	560,710,127
Percent Change	4.5%	21.0%	-8.8%	7.7%	3.8%
FY2024-25	General	Cash	Federal	Rev/Other	Total
<u>Per 2024 Session</u>					
Agency Operations	2,164,951,471	2,389,386,365	1,083,221,914	1,133,525,443	6,771,085,193
State Aid	3,268,708,819	2,373,117,398	4,917,397,000	1,369,771	10,560,592,988
Capital Construction	21,303,928	86,673,930	3,170,505	151,881,800	263,030,163
Total	5,454,964,218	4,849,177,693	6,003,789,419	1,286,777,014	17,594,708,344
<u>Change over prior year</u>					
Agency Operations	99,895,444	8,591,898	(3,389,880)	(4,976,362)	100,121,100
State Aid	425,071	790,317,219	1,204,606,456	0	1,995,348,746
Capital Construction	0	0	(1,197,370)	1,718,220	520,850
Dollar Change	100,320,515	798,909,117	1,200,019,206	(3,258,142)	2,095,990,696
Percent Change	1.9%	19.7%	25.0%	-0.3%	13.5%
Two Yr Average % Change	3.2%	20.3%	6.8%	3.7%	8.5%



Cash Funds

These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there are more than 200 individual cash funds contained in 75 different agencies. Only 5 agencies do not have some cash funds, although many are very small amounts. In many instances, an agency has multiple cash funds. For example, the Dept. of Agriculture has over 20 different cash funds. Monies held in these funds generally can only be used for the specific purpose for which the fund was created. Cash funds are used to account for revenues such as University and State College tuition and fees, hunting/fishing permits, highway revenues (gas tax and sales tax on motor vehicles), and agricultural commodity check-off fees. In addition, most inspection, regulatory, and license fees and charges, are dedicated to and accounted for through the use of cash funds.

However, an increasingly large portion of the source of monies for cash funds is General Fund transfers into a cash fund. This includes the Property Tax Credit Cash Fund, where the appropriation for FY23-24 is \$375.5 million, \$363 million of which is funded by a transfer from the General Fund, and for FY24-25 is \$413 million, \$398 million of which is funded by a transfer from the General Fund. The remaining appropriation is funded by casino gaming tax revenue, which is credited directly to the cash fund.

LB 818 creates the Education Future Fund (EFF), which authorizes transfers from the General Fund and lists permissible uses. Funds are appropriated in LB 814 (2023), LB 583 (2023), LB 705 (2023), LB 1329 (2024), and LB 1412 (2024). The State Department of Education had a relatively small cash fund appropriation prior to the passage of these bills, and subsequent to the legislation is the 4th highest cash funded agency with about 7.3% of cash funds appropriated for FY24-25.

In addition, LB 243 (2023) created the Community College Future Fund, which authorizes transfers from the General Fund into that cash fund and payments of state aid to community colleges from the cash fund. Community colleges previously only received state aid from the General Fund, and with the changes in LB 243 are now ranked as the 5th highest cash fund appropriation with over 5% of cash funds appropriated for FY24-25.

The Economic Recovery Contingency Fund, administered by the Department of Economic Development, is also largely funded by transfers from the General Fund and the Cash Reserve Fund. In the enacted budget, there were transfers from the General Fund of \$10 million in FY23-24 and \$40 million in FY24-25 into the cash fund, and a \$240 million transfer from the Cash Reserve Fund into the cash fund in FY23-24.

CASH FUNDS	FY2022-23	FY2023-24	FY2024-25	FY24-25 Rank	% of Total
Transportation	1,069,034,923	1,285,879,255	1,312,638,524	1	27.1%
Health & Human Services (DHHS)	180,179,625	311,730,988	904,361,292	2	18.6%
University of Nebraska	488,150,106	488,150,106	488,650,106	3	10.1%
Revenue	346,335,481	408,189,709	446,643,126	4	9.2%
Education	14,521,068	377,425,427	354,750,211	5	7.3%
Community Colleges	0	0	246,499,886	6	5.1%
Economic Development	258,920,652	327,248,937	240,775,393	7	5.0%
Public Service Comm	92,020,931	113,025,431	113,921,435	8	2.3%
Game and Parks	103,817,448	103,952,274	111,859,082	9	2.3%
Natural Resources	223,937,677	117,456,323	89,523,805	10	1.8%
All Other	795,277,561	634,666,449	629,078,638		13.0%
Total - Cash Funds	3,348,257,795	4,050,268,576	4,849,177,693		100.0%
Annual \$ Change	544,612,568	702,010,781	798,909,117		
Annual % Change	19.4%	21.0%	19.7%		

Transportation accounts for 27.1% of cash fund revenues and expenditures while the University of Nebraska accounts for 10.1%. The Dept. of Revenue accounts for 9.2% of the total as the property tax credits are expended as cash funds. The Department of Health and Human Services, 6th most cash funds appropriated in FY23-24, has the second highest cash fund appropriation for FY24-25, due to the passage of legislation in 2024.

The enacted budget for FY23-24 reflects a 21% increase in cash fund appropriations over the prior year, which followed a 19.4% increase in FY22-23. Of the total amount appropriated in FY23-24 from cash funds, just over \$1 billion is funded by a transfer from the General Fund or the Cash Reserve Fund. Of the total amount appropriated in FY24-25, just over \$1.2 billion is funded by a transfer from the General Fund or the Cash Reserve Fund. The largest of these are the Property Tax Credit Cash Fund, the Education Future Fund, the Community College Future Fund, and the Economic Recovery Contingency Fund.

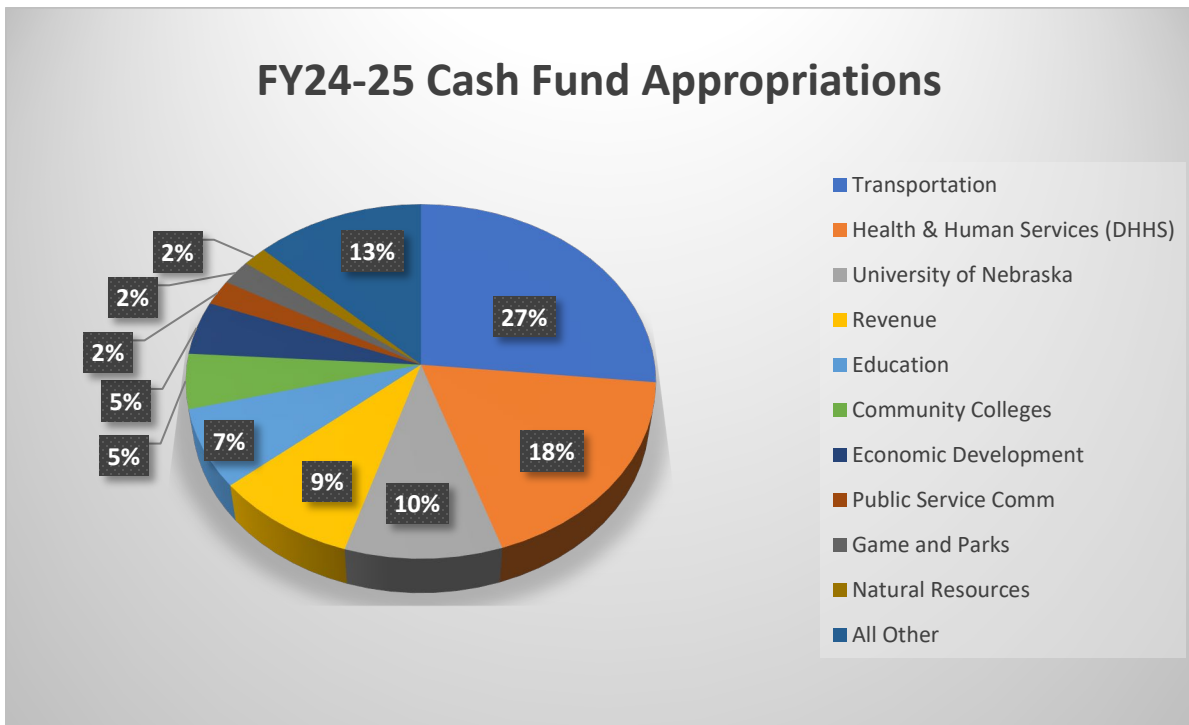


Table 28 Cash Fund Budget Adjustments – 2024 Session

Agency	Prg	Item	FY23-24	FY24-25
Education	158	Special Education calculation	27,539,228	0
Atty General	290	Litigation authority	2,250,000	2,250,000
Banking	65	Financial examiner salaries	0	791,289
Labor	31	Workforce Development	10,000,000	10,000,000
Motor Vehicles	90	License plate production	1,562,626	411,538
DHHS	38	Opioid Settlement cash authority	3,500,000	3,500,000
DHHS	347	NE Homeless Assistance cash authority	0	1,200,000
DHHS	348	PHE Unwind	0	30,000,000
DHHS	421	HHS Cash Fund BSDC	4,500,000	0
DHHS	514	LB 1125 - home visitation program	1,400,000	1,400,000
DHHS	514	LB 1154 - grant for Special Olympics	0	500,000
DHHS	514	LB 1209 - grant for rehabilitation hospital HVAC	0	3,000,000
Nat Resources	319	STARWARS Lake	(1,000,000)	(20,000,000)
Game & Parks	162	Environmental Trust aid	0	5,000,000
Game & Parks	549	Parks operations	1,900,000	1,900,000
Game & Parks	550	Chief Standing Bear grants	0	750,000
University	781	LB 1266 - tenant assistance	0	500,000
Eng & Arch	82	New staff position	0	80,514
State Patrol	100	Human trafficking software	200,000	338,000
State Patrol	100	Salary compression adjustments	0	133,220
Econ Dev	603	US Stratcom Facility	20,000,000	0
Econ Dev	611	Economic Recovery Act interest authority	45,000,000	20,000,000
Comm College	152	Community College Aid	0	\$8 Mil Est
Retirement	515	Retirement payout	78,879	0
Tourism	618	Spending authority	0	1,500,000
Public Advcy	425	Salary increase	0	69,090
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(736,562)
Mult Agencies	--	OCIO Costs	(3,299,518)	(1,309,874)
--	--	All Other	150,908	47,545
Total Cash Funds – 2024 Budget Adjustments			113,782,123	61,324,760

Table 29 Cash Fund A Bills – 2024 Session

Bill	FY23-24	FY24-25
LB 1412 Mainline Budget Bill	113,782,123	61,324,760
LB 1188 State Claims	0	0
<i>Subtotal-Mainline Bills</i>	<i>113,782,123</i>	<i>61,324,760</i>
LB 16 – Change provisions relating to occupational boards	0	8,900
LB 20 – Provide for restoration of voting rights	0	4,400
LB 62 – Provide for Medicaid coverage of translation and interpretation	0	726,177
LB 71 – Change provisions relating to early childhood education	0	10,000
LB 102 – Amend the Land Surveyors Regulation Act and the Nebraska Plane Coordinate System Act	0	2,500
LB 130 – Change quality assurance assessments for nursing facilities	0	20,000,000
LB 140 – Provide for Czech Heritage license plates	0	4,100
LB 164 – Change provisions relating to the Municipal Inland Port Authority Act	0	30,000,000
LB 196 – Change provisions of the Nebraska State Patrol Retirement Act	0	691,779
LB 262 – Change provisions relating to warehouse operators and hemp	0	12,000
LB 484 – Change provisions relating to the Nebraska Motor Vehicle Industry Licensing Board	0	8,000
LB 600 – Adopt the Municipality Infrastructure Aid Act	0	5,000,000
LB 644 – Change provisions of the Site and Building Development Fund	0	500,000
LB 771 – Provide for grants for veterans	0	200,000
LB 857 – Create the Nebraska Prenatal Plus Program	0	2,494,939
LB 867 – Change provisions relating to park entry permits and natural gas/propane	0	3,500
LB 904 – Create the Intergenerational Care Facility Incentive Grant Program	0	330,000
LB 905 – Change provisions relating to medical respite care	0	106,045
LB 992 – Change provisions of the Real Property Appraiser Act	0	-453
LB 1031 – Change provisions relating to dark fiber leases and broadband	0	525,000
LB 1087 – Adopt the Hospital Quality Assurance and Access Assessment Act	0	650,000,000
LB 1200 – Change provisions relating to motor vehicles and the 988 suicide and crisis lifeline	0	-20,000
LB 1204 – Change provisions relating to lotteries and raffles and tobacco products	0	482,013
LB 1284 – Change teacher incentive programs and computer science education	0	4,000,000
LB 1300 – Adopt the Pacific Conflict Stress Test Act	0	25,000
LB 1306 – Eliminate the Professional Practices Commission	0	-171,168
LB 1317 – Change tax provisions	0	90,000
LB 1329 – Change requirements for various school and education programs	0	525,000
LB 1355 – Change provisions of the Opioid Prevention and Treatment Act	0	2,000,000
LB 1368 – Adopt the Nitrogen Reduction Incentive Act	0	1,000,000
<i>A bills total</i>	<i>0</i>	<i>718,557,732</i>
Total – Appropriations Bills (Cash Funds)	113,782,123	779,882,492

Education Future Fund

The enacted budget includes the provisions of LB 681 (2023), which creates the Education Future Fund and transfers \$1 billion to the Nebraska Department of Education (NDE) from the General Fund in FY23-24 into the newly created fund and \$250 million each year thereafter. LB 705 (2023) and LB 1284 (2024) also amended provisions related to the EFF to include additional uses of the fund.

The enacted budget includes an appropriation for CTE funding of \$5.316 million per year from the EFF. Additionally, LB 705 (2023) and LB 583 (2023) appropriated funds from the EFF for the purposes shown in the table below. These appropriations total \$325.2 million in FY23-24 and \$333 million in FY25. Estimated appropriations are shown for FY25-26 and FY26-27 as well as the remaining balance in the fund as the initial transfer in from the General Fund is drawn down.

In the 2024 session, in LB 1413, transfers of \$7 million in FY23-24 and \$5 million in FY24-25 from the Education Innovative Grant Fund to the Education Future Fund. In addition, LB 1284 (2024) authorized appropriation of additional funds for Educational Service Units for regional coaching, the Dyslexia Research Grant Program, and a pilot program to provide menstrual products to school. An annual transfer to the Computer Science and Technology Education Fund is also included, which will be \$1 million per year plus an additional \$500,000 if certain conditions are met.

Below is an estimated cash flow of the Education Future Fund following all changes in the 2024 Session.

Table 30 Education Future Fund Cash Flow FY24 through FY27

Bill #		FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 818	Transfers In	1,000,000,000	250,000,000	250,000,000	250,000,000
LB 1413	Transfers In (from Ed Innovative Grant Fund)	7,500,000	5,000,000		
LB 1284	Transfer Out (To Computer Science & Tech Ed)	-	(1,500,000)	(1,500,000)	(500,000)
	Investment Income*	24,600,000	20,040,837	18,238,619	16,018,021
	Total Revenue	1,032,100,000	273,540,837	266,738,619	265,518,021
LB 705	Extraordinary Increases in Special Education	2,500,000	2,500,000	2,500,000	2,500,000
LB 705	Nebraska Teacher Apprenticeship Program	1,000,000	1,000,000	1,000,000	1,000,000
LB 705	Nebraska Teacher Recruitment & Retention Act	5,000,000	5,000,000	5,000,000	5,000,000
LB 583	Special Education - 80%	226,580,330	206,007,489	213,217,751	220,680,372
LB 583	24% of Foundation Aid	112,353,247	112,309,502	112,729,367	113,204,174
LB 814	Increase Career & Technical Education	5,316,000	5,316,000	5,316,000	5,316,000
LB 1284	Aid to ESUs for regional coaches/training	-	1,851,467	1,851,467	1,851,467
LB 1284	Ops for ESUs for regional coaches/training	-	148,533	148,533	148,533
LB 1284	Dyslexia Research Grant	-	500,000	-	-
LB 1284	Menstual Products Pilot Program	-	-	250,000	-
	Total Appropriations:	352,749,577	334,632,991	342,013,118	349,700,546
	Fund Balance:	679,350,423	618,258,269	542,983,770	458,801,245

*Investment income is estimated.

Special Education

The enacted budget includes no change in the General Funds included for special education. A large increase in aid for special education is included in the enacted budget through LB 583 (2023), which appropriated funds from the Education Future Fund to increase the reimbursement for special education and support services to

80% of allowable excess costs. In the 2023 enacted budget, the increase in special education aid is \$199 million in FY23-24 and \$206 million in FY24-25.

The 2024 budget adjustments increase special education reimbursement by \$27.5 for FY23-24. This is based on the State Department of Education’s certification of 80% of allowable excess costs in November 2023. The 2024 budget adjustments include this amount from the Education Future Fund, and the General Fund appropriation remains unchanged. General Funds account for 51% of the appropriated funds in FY23-24. The appropriated amounts for FY24-25 will likely be adjusted based upon the 2024 certification of 80% of allowable excess costs.

Table 31 Total General and Education Future Fund Special Education Funding

	FY20/FY21 Biennium		FY22/FY23 Biennium		Enacted Budget	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
GENERAL FUND						
Base Year appropriation (GF)	226,526,585	226,526,585	231,079,770	231,079,770	235,724,474	235,724,474
Cost/Client increases	2,265,266	4,553,185	2,310,798	4,644,704	0	0
Total General Funds	228,791,851	231,079,770	233,390,568	235,724,474	235,724,474	235,724,474
Annual \$ Change (GF)	2,265,266	2,287,919	2,310,798	2,333,906	0	0
Annual % Change (GF)	1.00%	1.00%	1.00%	1.00%	0.00%	0.00%
CASH FUND						
Education Future Fund (LB 583, 2023)	0	0	0	0	199,041,052	206,007,489
Cost/Client increases					27,539,228	
TOTAL ALL FUNDS	228,791,851	231,079,770	233,390,568	235,724,474	462,304,754	441,731,963
Annual \$ Change (ALL FUNDS)	2,265,266	2,287,919	2,310,798	2,333,906	226,580,280	-20,572,791
Annual % Change (ALL FUNDS)	1.00%	1.00%	1.00%	1.00%	96.12%	-4.45%

Aid to Community Colleges

A 1.9% per year annual increase in General Funds is included in the enacted budget reflecting increased state aid to support operations budget increases. Similarly to special education and TEEOSA state aid, the discussion of the change in General Fund appropriations does not adequately represent the changes in aid funding for community colleges.

LB 243 (2023) made significant changes to the property tax levying authority and state aid for community college areas. Beginning in FY24-25, the property tax levying authority for community colleges is reduced and state aid paid from the Community College Future Fund, estimated to be \$246.5 million in that fiscal year, will be added to General Fund appropriations for community colleges. The Community College Future Fund is funded by transfers from the General Fund, which will occur monthly in equal installments for ten months from September to June of each fiscal year, and total the amount necessary to fund the aid certified by the Coordinating Commission for Postsecondary Education.

This additional state aid in FY24-25 is more than double the General Fund state aid portion as it replaces the bulk of the property tax levying authority of these political subdivisions. The following shows the total aid to community colleges from FY20 through the enacted budget.

The 2024 budget adjustments allow for the appropriation for this aid purpose to be based on the certification amount as required in statute. Based upon anticipated growth in the reimbursable education units (REUs) for community college areas, the amount estimated for FY24-25 increased by \$8 million in the 2024 session.

Funding for community colleges, including this adjustment, are shown in the following table. Funding from the Community College Future Fund is approximately 69% of total funds appropriated for community college aid for FY24-25.

Table 32 Changes in Aid to Community Colleges FY20 to FY25

Community Colleges	FY20/FY21 Biennium		FY22/FY23 Biennium		Enacted Budget	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Base Year appropriation	98,575,874	98,575,874	103,558,339	103,558,339	109,804,330	109,804,330
State aid increase for operations	1,971,517	3,982,465	2,071,167	4,183,757	2,134,842	4,312,381
Dual Credit	0	1,000,000	1,015,583	2,062,234	0	0
Total General Funds	100,547,391	103,558,339	106,645,089	109,804,330	111,939,172	114,116,711
\$ Change (GF)		3,010,948	3,086,750	3,159,241	2,134,842	2,177,539
% Change (GF)		2.99%	2.98%	2.96%	1.94%	1.95%
Federal ARPA Funds	0	0	0	15,000,000	0	0
Community Colleges Future Fund	0	0	0	0	0	254,499,886
TOTAL ALL FUNDS	100,547,391	103,558,339	106,645,089	124,804,330	111,939,172	368,616,597
Annual \$ Change (ALL FUNDS)		3,010,948	3,086,750	18,159,241	-12,865,158	256,677,425
Annual % Change (ALL FUNDS)		2.99%	2.98%	17.03%	-10.31%	229.30%

Department of Labor – Workforce Development

The 2024 budget adjustments reduce the \$10 million from the General Fund to fund Workforce Development Grants in FY23-24, and appropriate \$10 million from the newly created Workforce Development Program Cash Fund in FY23-24 and FY24-25 for this program. This provides additional funding that was funded by \$10 million in ARPA Coronavirus State Fiscal Recovery Funds in FY22-23 and originally funded by a \$10 million General Fund appropriation in FY23-24 (in the 2023 enacted budget). To fund the cash fund, \$40 million is transferred from the State Unemployment Insurance Trust (SUIT) Fund, which is intended to fund the program for four years. The SUIT Fund is comprised of all state unemployment insurance tax collected under sections 48-648 to 48-661.

Hospital Quality Assurance and Access Assessment

LB 1087 creates a new assessment on Nebraska hospitals. Each hospital pays an assessment based on net patient revenue quarterly and the total may not exceed 6% of net patient revenue statewide. The assessment, which is credited to the newly created Hospital Quality Assurance and Access Assessment Fund, is estimated to bring in \$581 million, enabling a drawdown of \$1.425 billion federal funds. The bill specifies that 0.5% not to exceed \$2.5 million can be used for the expansion of clinical nursing training sites and 3.5% not to exceed \$17.5 million can be used for rates for non-hospital Medicaid providers, continuous eligibility for children, or the State's designated health information exchange. All remaining funds would be distributed via a directed payment program to the hospitals.

LB 1087A appropriates \$650 million of cash funds in FY24-25 from the Hospital Quality Assurance and Access Assessment Fund. This amount equals 72% of total cash funds appropriated to DHHS in that fiscal year and 13% of all cash funds (all agencies) appropriated in that fiscal year.

Nursing Facility Quality Assurance Assessment

LB 130 increases the quality assurance assessment on Nursing Facilities from \$3.50 for each resident day to \$9.00. This is estimated to increase the assessment paid by nursing facilities by \$17,227,261, enabling a drawdown of \$23,790,027 federal funds which will enhance the nursing facility Medicaid rates.

Medicaid Managed Care Excess Profit Fund

The Medicaid Managed Care Excess Profit Fund is administered by DHHS and receives (1) funds in excess of the specified percentage of profit paid to a Medicaid contractor, (2) any unearned incentive funds, and (3) any other funds in excess of contractor limitations. The fund shall first be used to offset any losses due to the medical loss ratio in the Medicaid managed care contracts and then to provide for services addressing the health needs of adults and children under the Medical Assistance Act, including filling service gaps, providing system improvements, and sustaining access to care as determined by the Legislature. Several bills enacted in 2024 (LB 62, LB 857, LB 904, and LB 905) and provisions within the 2024 budget adjustment bills (LB 1412) appropriated funds from this cash fund and expanded the allowable purpose of the funds. The breakdown of additional funding appropriated during the 2024 session is shown in the following table.

Table 33 Use of Medicaid Managed Care Profit Fund – 2024 Session

Bill	Use	Prog	FY2023-24	FY2024-25	FY2025-26	FY2026-27
1412	Home-Visiting aid	514	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000
1412	Nurse Home-Visiting aid	514	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
1412	PHE Unwind - Medicaid	348	\$ -	\$ 30,000,000	\$ -	\$ -
904	Intergenerational Care Facility aid	514	\$ -	\$ 300,000	\$ -	\$ -
904	Intergenerational Care Facility ops	33	\$ -	\$ 30,000	\$ -	\$ -
905	Medical Respite Care aid	348	\$ -	\$ -	\$ 133,435	\$ 177,914
905	Medical Respite Care ops	33	\$ -	\$ 106,045	\$ 216,444	\$ 219,188
857	Prenatal Plus aid	348	\$ -	\$ 824,112	\$ 1,648,224	\$ 1,681,188
857	Prenatal Plus ops	33	\$ -	\$ 57,450	\$ -	\$ -
857	Continuous Glucose Monitors aid	348	\$ -	\$ 1,613,377	\$ 1,795,249	\$ 1,831,154
62	Translation aid	348	\$ -	\$ 726,177	\$ 1,452,354	\$ 1,481,401
	Total		\$ 1,400,000	\$ 35,057,161	\$ 6,645,706	\$ 6,790,845

Nebraska Opioid Recovery Fund Changes

LB 1355 establishes the Opioid Prevention and Treatment Cash Fund, the Opioid Treatment Infrastructure Cash Fund, and renames the Nebraska Opioid Recovery Fund as the Nebraska Opioid Recovery Trust Fund. The following transfers from the Nebraska Opioid Recovery Trust Fund shall occur on or after July 1 but before July 15 of each year: \$1,125,000 to the Training Division Cash Fund for the State Fire Marshal, \$400,000 to the Health and Human Services Cash Fund for staffing for the Overdose Fatality Review Team (DHHS), \$3,000,000 to the Opioid Prevention and Treatment Cash Fund to be distributed as aid to the regional behavioral health authorities, and an amount determined by the legislature, \$9 million in FY25, to the Opioid Treatment Infrastructure Fund. The bill states that of the total settlement funds transferred into the two funds, 25% is transferred to the Opioid Prevention and Treatment Cash Fund and 75% is transferred to the Opioid Treatment Infrastructure Cash Fund. Operational expenses come out of the Opioid Treatment Infrastructure Cash Fund.

DHHS – Cash Spending Authority for BSDC

The 2024 budget adjustments include an increase in cash fund appropriation by \$4.5 million in FY24 in alignment with available funding to cover some costs at the Beatrice State Developmental Center (BSDC), Program 421.

DHHS – Nebraska Homeless Assistance

The 2024 budget adjustments include an increase in cash fund appropriation by \$1.2 million in FY25 in alignment with available funding for Nebraska Homeless Assistance Program within Program 347, Public Assistance Aid. The previous appropriation out of this cash fund was \$3.3 million per year. After the increase, the new

appropriation is \$4.5 million. DHHS has identified plans for this funding which include case management, legal services, various levels of housing assistance, a Homeless Management Information System, and more.

Water Sustainability Fund

The 2024 budget adjustments include four items relating to the Water Sustainability Fund:

- Decreased the transfer from the General Fund to the Water Sustainability Fund from \$11,000,000 in FY2024-25 to \$2,519,000, a delta of \$8,481,000;
- Added an earmark prohibiting the Water Sustainability Fund to be expended on the Cedar/Knox Rural Drinking Water Project;
- Reduced the base re-appropriation of the Water Sustainability Fund by \$8,481,000; and
- Added an earmark for the Natural Resources Commission to prioritize projects for Federally recognized Indian Tribes which are under a no-drink order from the Environmental Protection Agency.

The Water Sustainability Fund was established in 2014 by LB1098 with initial transfer of \$21 million. The total funds transferred into the Water Sustainability Fund over the past decade is approximately \$100 million with approximately all funds having been awarded. Current fund balance is about \$40 million.

The Natural Resources Commission is tasked with awarding Water Sustainability Fund Projects with the scoring prescribed in statute under 2-1508. The Cedar/Knox County project was awarded \$8,481,000 in October of 2022 with the contract being signed in March of 2023. Once contracts are awarded under the Water Sustainability Fund the Department is statutorily required to create a subaccount corresponding to the project (2-1507), the intent is this would reduce the appropriation and fund balance of that subaccount thus voiding the contract through absence of state appropriation.

An earmark was created for the fund in LB1413 to require the Natural Resources Commission to prioritize projects for drinking water improvements for any federally recognized Indian Tribe whose drinking water is under a no-drink order from the United States Environmental Protection Agency.

Jobs and Economic Development Initiative (JEDI) Fund

The 2024 budget adjustments include the following items relating to the JEDI Fund:

- A reduction of Cash Fund appropriation of \$1 million in FY2023-24 and a reduction of Cash Fund appropriation of \$20 million in FY24-25;
- A transfer of \$50 million from the JEDI Fund to the Roads Operation Cash Fund in FY23-24; and
- A transfer of \$28 million from the JEDI Fund to the Cash Reserve Fund in FY2023-24.

LFO estimates the fund balance for JEDI at the beginning of FY24-25 will be approximately \$31 million, which is sufficient to pay fund obligations and for the Department of Natural Resources to initiate an engineering and feasibility study for the lake project as outlined in the JEDI Act. The JEDI Act was created in response to a Legislative special committee that found potential benefits to construction of a large lake between Lincoln and Omaha along the Platte River. Transfers into the fund of \$100 million (\$20 million – General Fund; \$80 million Cash Reserve Fund) were approved in 2022. In addition to those the transfers, the fund receives an annual transfer of the interest holdings in the Water Recreation Enhancement Fund (37-1804).

Affordable Housing Trust Fund

The 2024 budget adjustments include the following items relating to the Affordable Housing Trust Fund (AHTF):

- Transfer of \$12.5 million from the AHTF to the Rural Workforce Housing Investment Fund (RWHIF) in FY24-25;
- Transfer of \$12.5 million from the AHTF to the Middle Income Workforce Housing Investment Fund (MIWHIF) in FY24-25; and
- Amendments to the earmark language relating to the aid and operations portions of the AHTF.

The 2024 budget adjustments include changes to American Rescue Plan Act (ARPA) funds appropriated to the Rural Workforce Housing Investment Program (LB850) to allow compliance with Federal rules. The Rural Workforce Housing Investment Fund was created in 2017 by LB518 with a transfer of \$7.3 million from the Affordable Housing Trust Fund. A history of transfers to the RWHIF is as follows:

- FY17-18 \$7.3 million AHTF;
- FY20-21 \$10 million General Fund;
- FY22-23 \$30 million Cash Reserve Fund; and
- FY23-24 \$12.5 million AHTF.

The Middle Income Workforce Housing Investment Fund was created by LB866 (2020) with a transfer of \$10 million from the General Fund. The fund also received a transfer of \$20 million in FY22-23 from the Cash Reserve Fund.

In addition to the AHTF, RWHIF, and MIWHIF, the Legislature approved significant housing appropriations of American Rescue Plan Act funds in LB1014 (2022):

- Housing in Lincoln, \$20 million;
- Housing in Omaha, \$20 million;
- Four and nine percent low-income housing tax credit programs, \$20.5 million;
- Rural Workforce Housing Investment Act, \$10 million; and
- Refugee housing, \$8 million.

The projected fund balance of the AHTF at the beginning of FY24-25 is estimated to be approximately \$38 million.

Department of Economic Development – LB975

LB975 amends the Shovel-Ready Capital Recovery and Investment Act to allow for a non-profit which operates a multi-function center, which provides facilities to the public for at least two of the following uses:

- As an early childhood education center;
- As a community event center; or
- As an indoor and outdoor sports training center.

The Shovel-Ready funding round ends at the end of this fiscal year, this would allow an eligible project to be able to apply for a grant. In addition, the bill, as amended, extends the final application deadline under the act from July 1, 2024, to September 1, 2024.

Department of Environment and Energy – LB1245

LB1245 changes provisions of the Lead Service Line Cash Fund. The bill caps the amount of the fund used on training programs at 20% of the fund and specifies the remainder of the fund is to be used for removing and replacing lead service lines, repaying debt incurred by the Metropolitan Utilities District for the purpose of replacing lead service lines, providing residents information on lead service lines, performing necessary construction or other services related to removing and replacing lead service lines, and acquiring equipment related to removing and replacing lead service lines. Funding is already in place; the earmark is to clarify intent.

Department of Banking

The Department of Banking and Finance Financial Institution Examiners are appropriated increases of salary due to the need to retain skilled examiners, while reducing examiner turnover and related training costs. The total appropriation was \$791,289, with a corresponding PSL of \$687,181 for FY 2024-25.

Attorney General – Litigation Expenses

Additional funding of \$2,250,000 in Cash Funds is appropriated from the State Settlement Cash Fund. Increased litigation costs, a broader range of cases undertaken, and the need for additional staffing to address more litigation will be addressed. Revenue is derived from court ordered settlements in that have been litigated.

Department of Motor Vehicles

The 2024 budget adjustments include an increase in cash fund appropriation of \$1,562,626 cash funding in FY23-24 and \$411,538 cash funding in FY24-25 for license plates. This program pays for the manufacturing of all license plates and stickers, then provides them to the Nebraska counties, ensuring there are adequate plates and validation stickers available at the counties. Plate production is funded by a transfer from the Highway Trust Fund to the License Plate Cash Fund, and payments for plates/stickers is transferred to the Highway Trust Fund.

Game and Parks Commission Operations

The 2024 budget adjustments include cash fund appropriation of \$1.9 million in Park Cash Funds for both FY23-24 and FY24-25 to annualize a prior approved deficit request for the same amount in FY22-23. This increase to the base is for the inflationary rise of operating costs associated with product and service expenses for all the statewide park and recreation areas. Additionally, the 2024 budget adjustments include funds for a Mayhew Cabin Engineering Study in the amount of \$125,000 in cash funds for FY23-24 for a complete engineering study to be performed of the structures, cave, tunnel, and site, in order to obtain an estimated cost of the complete rehabilitation necessary to make it safe for public and educational use. This study will examine water damage, mold, soil erosion, plus damaged drainage systems, sanitation lines, and sewer lines.

Game and Parks – LB 1233 and LB 164

The 2024 budget adjustments include the provisions of LB 1233, as amended, which pertain to the agency requirements to construct and maintain a museum honoring Chief Standing Bear. The recommendation includes statutory changes amend language requiring Game and Parks to build and maintain the museum and to provide for grants to a federally recognized tribe. The amended bill also creates a separate cash fund for this purpose and transfers \$750,000 in FY24-25 and \$15 million in FY25-26 for these purposes. For this biennium, \$750,000 is appropriated for a grant for exhibit fabrication and historical development purposes.

LB 164 (2024) requires the Commission construct, develop, and manage a museum at Fort Robinson State Park, includes intent to appropriate not more than \$7 million for FY25-26 from the Museum Construction and Maintenance Fund, and provides for the Commission to execute a memorandum of understanding or contract with the Nebraska State Historical Society for purposes of museum development, exhibit fabrication, and historical interpretation at Fort Robinson State Park.

Nebraska Environmental Trust

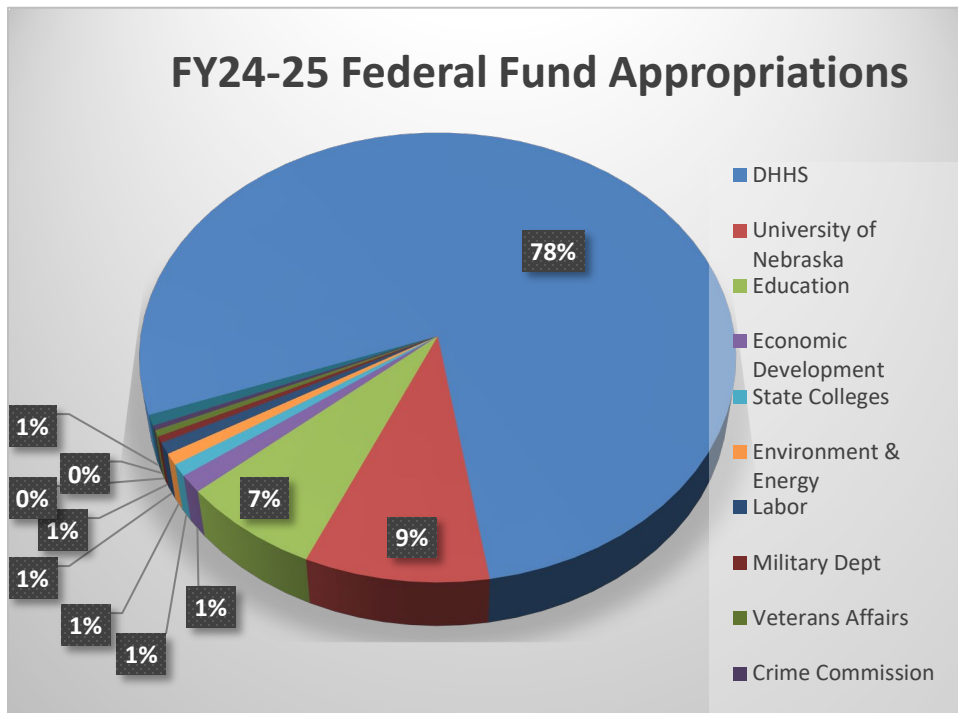
The 2024 budget adjustments include an increase in cash fund appropriation of \$5 million for the Nebraska Environmental Trust in FY2024-25. In recent years, the NET Cash Fund balance has grown with the de-obligation of some previously obligated awards, and an increase in Nebraska Lottery proceeds. The purpose of this aid is to fund additional grant requests, up to the newly authorized funding level.

Inland Port Authority Fund

LB164 (2024) amends the Economic Recovery Act (ERA) and Municipal Inland Port Authority Act (MIPA) by expanding the duties and eligible projects of an Inland Port Authority in a city of the Metropolitan class, creates the Inland Port Authority Fund (IPAF), creates a transfer of \$30 million from the Economic Recovery Contingency Fund (ERCF) to IPAF, creates a transfer of \$7 million from ERCF to the Museum Construction and Maintenance Fund within the Game and Parks Commission between 1/1/2026 and 6/30/2026, and directs the interest earnings from ERCF to IPAF once the accruals to the ERCF have hit certain thresholds. LB 164 also contained the Child Care Capacity Building and Workforce Act, which contains no fiscal impact.

Federal Funds

Federal funds account for monies received from the federal government either as grants, contracts, or matching funds. Unlike other fund sources, federal fund appropriations are an estimate and agencies are not limited to the amount shown in the appropriation bills though receipts must meet expenditures. Similar to cash funds, there are numerous individual federal funds contained in the accounting system and they are generally limited to specific uses as authorized by the federal program from which the funds came from. Of the 80 state agencies, 33 receive some level of federal funds.



The large decrease in FY23-24 in the enacted budget is mostly due to removing ARPA appropriations from the base, as there was a significant amount appropriated in FY22-23.

The increase in FY24-25 is largely due to the appropriation of federal funds in LB 1087, which creates the hospital assessment and appropriates \$1.45 billion in federal funds for that fiscal year. This equals 31% of the federal funds appropriated to DHHS and 24% of all federal funds (all agencies).

FEDERAL FUNDS	FY2022-23	FY2023-24	FY2024-25	FY24-25 Rank	% of Total
DHHS	3,187,518,485	3,291,637,804	4,684,388,532	1	78.0%
University of Nebraska	626,320,000	550,020,000	549,670,000	2	9.2%
Education	486,693,389	416,102,834	422,217,785	3	7.0%
Economic Development	550,342,013	76,897,205	76,442,999	4	1.3%
State Colleges	60,120,000	52,120,000	52,120,000	5	0.9%
Environment & Energy	73,001,264	48,447,011	48,881,694	6	0.8%
Labor	52,497,303	48,549,827	48,763,229	7	0.8%
Military Dept	31,665,030	27,682,880	28,184,067	8	0.5%
Veterans Affairs	23,992,462	25,438,762	26,680,304	9	0.4%
Crime Commission	20,194,475	20,270,206	20,324,239	10	0.3%
All Other	154,440,944	246,603,684	46,116,570		0.8%
Total - Federal Funds	5,266,785,365	4,803,770,213	6,003,789,419		100.0%
Total – ARPA funds only*	570,937,675	180,362,325	1,700,000		
\$ Change	1,288,909,264	(463,015,152)	1,200,019,206		
% Change	32.4%	-8.8%	25.0%		

*\$287 million of ARPA funds were appropriated in FY21-22, which is not included in the table, for a total of \$1.04 billion in ARPA funds appropriated.

ARPA State Coronavirus Fiscal Recovery Funds

Many of the federal funds issues relate to a redistribution of American Rescue Plan Act Coronavirus State Fiscal Recovery Funds (SFRF). These funds, totaling \$1.04 billion, were allocated to the state in 2021 and first appropriated by the Legislature in 2022 in LB 1014 and a handful of other bills. Table 34 shows a listing of all SFRF appropriations made by the Legislature, beginning with FY21-22, and including 2024 session adjustments.

Table 34 ARPA State Coronavirus Fiscal Recovery Funds Appropriations (FY21-22 to FY24-25)

2022 Session	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Total ARPA
Salary Increases 24-Hour Facilities (LB 1014)	36,700,000	0	0	0	36,700,000
NDE, services to students deaf or hard of hearing (LB 1161)	0	1,000,000	0	0	1,000,000
Small & Medium Meat Processors (LB 1014)	10,000,000	0	0	0	10,000,000
Internships/expanding and retaining workforce (LB 1167)	0	10,000,000	0	0	10,000,000
DHHS, pediatric mental health services tech (LB 1075)	0	1,800,000	0	0	1,800,000
Repayment of health prof. educational debts (LB 1269)	5,000,000	0	0	0	5,000,000
Behavioral Health and Nursing Assistance (LB 1014)	5,000,000	0	0	0	5,000,000
DHHS, nonprofit food assistance grants (LB 1201)	0	20,000,000	0	0	20,000,000
DHHS for various child care programs (LB 1203)	0	4,000,000	0	0	4,000,000
Child Welfare Case Counts & Provider Rates (LB 1014)	10,000,000	15,000,000	0	0	25,000,000
Services for youth who aged out of foster care (LB 1254)	0	1,000,000	0	0	1,000,000
Rate increases develop disabilities providers (LB 1172)	0	47,500,000	0	0	47,500,000
DHHS, funds for local public health departments (LB 1138)	0	10,000,000	0	0	10,000,000
DHHS for Health Aid (LB 867)	500,000	0	0	0	500,000
DHHS for a model system of care (LB 1159)	0	5,000,000	0	0	5,000,000
Payments to assisted-living facilities (LB 996)	0	5,462,800	0	0	5,462,800
Licensed and medicaid-certified nursing facilities (LB 1089)	0	47,500,000	0	0	47,500,000
Replace Aging Rural Ambulances (LB 1014)	0	20,000,000	0	0	20,000,000
DHHS, grants to emergency medical services (LB 760)	0	5,000,000	0	0	5,000,000
DHHS/University, behavioral health care services (LB 1066)	0	2,500,000	0	0	2,500,000
Ft. Laramie-Gering Canal (LB 1014)	23,100,000	0	0	0	23,100,000
Grants for water transport infrastructure (LB 1081)	20,000,000	0	0	0	20,000,000
ARPA Fund Administration (including OCIO) (LB 1014)	10,000,000	5,000,000	0	0	15,000,000
Wastewater System Projects (LB 1014)	0	8,100,000	0	0	8,100,000
Community College: Workforce Development (LB 1014)	25,000,000	35,000,000	0	0	60,000,000
State Colleges Facility & Equipment Upgrades (LB 1014)	0	8,000,000	0	0	8,000,000
Rural Health Complex (LB 1014)	10,000,000	50,000,000	0	0	60,000,000
DHHS/University, behavioral health care services (LB 1066)	0	25,500,000	0	0	25,500,000
University for an updated climate change report (LB 1255)	0	150,000	0	0	150,000
Wyuka Cemetery Stormwater Project (LB 1014)	0	1,800,000	0	0	1,800,000
Workforce Housing (LB 1014)	21,500,000	18,000,000	0	0	39,500,000
Grants for international competitions in Nebraska (LB 1195)	500,000	0	0	0	500,000
Meat Processing Plant Grant (LB 1014)	0	20,000,000	0	0	20,000,000
Healthcare Facility Capacity Expansion (LB 1014)	10,000,000	30,000,000	0	0	40,000,000
Shovel-Ready Capital Projects (LB 1014)	50,000,000	50,000,000	0	0	100,000,000
DED, feasibility study relating to nuclear reactors (LB 1100)	0	1,000,000	0	0	1,000,000
Law Enforcement Training Center (LB 1014)	47,700,000	0	0	0	47,700,000
Rural interpreting and legal communication (LB 1162)	0	500,000	0	0	500,000
Aid to Community Colleges for dual enrollment (LB 1087)	0	15,000,000	0	0	15,000,000
Grants for reverse osmosis systems (LB 1160)	0	4,000,000	0	0	4,000,000
State Fair wastewater and drainage upgrades (LB 1014)	0	20,000,000	0	0	20,000,000
Drinking Water Projects (LB 1014)	1,000,000	6,000,000	0	0	7,000,000
Subtotal - LB 1014	286,000,000	493,812,800	0	0	779,812,800

	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>Total ARPA</u>
2022 Session					
LB 805 prioritize applications Noxious Weed Control Act	0	2,000,000	2,000,000	2,000,000	6,000,000
LB 1024 Economic Recovery Act	1,000,000	249,000,000	0	0	250,000,000
LB 1068 Changes, Behavioral Health Ed Ctr, toxic chemical	0	1,000,000	0	0	1,000,000
LB 1144 Telecomm Regulation Act, Broadband Bridge	0	0	324,875	316,738	641,613
Total - 2022 Session enacted	287,000,000	746,137,675	2,316,738	2,000,000	1,037,454,413
2023 Session					
LB 813 Appropriation to Military for DHHS technology	0	4,000,000	0	0	4,000,000
LB 813 Reduce Economic Recovery Act	0	(179,200,000)	0	0	(179,200,000)
LB 814 PSC no earmark for ARPA for LB 1144A (2022)	0	0	(316,738)	0	(316,738)
LB 814 Reduce Noxious Weed Control Act	0	0	(2,000,000)	(2,000,000)	(4,000,000)
LB 814 DNR for Lincoln water project	0	0	177,200,000	0	177,200,000
LB 814 DNR for Norfolk riverfront improvement	0	0	2,000,000	0	2,000,000
LB 814 DNR for enhanced data collection	0	0	1,200,000	1,200,000	2,400,000
Total - 2023 Session Adjustments	0	(175,200,000)	178,083,262	(800,000)	2,083,262
2024 Session					
Reduce behavioral health acute care beds	0	0	(2,500,000)	0	(2,500,000)
Reduce military administrative costs	0	0	(4,000,000)	0	(4,000,000)
Reduce dairy industry study	0	0	(32,500)	0	(32,500)
Reduce nuclear study	0	0	(137,000)	0	(137,000)
Reduce DHHS developmental disabilities provider rates	0	0	(27,500,000)	0	(27,500,000)
Reduce PSC Broadband	0	0	(324,875)	0	(324,875)
Language change - Deaf/Hard of Hearing	0	0	0	0	0
Language change - Nursing scholarships and LB 1099	0	0	0	0	0
Language change - rural ambulance program	0	0	0	0	0
LB 850 - Change rural housing language	0	0	0	0	0
Corrections recidivism	0	0	500,000	500,000	1,000,000
DED Regional Development	0	0	3,000,000	0	3,000,000
LB 1209 - grant to residential child-caring agency	0	0	2,000,000	0	2,000,000
LB 1380 - Wyuka cemetery	0	0	375,000	0	375,000
Madonna HVAC	0	0	5,000,000	0	5,000,000
LB 1077 - workforce facility expansion	0	0	900,000	0	900,000
LB 1242 - rainwater study	0	0	350,000	0	350,000
LB 941 - rural assisted living rates	0	0	1,499,657	0	1,499,657
PTSD Program	0	0	500,000	0	500,000
DOT surface transportation	0	0	20,332,043	0	20,332,043
Total - 2024 Session Adjustments	0	0	(37,675)	500,000	462,325
	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>Total ARPA</u>
Total - ARPA Coronavirus State Fiscal Recovery Fund	287,000,000	570,937,675	180,362,325	1,700,000	1,040,000,000

Pursuant to provisions of the American Rescue Plan Act (2021), all State Coronavirus Fiscal Recovery Funds must be obligated by the agency by December 31, 2024. All funds received by the state have been appropriated through the 2024 session, and the Legislature included authorization in the 2024 budget adjustments that funds appropriated by the Legislature may be reallocated by the Governor on or after July 1, 2024, but before December 31, 2024, to any agency which has previously been appropriated ARPA Coronavirus State Fiscal Recovery Funds, if the agency verifies that the agency is unable to meet the deadline for use of funds.

Department of Labor – LB 1077

The 2024 budget adjustments include \$900,000 ARPA funds for grants for facility expansion to include more participants in workforce development and career readiness programs to be divided equally among grant awards in the three congressional districts. Grant funds require a one-to-one match and will be distributed evenly among congressional districts.

Department of Health and Human Services – ARPA Adjustments

The 2024 budget adjustments include the lapse of \$2.5 million in reappropriated ARPA funds in Program 514, Health and Medical Assistance Aid, for up to ten acute Behavioral Health beds in rural Nebraska. Due to stakeholder input, there is no viable path forward for this project, allowing the funding to be available for other ARPA eligible uses.

New 2024 adjustments of ARPA funds include the following:

- \$2 million appropriation of ARPA funds in FY24 to Program 514, Health and Medical Assistance Aid, for CEDARS Home for Children to enhance emergency shelter facilities, pursuant to LB 1209;
- \$1,499,657 appropriation of ARPA funds in FY24 to Program 514, Health and Medical Assistance Aid, to increase the daily rate of reimbursement for rural assisted-living facilities under the medical assistance program to \$67.03. This is an increase of \$4.30, nearly 7% above the current rural assisted-living daily rate of \$62.73;
- \$5 million appropriation of ARPA funds in FY24 and \$3 million in cash funds from the Health and Human Services Cash Fund, transferred from the Cash Reserve Fund, to Program 514, Health and Medical Assistance Aid, for a grant program for heating, ventilation, and air conditioning system repair or restoration for Madonna Rehabilitation Hospital;
- Modification of the allowable uses of reappropriated ARPA funding for rural ambulance replacement to also allow purchase emergency medical services equipment and services. \$20 million of ARPA was designated for this program;
- Modification of the allowable uses of reappropriated ARPA funding for nursing scholarships, including the provisions of LB 1099. The changes expand the program to Nebraska residents in all types of nursing programs, require recipients to agree in writing to work as nurses in Nebraska for two years upon completion of their program, and specifies that students in quarterly programs can receive \$3,500 per quarter whereas students in semesterly programs can receive \$5,000 per semester. Five million of ARPA was designated for this program, which originally restricted recipients to accelerated nursing programs with a limit of \$2,500 per semester;
- A reduction of reappropriated funds for developmental disability provider rates of \$27.5 million ARPA funds. The recommendation replaces these ARPA funds with \$10 million General Funds and \$17.5 federal Medicaid funds in FY23-24 to pay for the rate increases; and
- \$500,000 appropriation of ARPA funds in FY24 for a grant to a Nebraska nonprofit for a pilot program to assess the need for prevention of post-traumatic stress disorder through the reduction of community gun violence. The program must serve children and families in city of the metropolitan class and within 3 miles of a major airport.

Department of Transportation – Surface Transportation projects

This is a new appropriation of federal American Rescue Plan Act (ARPA) funds to the Department of Transportation in FY23-24 of \$20,832,043 for Program 569 - Construction. These ARPA funds are to be used for the preservation and restoration of the state's highways.

Military Department - Administration

The Military Department was appropriated \$10M in FY 21-22 and \$9M in FY 22-23 for administrative costs relative to the utilization of ARPA funds by identified state agencies. After utilization of the funds for the intended purposes, the reappropriation was reduced by \$4 million for other uses of ARPA funding.

Department of Correctional Services – Recidivism Mitigation

The 2024 budget adjustments include \$500,000 per fiscal year of ARPA funds for the purpose of contracting with entities to obtain and utilize enhanced recidivism mitigation and reentry tools. The department will utilize a software platform and data warehouse called Recidiviz, which is currently utilized in 12 other states.

University of Nebraska – LB 1242

The 2024 budget adjustments include \$350,000 ARPA funds for a study on the viability of using roof-collected rainwater as a safe and sustainable source of drinking water.

Department of Administrative Services – LB 1380

The 2024 budget adjustments include \$375,000 ARPA funds for a grant to a state-owned cemetery. Wyuka Cemetery was awarded a grant of \$1.8 million, funded by an appropriation of ARPA funds, for stormwater and sediment control projects. The funds will be utilized to pay for remaining costs to complete the project.

Department of Economic Development - LB850

LB850 amends the earmark relating to appropriation of \$10,000,000 of ARPA SLFRF by LB1014 (2022) for the purpose of issuing grants under the Rural Workforce Housing Investment Act. However, any purchase of equipment or real property with SLFRF funds must be consistent with the Uniform Guidance at 2 CFR Part 200, Subpart D, unless stated otherwise by the Treasury. Thus, during the period of performance, real property purchased or improved with SLFRF funds that is converted to an ineligible use or sold as an asset prior to the end of the period of performance would have to be reimbursed to the U.S. Treasury. This would have the effect of making the program a loan rather than a grant program. LB850 amends the earmark to make the program work as a grant, which is the original intent of the Legislature.

Department of Economic Development – Workforce Development

The 2024 budget adjustments include a \$3,000,000 appropriation of ARPA funds in FY23-24. The initiative will establish a core team in each community college region of the state to conduct asset mapping to identify strengths for economic growth. The initiative has a private match in place.

Commission for the Deaf and Hard of Hearing

The 2024 budget adjustments include modification of the use of reappropriated ARPA funds to allow utilization of ARPA funds for auxiliary aids and for interpreting services in both rural and urban areas.

Federal Funds (non-ARPA)

The 2024 budget adjustments include a handful of changes to federal funds appropriations, which are not related to the ARPA Coronavirus State Fiscal Recovery Funds, as shown in Table 35. The most significant of which affects the developmental disability program, where:

- The provisions of LB 1264 change reporting of federal funds for developmental disability services from Program 348 for Medicaid to Program 424 for developmental disability services, and
- Federal Medicaid funds are appropriated for provider rate increases, which were previously ARPA funds.

Additionally, both LB 1087 (Hospital Quality Assurance and Access Assessment Act) and LB 130 (increase nursing facility assessment) increase federal fund appropriations, by \$1.45 billion and \$28 million, respectively. The bills are discussed in more detail in the Cash Funds section of this report.

Table 35 Federal Fund Budget Adjustments (non-ARPA) – 2024 Session

Agency	Prog	Item	FY23-24	FY24-25
Education	25	Child Care Development Grant	0	2,360,063
Education	158	Child Care Development Grant	0	2,118,750
Education	158	Pass-Through Aid	6,608,811	6,608,811
Education	Mult	Salary adjustments	245,045	139,638
Education	Mult	Retirement payout	33,251	0
DHHS	348	LB 1264 - Reporting of DD federal funds	0	(284,003,064)
DHHS	424	LB 1264 - Reporting of DD federal funds	0	284,003,064
DHHS	348	Developmental Disabilities Provider Rates	17,500,000	0
State Patrol	100	Salary compression adjustments	0	21,918
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(133,826)
Mult Agencies	--	OCIO Costs	(9,744,058)	(3,977,867)
Federal Funds (non-ARPA) – 2024 Budget Adjustments			14,643,049	7,137,487

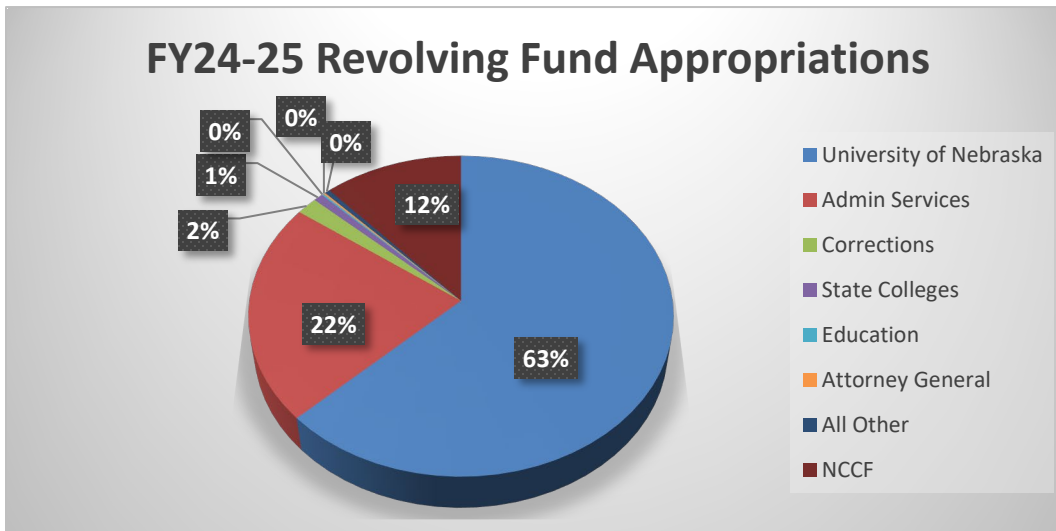
Table 36 Federal Fund A bills – 2024 Session

Bill	FY23-24	FY24-25
LB 1412 Mainline Budget Bill (inc. ARPA)	49,099,749	7,637,487
LB 1188 State Claims Bill	0	0
<i>Subtotal – Mainline Bills</i>	<i>49,099,749</i>	<i>7,637,487</i>
LB 62 - Provide for coverage of translation and interpretation services	0	1,209,335
LB 130 - Change quality assurance assessments for nursing facilities	0	28,000,000
LB 196 - Change provisions of the Nebraska State Patrol Retirement Act	0	117,466
LB 857 - Create the Nebraska Prenatal Plus Program	0	4,158,956
LB 905 - Change provisions related to respite care	0	106,045
LB 1074 - Adopt changes to federal law regarding banking and finance	0	31,103
LB 1087 - Adopt the Hospital Quality Assurance and Access Assessment Act	0	1,450,000,000
LB 1200 - Change provisions relating to motor vehicles and the 911 service system	0	-45,305
<i>A bills total</i>	<i>0</i>	<i>1,483,577,600</i>
Total Appropriations Bills (Federal Funds inc ARPA)	49,099,749	1,491,215,087

Revolving / Other Funds

Revolving funds account for transactions where one agency provides goods or services to another agency. For example, the Dept. of Education pays DAS-Building Division rent for the State Office Building. The expenditure is charged against the Departments budget (be it General, Cash, or Federal). DAS then receives these funds which are credited to a revolving fund from which DAS pays staff salaries, utilities, cleaning costs, etc... This in essence double-counts expenditures; once when an agency pays another agency for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. Excluding the University and State Colleges, DAS accounts for 90% of all revolving funds. The Dept. of Correctional Services (through Cornhusker State Industries) accounts for another 7%.

About 64% of all revolving fund appropriations are contained within the University and State Colleges (\$820 million total). However, unlike the revolving fund definition noted above, revolving funds used by the University and State Colleges account for revenues from dormitories, student unions, agricultural experiment stations, other "enterprise" operations. This separates these revenues from those generated from student tuition and fees that are accounted for as cash funds.



Appropriations from the Nebraska Capital Construction Fund (NCCF) are also accounted for in this category as "Other Funds" but are noted separately in the table below. The source of funds for the NCCF has recently been transfers from the Cash Reserve Fund or General Fund for

major projects. In the enacted budget, the increase in the NCCF appropriations reflects appropriation for a new multi-custody penitentiary facility and several other new projects as described in the construction section of this report.

REVOLVING / OTHER	FY2022-23	FY2023-24	FY2024-25	FY 24-25 Rank	% of Total
University of Nebraska	809,290,000	809,290,000	809,290,000	1	62.9%
Admin Services	261,125,803	290,619,389	285,060,274	2	22.2%
Corrections	22,049,079	22,440,386	22,760,256	4	1.8%
State Colleges	10,239,058	10,239,058	10,239,058	5	0.8%
Education	2,025,315	2,072,237	2,107,325	6	0.2%
Attorney General	1,878,733	2,002,584	2,093,308	7	0.2%
All Other	5,380,661	5,547,922	5,684,993		0.4%
NCCF	85,303,459	147,823,580	149,541,800	3	11.6%
Total - Revolving/Other Funds	1,197,292,108	1,290,035,156	1,286,777,014		100.0%
\$ Change	201,789,105	92,743,048	(3,258,142)		
% Change	20.3%	7.7%	-0.3%		

Table 37 Significant Revolving Fund Budget Adjustments – 2024 Session

Agency	Prog	Item	FY2023-24	FY2024-25
State Patrol	100	Salary compression adjustments	0	23,631
State Patrol	630	Capitol Security	36,969	36,969
DAS	605	State SOS program	0	538,250
DAS	567	State accounting staffing	0	311,147
DAS	594	State insurance fund	0	2,000,000
DAS	245	LB 1275 - volunteer dept radios	0	2,000,000
DAS	245	LB 1380 - volunteer fire dept radios	0	425,000
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(328,598)
Mult Agencies	--	OCIO Costs	(7,713,107)	(3,238,934)
Total Revolving Funds –New Appropriations			(7,676,138)	1,767,465

Table 38 Revolving Fund A bills – 2024 Session

Bill	FY23-24	FY24-25
LB 1412 Mainline Budget Bill (not inc NCCF)	(7,676,138)	1,767,465
LB 1188 State Claims Bill	8,360,164	0
<i>Subtotal – Mainline Bills</i>	<i>684,026</i>	<i>1,767,465</i>
LB 196 – Change provisions of the Nebraska State Patrol Retirement Act	0	58,195
LB 685 – Change provisions of the Mechanical Amusement Device Tax Act	0	25,778
LB 1300 – Adopt the Pacific Conflict Stress Test Act	0	33,567
<i>A bills total</i>	<i>0</i>	<i>117,540</i>
Total Appropriations Bills (Revolving Funds)	684,026	1,885,005

Department of Administrative Services – LB 1275 and LB 1378

The 2024 budget adjustments include \$2.425 million of revolving funds to the OCIO to purchase interoperable communication equipment for local fire departments to utilize the Statewide Radio System and includes a corresponding transfer from the CRF of the same amount. This adds to an appropriation of \$5 million from FY24. Of the total new funds, \$425,000 are earmarked for specific volunteer fire departments.

Department of Administrative Services – State Insurance Fund

The 2024 budget adjustments include a \$2 million appropriation in FY24-25 for the state insurance program. The increase is for property insurance premiums, driven mostly by wind and hail damage. Accompanying this appropriation is a transfer of \$5 million in FY24-25 from the Cash Reserve Fund to the State Insurance Fund.

Department of Administrative Services – Office of Chief Information Officer Rates

The 2024 budget adjustments include a reduction in appropriation in FY24-25 due to a surplus in the fund associated with mainframe charges, OCIO temporarily paused these charges for state agencies. When resumed, rates will be reduced from the previous level. This issue affected many agencies and resulted in savings across all fund types. Total savings across all fund types are \$33 million in FY23-24 and \$12 million in FY24-25.

Department of Administrative Services - Staffing

The 2024 budget adjustments include an increase to the state’s Personnel program by \$538,250 for FY24-25. This would be used for the SOS Temporary employee program to ensure that hiring will be facilitated for key jobs through the end of the biennium.

Appropriations by Bill – All Funds

Table 39 Breakdown by Mainline Bills and A Bills

FY2023-24	General	Cash	Federal	Rev/Other	Total
LB 814 Mainline Budget Bill	5,296,804,448	3,596,708,257	4,739,057,455	1,298,301,375	14,930,871,535
LB 815 Legislator Salaries	632,982	0	0	0	632,982
LB 816 Constitutional Officers Salaries	32,864,195	1,725,206	0	0	34,589,401
Mainline Bills	5,330,301,625	3,598,433,463	4,739,057,455	1,298,301,375	14,966,093,918
"A" Bills	19,132,793	338,052,990	15,613,009	0	372,798,792
Total per 2023 Session	5,349,434,418	3,936,486,453	4,754,670,464	1,298,301,375	15,338,892,710
LB 1412 Mainline Midbiennium adjustments	4,956,492	113,782,123	49,099,749	(16,626,383)	151,211,981
LB 1188 State Claims	100,000	0	0	8,360,164	8,460,164
2024 A Bills	152,793	0	0	0	152,793
Final Total (with deficits)	5,354,643,703	4,050,268,576	4,803,770,213	1,290,035,156	15,498,717,648
FY2024-25	General	Cash	Federal	Rev/Other	Total
LB 814 Mainline Budget Bill	5,292,914,520	3,475,142,979	4,491,942,828	1,280,892,009	14,540,892,336
LB 815 Legislator Salaries	632,982	0	0	0	632,982
LB 816 Constitutional Officers Salaries	33,039,566	1,733,270	0	0	34,772,836
Mainline Bills	5,326,587,068	3,476,876,249	4,491,942,828	1,280,892,009	14,576,298,154
"A" Bills	43,758,810	586,418,952	20,631,504	0	650,809,266
Total per 2023 Session	5,370,345,878	4,063,295,201	4,512,574,332	1,280,892,009	15,227,107,420
LB 1412 Mainline Midbiennium adjustments	63,011,702	67,324,760	7,637,487	5,767,465	143,741,414
LB 1188 State Claims	0	0	0	0	0
2024 A Bills	21,606,638	718,557,732	1,483,577,600	117,540	2,223,859,510
Total per 2024 Session	5,454,964,218	4,849,177,693	6,003,789,419	1,286,777,014	17,594,708,344

Table 40 “A” Bills Enacted – 2024 Session

Bill	Ag #	Prog	Type	Fund	FY23-24	FY24-25
LB 16 - Change provisions relating to occupational boards	12	503	Oper	Cash	0	8,900
LB 20 - Provide for restoration of voting rights	9	45	Oper	Gen	0	8,900
LB 20 - Provide for restoration of voting rights	24	70	Oper	Cash	0	4,400
LB 52 - Change limitation on tuition assistance for Nebraska National Guard members	31	548	Aid	Gen	152,793	152,793
LB 62 - Provide for coverage of translation and interpretation services	25	33	Oper	Gen	0	11,470
LB 62 - Provide for coverage of translation and interpretation services	25	348	Aid	Cash	0	726,177
LB 62 - Provide for coverage of translation and interpretation services	25	348	Aid	Fed	0	1,209,335
LB 71 - Change provisions of early childhood education	5	570	Oper	Cash	0	10,000
LB 102 - Change the Land Surveyors Regulation Act	62	83	Oper	Cash	0	2,500
LB 126 - Change homestead exemptions	16	102	Oper	Gen	0	20,313
LB 130 - Change assessments for nursing facilities	25	348	Aid	Cash	0	20,000,000
LB 130 - Change assessments for nursing facilities	25	348	Aid	Fed	0	28,000,000
LB 140 - Provide for Czech Heritage license plates	24	90	Oper	Cash	0	4,100
LB 164 - Change the Municipal Inland Port Authority Act	12	470	Aid	Cash	0	30,000,000
LB 196 - Change the Nebraska State Patrol Retirement Act	64	100	Oper	Gen	0	2,770,810
LB 196 - Change the Nebraska State Patrol Retirement Act	64	100	Oper	Cash	0	62,809
LB 196 - Change the Nebraska State Patrol Retirement Act	64	100	Oper	Fed	0	81,097
LB 196 - Change the Nebraska State Patrol Retirement Act	64	205	Oper	Cash	0	608,970
LB 196 - Change the Nebraska State Patrol Retirement Act	64	205	Oper	Fed	0	36,369
LB 196 - Change the Nebraska State Patrol Retirement Act	64	630	Oper	Rev	0	11,427
LB 196 - Change the Nebraska State Patrol Retirement Act	65	535	Oper	Rev	0	46,768
LB 196 - Change the Nebraska State Patrol Retirement Act	85	41	Oper	Cash	0	20,000
LB 204 - Provide for reimbursement for pharmacy dispensing fees	25	33	Oper	Gen	0	75,000
LB 262 - Change provisions of warehouses and hemp	18	78	Oper	Gen	0	72,250
LB 262 - Change provisions of warehouses and hemp	88	384	Oper	Cash	0	12,000
LB 287 - Change elections provisions	9	45	Oper	Gen	0	120,800
LB 484 - Change provisions relating to the Nebraska Motor Vehicle Industry Licensing Board	40	76	Oper	Cash	0	8,000
LB 600 - Adopt the Municipality Infrastructure Aid Act	72	601	Oper	Cash	0	593,730
LB 600 - Adopt the Municipality Infrastructure Aid Act	72	601	Aid	Cash	0	4,406,270
LB 631 - Change provisions relating to the Board of Parole	5	52	Oper	Gen	0	376,819
LB 631 - Change provisions relating to the Board of Parole	15	358	Oper	Gen	0	-8,361,051
LB 631 - Change provisions relating to the Board of Parole	15	358	Oper	Cash	0	-455,873
LB 631 - Change provisions relating to the Board of Parole	21	193	Oper	Gen	0	150,000
LB 631 - Change provisions relating to the Board of Parole	46	200	Oper	Gen	0	10,111,051
LB 631 - Change provisions relating to the Board of Parole	46	200	Oper	Cash	0	455,873
LB 644 - Change the Site and Building Development Fund	72	603	Oper	Cash	0	500,000
LB 685 - Change Mechanical Amusement Device Tax Act	16	165	Oper	Gen	0	1,596,870
LB 685 - Change Mechanical Amusement Device Tax Act	65	180	Oper	Rev	0	25,778
LB 771 - Provide for grants under the Veteran and Active Duty Supportive Postsecondary Institution Act	28	511	Aid	Cash	0	170,653
LB 771 - Provide for grants under the Veteran and Active Duty Supportive Postsecondary Institution Act	28	511	Oper	Cash	0	29,347
LB 829 - Change insurance for screening for colorectal cancer	51	781	Oper	Gen	0	19,777

Bill	Ag #	Prog	Type	Fund	FY23-24	FY24-25
LB 857 - Create the Nebraska Prenatal Plus Program	25	33	Oper	Cash	0	57,450
LB 857 - Create the Nebraska Prenatal Plus Program	25	33	Oper	Fed	0	172,350
LB 857 - Create the Nebraska Prenatal Plus Program	25	348	Aid	Cash	0	2,437,489
LB 857 - Create the Nebraska Prenatal Plus Program	25	348	Aid	Fed	0	3,986,606
LB 867 - Change provisions relating to hunting permits	74	72	Oper	Cash	0	3,500
LB 870 - Change the Sexual Assault Victims' Bill of Rights Act	64	100	Oper	Gen	0	8,820
LB 876 - Adopt the Newborn Safe Haven Act	25	33	Oper	Gen	0	65,000
LB 904 - Create the Intergenerational Care Facility Incentive Grant	25	33	Oper	Cash	0	30,000
LB 904 - Create the Intergenerational Care Facility Incentive Grant	25	514	Aid	Cash	0	300,000
LB 905 - Change provisions relating to respite care	25	33	Oper	Cash	0	106,045
LB 905 - Change provisions relating to respite care	25	33	Oper	Fed	0	106,045
LB 937 - Provide for tax credits and tax exemptions	16	102	Oper	Gen	0	250,000
LB 937 - Provide for tax credits and tax exemptions	72	603	Oper	Gen	0	135,883
LB 992 - Change the Real Property Appraiser Act	53	79	Oper	Cash	0	-453
LB 1023 - Adopt Relocation Incentive Act, provide research deductions	16	102	Oper	Gen	0	242,573
LB 1031 - Change provisions for dark fiber and broadband	14	64	Oper	Cash	0	525,000
LB 1035 - Adopt the Prescription Drug Donation Program	25	33	Oper	Gen	0	76,218
LB 1035 - Adopt the Prescription Drug Donation Program	25	514	Aid	Gen	0	475,000
LB 1074 - Adopt changes regarding banking and finance	25	33	Oper	Gen	0	31,103
LB 1074 - Adopt changes regarding banking and finance	25	33	Oper	Fed	0	31,103
LB 1087 - Adopt the Hospital Quality Assurance and Access Assessment Act	25	33	Oper	Cash	0	17,500,000
LB 1087 - Adopt the Hospital Quality Assurance and Access Assessment Act	25	348	Aid	Cash	0	632,500,000
LB 1087 - Adopt the Hospital Quality Assurance and Access Assessment Act	25	348	Aid	Fed	0	1,450,000,000
LB 1200 - Change provisions relating to motor vehicles and 911	24	70	Oper	Cash	0	-20,000
LB 1200 - Change provisions relating to motor vehicles and 911	25	33	Oper	Gen	0	-23,339
LB 1200 - Change provisions relating to motor vehicles and 911	25	33	Oper	Fed	0	-45,305
LB 1204 - Change provisions relating to lotteries/raffles, tobacco	16	102	Oper	Cash	0	482,013
LB 1284 - Provide for and education programs	13	25	Oper	Gen	0	148,487
LB 1284 - Provide for and education programs	13	25	Oper	Cash	0	1,648,533
LB 1284 - Provide for and education programs	13	158	Aid	Cash	0	2,351,467
LB 1300 - Adopt the Pacific Conflict Stress Test Act	21	193	Oper	Gen	0	120,000
LB 1300 - Adopt the Pacific Conflict Stress Test Act	31	544	Oper	Gen	0	88,317
LB 1300 - Adopt the Pacific Conflict Stress Test Act	65	171	Oper	Rev	0	18,750
LB 1300 - Adopt the Pacific Conflict Stress Test Act	65	173	Oper	Rev	0	7,017
LB 1300 - Adopt the Pacific Conflict Stress Test Act	65	560	Oper	Rev	0	7,800
LB 1300 - Adopt the Pacific Conflict Stress Test Act	75	610	Oper	Cash	0	25,000
LB 1300 - Adopt the Pacific Conflict Stress Test Act	97	866	Oper	Gen	0	143,880
LB 1300 - Adopt the Pacific Conflict Stress Test Act	31	544	Aid	Gen	0	411,683
LB 1301 - Adopt the Foreign-owned Real Estate National Security Act	18	78	Oper	Gen	0	82,703
LB 1306 - Eliminate Professional Practices Commission	13	614	Oper	Cash	0	-171,168
LB 1317 - Change tax provisions	16	102	Oper	Gen	0	710,922
LB 1317 - Change tax provisions	16	102	Oper	Cash	0	85,000
LB 1317 - Change tax provisions	24	70	Oper	Cash	0	5,000
LB 1317 - Change tax provisions	84	513	Oper	Gen	0	925,000

Bill	Ag #	Prog	Type	Fund	FY23-24	FY24-25
LB 1329 - Change the Nebraska Career Scholarship Act	13	158	Aid	Cash	0	525,000
LB 1329 - Change the Nebraska Career Scholarship Act	48	692	Aid	Gen	0	8,000,000
LB 1329 - Change the Nebraska Career Scholarship Act	72	603	Aid	Gen	0	-8,000,000
LB 1344 - Adopt the CHIEF Act	16	102	Oper	Gen	0	147,144
LB 1344 - Adopt the CHIEF Act	72	603	Oper	Gen	0	269,350
LB 1355 - Change Opioid Prevention and Treatment Act	25	33	Oper	Cash	0	159,649
LB 1355 - Change Opioid Prevention and Treatment Act	25	38	Aid	Gen	0	-250,000
LB 1355 - Change Opioid Prevention and Treatment Act	25	38	Aid	Cash	0	1,840,351
LB 1355 - Change Opioid Prevention and Treatment Act	51	781	Oper	Gen	0	250,000
LB 1368 - Adopt the Nitrogen Reduction Incentive Act	29	334	Oper	Gen	0	107,005
LB 1368 - Adopt the Nitrogen Reduction Incentive Act	29	334	Aid	Cash	0	1,000,000
LB 1394 - Exempt National Guard income from taxation	16	102	Oper	Gen	0	65,087
LB 1402 – Establish education scholarships	12	480	Oper	Gen	0	750,000
LB 1402 - Establish education scholarships	12	480	Aid	Gen	0	9,250,000
A bills total					152,793	2,134,774,322
					<u>FY23-24</u>	<u>FY24-25</u>
A bills total – General					152,793	21,606,638
A bills total – Cash					0	718,557,732
A bills total – Federal					0	1,483,577,600
A bills total – Revolving					0	117,540

Historical Appropriations-All Funds

Table 41 contains historical appropriations from all fund sources for the past 20 years. All years exclude deficit appropriations. Also shown are average growth figures for the past 20 years as well as historical growth in biennial budgets.

Table 41 Historical Appropriations-All Funds

w/o deficits	General	Cash	Federal	Rev/Other	Total
FY2003-04 Approp	2,655,289,608	1,285,728,367	1,814,045,740	509,307,018	6,264,370,733
FY2004-05 Approp	2,758,082,724	1,348,606,437	2,150,399,990	538,811,896	6,795,901,047
FY2005-06 Approp	2,972,439,069	1,599,561,441	2,183,758,870	546,381,840	7,302,141,220
FY2006-07 Approp	3,180,850,777	1,515,042,477	2,293,382,276	600,297,850	7,589,573,380
FY2007-08 Approp	3,305,700,963	1,637,701,761	2,215,900,086	643,850,466	7,803,153,276
FY2008-09 Approp	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
FY2009-10 Approp	3,380,864,343	1,762,003,199	2,554,199,664	716,159,796	8,413,227,002
FY2010-11 Approp	3,405,101,292	1,786,208,029	2,783,940,522	733,611,968	8,708,861,811
FY2011-12 Approp	3,470,531,929	1,848,428,337	2,636,058,658	740,656,170	8,695,675,094
FY2012-13 Approp	3,632,423,755	1,854,087,842	2,676,111,718	843,560,595	9,006,183,910
FY2013-14 Approp	3,838,168,907	2,054,629,664	2,875,826,694	816,730,442	9,585,355,707
FY2014-15 Approp	4,105,825,530	2,146,231,964	2,920,649,443	845,665,312	10,018,372,249
FY2015-16 Approp	4,271,803,869	2,293,125,964	2,974,745,612	871,770,089	10,411,445,534
FY2016-17 Approp	4,411,690,837	2,319,254,524	3,000,808,771	914,772,042	10,646,526,174
FY2017-18 Approp	4,398,012,616	2,374,171,987	2,958,412,067	941,490,554	10,672,087,224
FY2018-19 Approp	4,456,283,615	2,418,546,661	2,996,300,173	991,842,979	10,862,973,428
FY2019-20 Approp	4,624,671,858	2,607,858,637	3,140,010,262	990,474,195	11,363,014,952
FY2020-21 Approp	4,783,766,898	2,577,453,163	3,577,212,658	973,836,789	11,912,269,508
FY2021-22 Approp	4,815,373,072	2,803,645,227	3,977,876,101	995,503,003	12,592,397,403
FY2022-23 Approp	5,125,672,253	3,348,257,795	5,266,785,365	1,197,292,108	14,938,007,521
FY2023-24 Approp	5,354,643,703	4,050,268,576	4,803,770,213	1,290,035,156	15,498,717,648
FY2024-25 Approp	5,454,964,218	4,849,177,693	6,003,789,419	1,286,777,014	17,594,708,344
Average Annual Growth					
FY14 / FY15 Biennium	6.3%	7.6%	4.5%	0.1%	5.5%
FY16 / FY17 Biennium	3.7%	4.0%	1.4%	4.0%	3.1%
FY18 / FY19 Biennium	0.5%	2.1%	-0.1%	4.1%	1.0%
FY20 / FY21 Biennium	3.6%	3.2%	9.3%	-0.9%	4.7%
FY22 / FY23 Biennium	3.5%	14.0%	21.3%	10.9%	12.0%
FY24 / FY25 Biennium	3.2%	20.3%	6.8%	3.7%	8.5%
Avg FY05 to FY15 (10 yr)	4.1%	4.8%	3.1%	4.6%	4.0%
Avg FY15 to FY25 (10 yr)	2.9%	8.5%	7.5%	4.3%	5.8%
Avg FY05 to FY25 (20 yr)	3.5%	6.6%	5.3%	4.4%	4.9%

Appropriations by Agency - All Funds

Table 42 Biennial Budget as Enacted in the 2024 Legislative Session

	Fund	Approp			FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
3 Legislative Council	Gen	24,042,798	26,499,433	27,803,022	2,456,635	10.2%	1,303,589	4.9%
	Cash	240,832	281,938	285,434	41,106	17.1%	3,496	1.2%
	Fed	39,270	39,270	39,270	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	24,322,900	26,820,641	28,127,726	2,497,741	10.3%	1,307,085	4.9%
5 Supreme Court	Gen	204,627,073	219,588,106	233,085,953	14,961,033	7.3%	13,497,847	6.1%
	Cash	17,096,973	17,571,015	17,726,718	474,042	2.8%	155,703	0.9%
	Fed	788,512	936,038	949,808	147,526	18.7%	13,770	1.5%
	Rev	0	0	0	0	na	0	na
	Total	222,512,558	238,095,159	251,762,479	15,582,601	7.0%	13,667,320	5.7%
7 Governor	Gen	2,310,976	2,211,929	2,211,929	(99,047)	-4.3%	0	0.0%
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	2,310,976	2,211,929	2,211,929	(99,047)	-4.3%	0	0.0%
8 Lt. Governor	Gen	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
9 Secretary of State	Gen	2,126,915	3,643,499	3,279,347	1,516,584	71.3%	(364,152)	-10.0%
	Cash	8,013,184	10,592,438	8,325,842	2,579,254	32.2%	(2,266,596)	-21.4%
	Fed	1,239,818	1,239,818	1,239,818	0	0.0%	0	0.0%
	Rev	983,597	1,009,325	1,028,648	25,728	2.6%	19,323	1.9%
	Total	12,363,514	16,485,080	13,873,655	4,121,566	33.3%	(2,611,425)	-15.8%
10 Auditor	Gen	3,132,140	3,624,560	3,989,059	492,420	15.7%	364,499	10.1%
	Cash	2,379,891	2,684,507	2,787,609	304,616	12.8%	103,102	3.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,512,031	6,309,067	6,776,668	797,036	14.5%	467,601	7.4%

	Fund	Approp			FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
11 Attorney General	Gen	7,356,990	7,763,172	8,061,298	406,182	5.5%	298,126	3.8%
	Cash	3,133,629	7,705,616	7,908,683	4,571,987	145.9%	203,067	2.6%
	Fed	1,825,663	1,826,890	1,874,825	1,227	0.1%	47,935	2.6%
	Rev	1,878,733	2,002,584	2,093,308	123,851	6.6%	90,724	4.5%
	Total	14,195,015	19,298,262	19,938,114	5,103,247	36.0%	639,852	3.3%
12 Treasurer	Gen	3,226,555	1,280,827	11,320,027	(1,945,728)	-60.3%	10,039,200	783.8%
	Cash	17,923,219	18,099,840	48,267,864	176,621	1.0%	30,168,024	166.7%
	Fed	1,751,309	1,831,203	1,888,708	79,894	4.6%	57,505	3.1%
	Rev	0	0	0	0	na	0	na
	Total	22,901,083	21,211,870	61,476,599	(1,689,213)	-7.4%	40,264,729	189.8%
13 Education	Gen	1,341,350,682	1,334,741,789	1,317,692,990	(6,608,893)	-0.5%	(17,048,799)	-1.3%
	Cash	14,521,068	377,425,427	354,750,211	362,904,359	2499.2%	(22,675,216)	-6.0%
	Fed	486,693,389	416,102,834	422,217,785	(70,590,555)	-14.5%	6,114,951	1.5%
	Rev	2,025,315	2,072,237	2,107,325	46,922	2.3%	35,088	1.7%
	Total	1,844,590,454	2,130,342,287	2,096,768,311	285,751,833	15.5%	(33,573,976)	-1.6%
14 Public Service Commission	Gen	22,346,517	23,350,449	23,505,409	1,003,932	4.5%	154,960	0.7%
	Cash	92,020,931	113,025,431	113,921,435	21,004,500	22.8%	896,004	0.8%
	Fed	3,280,310	3,065,455	3,032,062	(214,855)	-6.5%	(33,393)	-1.1%
	Rev	0	0	0	0	na	0	na
	Total	117,647,758	139,441,335	140,458,906	21,793,577	18.5%	1,017,571	0.7%
15 Parole Board	Gen	8,402,902	9,098,692	1,608,545	695,790	8.3%	(7,490,147)	-82.3%
	Cash	455,873	455,873	0	0	0.0%	(455,873)	-100.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	8,858,775	9,554,565	1,608,545	695,790	7.9%	(7,946,020)	-83.2%
16 Revenue	Gen	151,522,159	173,744,458	184,914,869	22,222,299	14.7%	11,170,411	6.4%
	Cash	346,335,481	408,189,709	446,643,126	61,854,228	17.9%	38,453,417	9.4%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	497,857,640	581,934,167	631,557,995	84,076,527	16.9%	49,623,828	8.5%

Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year		
				\$ Change	% Change	\$ Change	% Change	
18 Agriculture	Gen	8,152,588	7,998,261	7,911,428	(154,327)	-1.9%	(86,833)	-1.1%
	Cash	8,812,127	9,181,693	9,451,729	369,566	4.2%	270,036	2.9%
	Fed	6,528,492	4,449,238	4,556,258	(2,079,254)	-31.8%	107,020	2.4%
	Rev	404,062	424,822	435,436	20,760	5.1%	10,614	2.5%
	Total	23,897,269	22,054,014	22,354,851	(1,843,255)	-7.7%	300,837	1.4%
19 Banking	Gen	0	0	0	0	na	0	na
	Cash	7,879,700	9,028,599	9,944,458	1,148,899	14.6%	915,859	10.1%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	7,879,700	9,028,599	9,944,458	1,148,899	14.6%	915,859	10.1%
21 Fire Marshal	Gen	4,557,974	5,203,919	5,685,061	645,945	14.2%	481,142	9.2%
	Cash	3,516,695	4,989,953	5,128,389	1,473,258	41.9%	138,436	2.8%
	Fed	481,136	497,566	510,769	16,430	3.4%	13,203	2.7%
	Rev	0	0	0	0	na	0	na
	Total	8,555,805	10,691,438	11,324,219	2,135,633	25.0%	632,781	5.9%
22 Insurance	Gen	0	0	0	0	na	0	na
	Cash	12,015,121	12,871,379	13,440,090	856,258	7.1%	568,711	4.4%
	Fed	1,719,619	1,481,247	1,457,703	(238,372)	-13.9%	(23,544)	-1.6%
	Rev	0	0	0	0	na	0	na
	Total	13,734,740	14,352,626	14,897,793	617,886	4.5%	545,167	3.8%
23 Labor	Gen	680,670	714,525	739,805	33,855	5.0%	25,280	3.5%
	Cash	3,615,389	13,757,660	13,733,311	10,142,271	280.5%	(24,349)	-0.2%
	Fed	52,497,303	48,549,827	48,763,229	(3,947,476)	-7.5%	213,402	0.4%
	Rev	0	0	0	0	na	0	na
	Total	56,793,362	63,022,012	63,236,345	6,228,650	11.0%	214,333	0.3%
24 Motor Vehicles	Gen	0	0	0	0	na	0	na
	Cash	40,070,977	43,622,826	42,410,711	3,551,849	8.9%	(1,212,115)	-2.8%
	Fed	30,000	126,546	48,446	96,546	321.8%	(78,100)	-61.7%
	Rev	0	0	0	0	na	0	na
	Total	40,100,977	43,749,372	42,459,157	3,648,395	9.1%	(1,290,215)	-2.9%

	Fund	Approp		Approp	FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
25 DHHS System	Gen	1,861,172,044	1,945,103,852	1,955,253,793	83,931,808	4.5%	10,149,941	0.5%
	Cash	180,179,625	311,730,988	904,361,292	131,551,363	73.0%	592,630,304	190.1%
	Fed	3,187,518,485	3,291,637,804	4,684,388,532	104,119,319	3.3%	1,392,750,728	42.3%
	Rev	0	0	0	0	na	0	na
	Total	5,228,870,154	5,548,472,644	7,544,003,617	319,602,490	6.1%	1,995,530,973	36.0%
27 Transportation	Gen	0	0	0	0	na	0	na
	Cash	1,069,034,923	1,285,879,255	1,312,638,524	216,844,332	20.3%	26,759,269	2.1%
	Fed	0	20,332,043	0	20,332,043	na	(20,332,043)	100.0%
	Rev	0	0	0	0	na	0	na
	Total	1,069,034,923	1,306,211,298	1,312,638,524	237,176,375	22.2%	6,427,226	0.5%
28 Veterans Affairs	Gen	39,858,125	49,873,360	54,893,760	10,015,235	25.1%	5,020,400	10.1%
	Cash	45,133,792	15,665,797	16,236,475	(29,467,995)	-65.3%	570,678	3.6%
	Fed	23,992,462	25,438,762	26,680,304	1,446,300	6.0%	1,241,542	4.9%
	Rev	0	0	0	0	na	0	na
	Total	108,984,379	90,977,919	97,810,539	(18,006,460)	-16.5%	6,832,620	7.5%
29 Natural Resources	Gen	13,117,381	13,516,500	14,134,538	399,119	3.0%	618,038	4.6%
	Cash	223,937,677	117,456,323	89,523,805	(106,481,354)	-47.5%	(27,932,518)	-23.8%
	Fed	872,032	181,314,582	2,144,722	180,442,550	20692.2%	(179,169,860)	-98.8%
	Rev	0	0	0	0	na	0	na
	Total	237,927,090	312,287,405	105,803,065	74,360,315	31.3%	(206,484,340)	-66.1%
30 Electrical Board	Gen	0	0	0	0	na	0	na
	Cash	2,374,604	2,484,659	2,567,470	110,055	4.6%	82,811	3.3%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	2,374,604	2,484,659	2,567,470	110,055	4.6%	82,811	3.3%
31 Military Dept	Gen	10,502,879	11,171,278	14,787,004	668,399	6.4%	3,615,726	32.4%
	Cash	6,240,585	1,336,988	1,359,835	(4,903,597)	-78.6%	22,847	1.7%
	Fed	31,665,030	27,682,880	28,184,067	(3,982,150)	-12.6%	501,187	1.8%
	Rev	0	0	0	0	na	0	na
	Total	48,408,494	40,191,146	44,330,906	(8,217,348)	-17.0%	4,139,760	10.3%

	Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
32 Ed Lands & Funds	Gen	436,967	462,359	481,080	25,392	5.8%	18,721	4.0%
	Cash	21,117,313	21,143,794	21,144,887	26,481	0.1%	1,093	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	21,554,280	21,606,153	21,625,967	51,873	0.2%	19,814	0.1%
33 Game and Parks	Gen	12,339,028	12,960,311	13,385,147	621,283	5.0%	424,836	3.3%
	Cash	103,817,448	103,952,274	111,859,082	134,826	0.1%	7,906,808	7.6%
	Fed	8,419,448	8,438,522	8,454,151	19,074	0.2%	15,629	0.2%
	Rev	0	0	0	0	na	0	na
	Total	124,575,924	125,351,107	133,698,380	775,183	0.6%	8,347,273	6.7%
34 Library Commission	Gen	4,273,644	4,477,064	4,633,591	203,420	4.8%	156,527	3.5%
	Cash	45,484	45,484	45,484	0	0.0%	0	0.0%
	Fed	1,543,258	1,599,287	1,640,891	56,029	3.6%	41,604	2.6%
	Rev	0	0	0	0	na	0	na
	Total	5,862,386	6,121,835	6,319,966	259,449	4.4%	198,131	3.2%
35 Liquor Commission	Gen	1,847,798	1,879,195	2,009,807	31,397	1.7%	130,612	7.0%
	Cash	70,719	70,719	70,719	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,918,517	1,949,914	2,080,526	31,397	1.6%	130,612	6.7%
36 Racing Commission	Gen	177	0	0	(177)	-100.0%	0	na
	Cash	5,047,929	6,170,258	6,404,722	1,122,329	22.2%	234,464	3.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,048,106	6,170,258	6,404,722	1,122,152	22.2%	234,464	3.8%
37 Workers Compensation Court	Gen	0	0	0	0	na	0	na
	Cash	6,812,618	6,924,658	7,168,933	112,040	1.6%	244,275	3.5%
	Fed	59,894	62,462	64,358	2,568	4.3%	1,896	3.0%
	Rev	0	0	0	0	na	0	na
	Total	6,872,512	6,987,120	7,233,291	114,608	1.7%	246,171	3.5%

	Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
39 Brand Committee	Gen	0	0	0	0	na	0	na
	Cash	5,718,731	6,085,150	6,331,108	366,419	6.4%	245,958	4.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,718,731	6,085,150	6,331,108	366,419	6.4%	245,958	4.0%
40 Motor Vehicle Dealers	Gen	0	0	0	0	na	0	na
	Cash	843,434	892,421	936,862	48,987	5.8%	44,441	5.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	843,434	892,421	936,862	48,987	5.8%	44,441	5.0%
41 Real Estate Commission	Gen	0	0	0	0	na	0	na
	Cash	1,434,605	1,492,241	1,536,168	57,636	4.0%	43,927	2.9%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,434,605	1,492,241	1,536,168	57,636	4.0%	43,927	2.9%
45 Barber Examiners	Gen	0	0	0	0	na	0	na
	Cash	182,625	192,008	199,101	9,383	5.1%	7,093	3.7%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	182,625	192,008	199,101	9,383	5.1%	7,093	3.7%
46 Correctional Services	Gen	293,961,758	345,607,765	366,905,164	51,646,007	17.6%	21,297,399	6.2%
	Cash	6,930,252	7,680,252	7,386,125	750,000	10.8%	(294,127)	-3.8%
	Fed	1,796,659	2,296,659	2,296,659	500,000	27.8%	0	0.0%
	Rev	22,049,079	22,440,386	22,760,256	391,307	1.8%	319,870	1.4%
	Total	324,737,748	378,025,062	399,348,204	53,287,314	16.4%	21,323,142	5.6%
47 Educational Telecomm.	Gen	10,775,854	11,456,877	11,557,557	681,023	6.3%	100,680	0.9%
	Cash	337,755	338,943	340,097	1,188	0.4%	1,154	0.3%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	11,113,609	11,795,820	11,897,654	682,211	6.1%	101,834	0.9%

	Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
48 Postsecondary Coord Comm	Gen	10,516,831	11,110,841	19,168,456	594,010	5.6%	8,057,615	72.5%
	Cash	18,398,182	18,400,776	20,515,131	2,594	0.0%	2,114,355	11.5%
	Fed	35,000,000	0	0	(35,000,000)	-100.0%	0	na
	Rev	0	0	0	0	na	0	na
	Total	63,915,013	29,511,617	39,683,587	(34,403,396)	-53.8%	10,171,970	34.5%
50 Nebraska State Colleges	Gen	63,339,787	68,649,723	72,780,555	5,309,936	8.4%	4,130,832	6.0%
	Cash	45,813,892	45,813,892	45,813,892	0	0.0%	0	0.0%
	Fed	60,120,000	52,120,000	52,120,000	(8,000,000)	-13.3%	0	0.0%
	Rev	10,239,058	10,239,058	10,239,058	0	0.0%	0	0.0%
	Total	179,512,737	176,822,673	180,953,505	(2,690,064)	-1.5%	4,130,832	2.3%
51 University of Nebraska	Gen	649,842,701	667,939,406	699,313,062	18,096,705	2.8%	31,373,656	4.7%
	Cash	488,150,106	488,150,106	488,650,106	0	0.0%	500,000	0.1%
	Fed	626,320,000	550,020,000	549,670,000	(76,300,000)	-12.2%	(350,000)	-0.1%
	Rev	809,290,000	809,290,000	809,290,000	0	0.0%	0	0.0%
	Total	2,573,602,807	2,515,399,512	2,546,923,168	(58,203,295)	-2.3%	31,523,656	1.3%
52 Board of Agriculture	Gen	0	0	0	0	na	0	na
	Cash	4,500,000	4,500,000	4,500,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	4,500,000	4,500,000	4,500,000	0	0.0%	0	0.0%
53 Real Property Appraiser Brd	Gen	0	0	0	0	na	0	na
	Cash	415,564	433,431	444,285	17,867	4.3%	10,854	2.5%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	415,564	433,431	444,285	17,867	4.3%	10,854	2.5%
54 Historical Society	Gen	5,338,950	5,140,464	5,286,038	(198,486)	-3.7%	145,574	2.8%
	Cash	2,844,881	2,858,400	2,954,012	13,519	0.5%	95,612	3.3%
	Fed	878,980	914,626	940,921	35,646	4.1%	26,295	2.9%
	Rev	0	0	0	0	na	0	na
	Total	9,062,811	8,913,490	9,180,971	(149,321)	-1.6%	267,481	3.0%

Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year		
				\$ Change	% Change	\$ Change	% Change	
56 Nebraska Wheat Board	Gen	0	0	0	0	na	0	na
	Cash	1,644,275	1,665,382	1,680,797	21,107	1.3%	15,415	0.9%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,644,275	1,665,382	1,680,797	21,107	1.3%	15,415	0.9%
57 Oil & Gas Commission	Gen	175,000	175,000	175,000	0	0.0%	0	0.0%
	Cash	1,194,867	1,344,520	1,392,633	149,653	12.5%	48,113	3.6%
	Fed	78,940	82,233	84,633	3,293	4.2%	2,400	2.9%
	Rev	0	0	0	0	na	0	na
	Total	1,448,807	1,601,753	1,652,266	152,946	10.6%	50,513	3.2%
58 Engineers Architects	Gen	0	0	0	0	na	0	na
	Cash	821,854	848,527	953,937	26,673	3.2%	105,410	12.4%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	821,854	848,527	953,937	26,673	3.2%	105,410	12.4%
59 Geologists Board	Gen	0	0	0	0	na	0	na
	Cash	37,210	33,490	33,998	(3,720)	-10.0%	508	1.5%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	37,210	33,490	33,998	(3,720)	-10.0%	508	1.5%
60 Ethanol Board	Gen	0	0	0	0	na	0	na
	Cash	770,986	805,791	853,481	34,805	4.5%	47,690	5.9%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	770,986	805,791	853,481	34,805	4.5%	47,690	5.9%
61 Dairy Board	Gen	0	0	0	0	na	0	na
	Cash	1,640,000	1,640,000	1,640,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,640,000	1,640,000	1,640,000	0	0.0%	0	0.0%

	Fund	Approp		Approp		FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change	
62 Land Surveyors	Gen	0	0	0	0	na	0	na	
	Cash	28,374	28,374	30,874	0	0.0%	2,500	8.8%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	28,374	28,374	30,874	0	0.0%	2,500	8.8%	
63 Public Accountancy	Gen	0	0	0	0	na	0	na	
	Cash	449,949	467,377	480,274	17,428	3.9%	12,897	2.8%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	449,949	467,377	480,274	17,428	3.9%	12,897	2.8%	
64 State Patrol	Gen	70,282,670	82,953,661	90,739,673	12,670,991	18.0%	7,786,012	9.4%	
	Cash	24,452,524	28,944,895	29,350,202	4,492,371	18.4%	405,307	1.4%	
	Fed	3,930,273	4,532,073	4,855,302	601,800	15.3%	323,229	7.1%	
	Rev	1,653,002	1,773,775	1,880,909	120,773	7.3%	107,134	6.0%	
	Total	100,318,469	118,204,404	126,826,086	17,885,935	17.8%	8,621,682	7.3%	
65 Admin Services (DAS)	Gen	9,671,699	9,760,243	10,292,643	88,544	0.9%	532,400	5.5%	
	Cash	3,815,820	3,999,614	4,541,132	183,794	4.8%	541,518	13.5%	
	Fed	1,800,000	375,000	0	(1,425,000)	-79.2%	(375,000)	-100.0%	
	Rev	261,125,803	290,619,389	285,060,274	29,493,586	11.3%	(5,559,115)	-1.9%	
	Total	276,413,322	304,754,246	299,894,049	28,340,924	10.3%	(4,860,197)	-1.6%	
66 Abstracter's Board	Gen	0	0	0	0	na	0	na	
	Cash	52,922	54,868	56,266	1,946	3.7%	1,398	2.5%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	52,922	54,868	56,266	1,946	3.7%	1,398	2.5%	
67 Equal Opportunity Commission	Gen	1,358,170	1,443,415	1,456,854	85,245	6.3%	13,439	0.9%	
	Cash	0	0	0	0	na	0	na	
	Fed	962,243	1,021,723	1,066,455	59,480	6.2%	44,732	4.4%	
	Rev	0	0	0	0	na	0	na	
	Total	2,320,413	2,465,138	2,523,309	144,725	6.2%	58,171	2.4%	

	Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
68 Latino American Commission	Gen	273,586	288,554	299,086	14,968	5.5%	10,532	3.6%
	Cash	5,000	5,000	5,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	278,586	293,554	304,086	14,968	5.4%	10,532	3.6%
69 Arts Council	Gen	10,102,052	2,600,377	2,628,779	(7,501,675)	-74.3%	28,402	1.1%
	Cash	1,830,468	1,832,967	1,834,763	2,499	0.1%	1,796	0.1%
	Fed	748,649	758,905	766,502	10,256	1.4%	7,597	1.0%
	Rev	0	0	0	0	na	0	na
	Total	12,681,169	5,192,249	5,230,044	(7,488,920)	-59.1%	37,795	0.7%
70 Foster Care Review Board	Gen	2,766,151	2,990,533	3,086,432	224,382	8.1%	95,899	3.2%
	Cash	195,949	206,484	214,594	10,535	5.4%	8,110	3.9%
	Fed	476,046	502,180	521,561	26,134	5.5%	19,381	3.9%
	Rev	0	0	0	0	na	0	na
	Total	3,438,146	3,699,197	3,822,587	261,051	7.6%	123,390	3.3%
72 Economic Development	Gen	48,452,030	58,573,564	44,800,939	10,121,534	20.9%	(13,772,625)	-23.5%
	Cash	258,920,652	327,248,937	240,775,393	68,328,285	26.4%	(86,473,544)	-26.4%
	Fed	550,342,013	76,897,205	76,442,999	(473,444,808)	-86.0%	(454,206)	-0.6%
	Rev	0	0	0	0	na	0	na
	Total	857,714,695	462,719,706	362,019,331	(394,994,989)	-46.1%	(100,700,375)	-21.8%
73 Landscape Architects	Gen	0	0	0	0	na	0	na
	Cash	30,064	29,647	30,214	(417)	-1.4%	567	1.9%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	30,064	29,647	30,214	(417)	-1.4%	567	1.9%
74 Power Review Board	Gen	0	0	0	0	na	0	na
	Cash	720,662	744,525	765,983	23,863	3.3%	21,458	2.9%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	720,662	744,525	765,983	23,863	3.3%	21,458	2.9%

	Fund	Approp			FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
75 Investment Council	Gen	0	0	0	0	na	0	na
	Cash	3,069,953	3,367,880	3,389,706	297,927	9.7%	21,826	0.6%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	3,069,953	3,367,880	3,389,706	297,927	9.7%	21,826	0.6%
76 Indian Affairs	Gen	264,199	283,511	295,530	19,312	7.3%	12,019	4.2%
	Cash	40,000	40,000	40,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	304,199	323,511	335,530	19,312	6.3%	12,019	3.7%
77 Industrial Relations	Gen	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
78 Crime Commission	Gen	18,424,226	18,838,755	18,805,392	414,529	2.2%	(33,363)	-0.2%
	Cash	1,532,035	1,753,015	1,781,374	220,980	14.4%	28,359	1.6%
	Fed	20,194,475	20,270,206	20,324,239	75,731	0.4%	54,033	0.3%
	Rev	0	0	0	0	na	0	na
	Total	40,150,736	40,861,976	40,911,005	711,240	1.8%	49,029	0.1%
81 Blind and Visually Impaired	Gen	2,073,466	2,615,557	2,788,092	542,091	26.1%	172,535	6.6%
	Cash	148,746	148,746	148,746	0	0.0%	0	0.0%
	Fed	4,512,243	4,512,243	4,512,243	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	6,734,455	7,276,546	7,449,081	542,091	8.0%	172,535	2.4%
82 Deaf and Hard of Hearing	Gen	1,100,351	1,164,268	1,211,665	63,917	5.8%	47,397	4.1%
	Cash	36,600	36,600	36,600	0	0.0%	0	0.0%
	Fed	500,000	0	0	(500,000)	-100.0%	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,636,951	1,200,868	1,248,265	(436,083)	-26.6%	47,397	3.9%

	Fund	Approp		Approp		FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change	
83 Community Colleges	Gen	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%	
	Cash	0	0	246,499,886	0	na	246,499,886	na	
	Fed	15,000,000	0	0	(15,000,000)	-100.0%	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	124,804,330	111,939,172	360,616,597	(12,865,158)	-10.3%	248,677,425	222.2%	
84 Environment and Energy	Gen	5,718,429	7,102,201	6,783,302	1,383,772	24.2%	(318,899)	-4.5%	
	Cash	40,353,339	53,245,866	43,186,124	12,892,527	31.9%	(10,059,742)	-18.9%	
	Fed	73,001,264	48,447,011	48,881,694	(24,554,253)	-33.6%	434,683	0.9%	
	Rev	0	0	0	0	na	0	na	
	Total	119,073,032	108,795,078	98,851,120	(10,277,954)	-8.6%	(9,943,958)	-9.1%	
85 Retirement Board	Gen	57,826,161	60,972,169	66,700,303	3,146,008	5.4%	5,728,134	9.4%	
	Cash	10,491,067	11,382,304	8,876,139	891,237	8.5%	(2,506,165)	-22.0%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	68,317,228	72,354,473	75,576,442	4,037,245	5.9%	3,221,969	4.5%	
86 Dry Bean Board	Gen	0	0	0	0	na	0	na	
	Cash	656,173	662,282	666,752	6,109	0.9%	4,470	0.7%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	656,173	662,282	666,752	6,109	0.9%	4,470	0.7%	
87 Accountability & Disclosure	Gen	618,857	653,612	673,169	34,755	5.6%	19,557	3.0%	
	Cash	264,845	286,584	302,827	21,739	8.2%	16,243	5.7%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	883,702	940,196	975,996	56,494	6.4%	35,800	3.8%	
88 Nebraska Corn Board	Gen	0	0	0	0	na	0	na	
	Cash	9,937,010	9,977,636	10,020,075	40,626	0.4%	42,439	0.4%	
	Fed	0	0	0	0	na	0	na	
	Rev	0	0	0	0	na	0	na	
	Total	9,937,010	9,977,636	10,020,075	40,626	0.4%	42,439	0.4%	

	Fund	Approp FY2022-23	Approp FY2023-24	Approp FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
89 Nebraska Hemp Commission	Gen	0	0	0	0	na	0	na
	Cash	10,000	10,000	10,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	10,000	10,000	10,000	0	0.0%	0	0.0%
90 African American Affairs	Gen	262,599	277,053	287,760	14,454	5.5%	10,707	3.9%
	Cash	0	0	25,000	0	na	25,000	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	262,599	277,053	312,760	14,454	5.5%	35,707	12.9%
91 Nebraska Tourism Commission	Gen	0	0	0	0	na	0	na
	Cash	7,445,681	7,525,272	9,083,744	79,591	1.1%	1,558,472	20.7%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	7,445,681	7,525,272	9,083,744	79,591	1.1%	1,558,472	20.7%
92 Grain Sorghum Board	Gen	0	0	0	0	na	0	na
	Cash	305,740	313,107	318,687	7,367	2.4%	5,580	1.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	305,740	313,107	318,687	7,367	2.4%	5,580	1.8%
93 Tax Equalization & Review (TERC)	Gen	945,551	1,411,365	1,481,966	465,814	49.3%	70,601	5.0%
	Cash	86,789	86,789	86,789	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,032,340	1,498,154	1,568,755	465,814	45.1%	70,601	4.7%
94 Public Advocacy	Gen	0	0	0	0	na	0	na
	Cash	5,290,477	5,532,996	5,533,837	242,519	4.6%	841	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,290,477	5,532,996	5,533,837	242,519	4.6%	841	0.0%

	Fund	Approp			FY24 vs Prior Year		FY25 vs Prior Year	
		FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
95 Dry Pea and Lentil Commission	Gen	0	0	0	0	na	0	na
	Cash	140,000	142,450	144,211	2,450	1.8%	1,761	1.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	140,000	142,450	144,211	2,450	1.8%	1,761	1.2%
97 Asian Affairs Commission	Gen	0	0	143,880	0	na	143,880	na
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	0	0	143,880	0	#DIV/0!	143,880	na
99 Capital Construction	Gen	23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%
	Cash	154,423,930	86,673,930	86,673,930	(67,750,000)	-43.9%	0	0.0%
	Fed	60,178,150	4,367,875	3,170,505	(55,810,275)	-92.7%	(1,197,370)	-27.4%
	Rev	87,643,459	150,163,580	151,881,800	62,520,121	71.3%	(781,780)	-0.5%
	Total	326,167,149	262,509,313	263,030,163	(63,657,836)	-19.5%	(1,979,150)	-0.8%
STATE TOTALS	Gen	5,125,672,253	5,354,643,703	5,454,964,218	228,971,450	4.5%	100,320,515	1.9%
	Cash	3,348,257,795	4,050,268,576	4,849,177,693	702,010,781	21.0%	798,909,117	19.7%
	Fed	5,266,785,365	4,803,770,213	6,003,789,419	(463,015,152)	-8.8%	1,200,019,206	25.0%
	Rev	1,197,292,108	1,290,035,156	1,286,777,014	92,743,048	7.7%	(5,758,142)	-0.4%
	Total	14,938,007,521	15,498,717,648	17,594,708,344	560,710,127	3.8%	2,093,490,696	13.5%

CAPITAL CONSTRUCTION

Capital Construction Summary

New Construction refers to projects initiated in the 2023 Session while **Reaffirmations** refers to funding needed to complete projects authorized and initial funding provided in prior legislative sessions.

The Nebraska Capital Construction Fund (NCCF) was originally created in the early 70's to account for a five cent cigarette tax earmark to build the Devaney Sports Center. Over time, the cigarette tax that had originally flowed to the NCCF has been basically reallocated and earmarked for other items.

Table 43 Construction Totals by Fund Source for FY23-24 Through FY26-27

	2023 Enacted			2024 Session Changes			Per 2024 Session		
	Reaffirm	New Projects	Total	Reaffirm	New Projects	Total	Reaffirm	New Projects	Total
<u>FY2023-24</u>									
General Funds (SBF)	21,303,928	0	21,303,928	0	0	0	21,303,928	0	21,303,928
Cash Funds	39,573,930	47,100,000	86,673,930	0	0	0	39,573,930	47,100,000	86,673,930
Federal Funds	0	4,367,875	4,367,875	0	0	0	0	4,367,875	4,367,875
Revolving/Other Funds	2,340,000	0	2,340,000	0	0	0	2,340,000	0	2,340,000
Nebr Capital Const Fund (NCCF)	19,565,857	137,207,968	156,773,825	0	(8,950,245)	(8,950,245)	19,565,857	128,257,723	147,823,580
FY23-24 Total	82,783,715	188,675,843	271,459,558	0	(8,950,245)	(8,950,245)	82,783,715	179,725,598	262,509,313
<u>FY2024-25</u>									
General Funds (SBF)	21,303,928	0	21,303,928	0	0	0	21,303,928	0	21,303,928
Cash Funds	39,573,930	41,100,000	80,673,930	0	6,000,000	6,000,000	39,573,930	47,100,000	86,673,930
Federal Funds	0	3,170,505	3,170,505	0	0	0	0	3,170,505	3,170,505
Revolving/Other Funds	2,340,000	0	2,340,000	0	0	0	2,340,000	0	2,340,000
Nebr Capital Const Fund (NCCF)	15,407,545	130,134,255	145,541,800	0	4,000,000	4,000,000	15,407,545	134,134,255	149,541,800
FY24-25 Total	78,625,403	174,404,760	253,030,163	0	10,000,000	10,000,000	78,625,403	184,404,760	263,030,163
<u>FY2025-26</u>									
General Funds (SBF)	26,594,824	0	26,594,824	0	0	0	26,594,824	0	26,594,824
Cash Funds	35,073,930	0	35,073,930	0	0	0	35,073,930	0	35,073,930
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	2,340,000	0	2,340,000	0	0	0	2,340,000	0	2,340,000
Nebr Capital Const Fund (NCCF)	19,565,857	145,000,000	164,565,857	0	0	0	19,565,857	145,000,000	164,565,857
FY25-26 Total	83,574,611	145,000,000	228,574,611	0	0	0	83,574,611	145,000,000	228,574,611
<u>FY2026-27</u>									
General Funds (SBF)	20,483,928	0	20,483,928	0	0	0	20,483,928	0	20,483,928
Cash Funds	35,073,930	0	35,073,930	0	0	0	35,073,930	0	35,073,930
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	2,340,000	0	2,340,000	0	0	0	2,340,000	0	2,340,000
Nebr Capital Const Fund (NCCF)	0	0	0	0	0	0	0	0	0
FY26-27 Total	57,897,858	0	57,897,858	0	0	0	57,897,858	0	57,897,858
<u>Future</u>									
General Funds (SBF)	673,775,480	8,030,000	681,805,480	0	0	0	673,775,480	8,030,000	681,805,480
Cash Funds	472,500,000	0	472,500,000	0	0	0	472,500,000	0	472,500,000
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	25,920,000	0	25,920,000	0	0	0	25,920,000	0	25,920,000
Nebr Capital Const Fund (NCCF)	0	0	0	0	0	0	0	0	0
Future Total	1,172,195,480	8,030,000	1,180,225,480	0	0	0	1,172,195,480	8,030,000	1,180,225,480

2024 Construction Budget Adjustments

The following table shows the listing of additional new projects and adjustments to previously approved projects in the 2024 session.

Table 44 Construction Adjustments – 2024 Session

Agency	Prog	Item	Governor FY2023-24	Governor FY2024-25	Enacted FY2023-24	Enacted FY2024-25	Difference from Governor FY2023-24	Difference from Governor FY2024-25
Game & Parks	973	Fish Hatchery Upgrades	0	4,000,000	0	4,000,000	0	0
Game & Parks	972	Alliance Office Upgrades	0	2,000,000	0	2,000,000	0	0
Corrections	912	York Women's Facility	0	0	0	2,500,000	0	2,500,000
State Patrol	904	Crime Lab	9,249,755	0	9,249,755	0	0	0
DAS	901	Capitol 5th Floor	0	0	0	1,500,000	0	1,500,000
DAS	921	Troop A Headquarters	(18,200,000)	0	(18,200,000)	0	0	0
TOTAL		New Appropriations	(8,950,245)	6,000,000	(8,950,245)	10,000,000	0	4,000,000
Game & Parks	965	STARWARS projects	(6,500,000)	0	(6,500,000)	0	0	0
TOTAL		Reappropriations	(6,500,000)	0	(6,500,000)	0	0	0

State Patrol - Crime Lab Expansion

Since the initial plan in February 2021, the estimated cost of the Crime Lab Expansion project has surged by 55%. Firstly, there has been a considerable increase in construction costs in recent years. Secondly, as the project transitioned from general concepts to detailed schematic designs, unforeseen complexities and expenses emerged. Thirdly, the inherent complexity of the project—encompassing new construction, demolition, and renovation while ensuring continuous lab operations—further elevates costs. The execution of the project requires temporary workspaces and substantial upgrades to electrical, HVAC, security, and IT systems, in addition to detailed engineering. The revised estimate accounts for contingency funds and allowances for potential inflation and unexpected construction costs. Of the funding, \$7 million is sourced from interest on NCCF funds accrued in previous fiscal years, with an additional \$2,249,755 transferred from the Cash Reserve Fund. To complete the project, an additional \$9,249,755 is included in the enacted 2024 budget adjustments.

DAS – Troop A Headquarters

The Department of Administrative services was appropriated \$32.2 million to construct a State Patrol Troop A headquarters in 2023. In cooperation with patrol, a suitable location was found to purchase and remodel for \$14 million. The resulting savings is \$18.2 million in FY23-34, and the 2024 budget adjustments include a reduction in appropriation as a result of the savings. Additionally, the transfer from the Cash Reserve Fund to the NCCF is reduced by this amount in FY23-24.

DAS – State Capitol Fifth Floor

The 2024 budget adjustments include an additional \$1.5 million in FY2024-25 for the fifth floor renovation project, which was first included in the 2023 session. The additional funding brings total project funding to \$3 million, funded by a transfer from the Cash Reserve to the NCCF.

Game and Parks – Alliance Office Upgrades

The 2024 budget adjustments include \$2 million, appropriated from agency cash funds, to address facility issues in Alliance. Acquired in 1963, this concrete building has become a health-risk to both the customers and staff. Additional ventilation has not been enough to combat the increasing volume of sewer gas to which the customers and staff are being exposed. Due to the age and structure of the building, the most-economical

course of action is to tear out and replace the damaged lines under the foundation and rebuild. With the rebuild, the new office can be made larger to meet the current needs, built to be ADA compliant, and add a necropsy lab.

Game and Parks – Fishery Upgrades

The North Platte Hatchery requires \$2.5 million to install the final 10 pond liners to increase water use efficiency and pond production to meet the demand for stocked fish (15 of 25 have already been completed). The old pond liners were leaky and wasting precious water, and new liners will conserve water. The Valentine Hatchery requires \$1.5 million to upgrade to a new water recycling system to enhance fish production year-round, which includes a new recirculating aquaculture system, along with a well and building. The 2024 budget adjustments include the \$4 million in agency cash funds for these projects.

Department of Correctional Services – York Women's Facility

The 2024 budget adjustments include an appropriation of \$2.5 from the NCCF to the Department of Correctional Services for repairs on the water system at the Nebraska Correctional Center for Women in York. There have been numerous documented incidents of loss of water pressure at the facility due to infrastructure issues as well as concerns regarding the potability and quality of the water at the facility. The funds are transferred from the Cash Reserve Fund in FY24-25. The funds are transferred from the Cash Reserve Fund in FY24-25.

Bills Included in Enacted Budget

Bills Included in Enacted Midbiennium Budget Adjustment Bills (LB 1412, LB 1413)

Bill	Introducer	One-Liner	Ag	Prog	Fund Type	FY23-24	FY24-25
LB 850	Jacobson	Change Rural Workforce housing language for ARPA	72	601	ARPA	0	0
LB 858	Linehan	Appropriate funds to NDE for office of finance and administrative services	13	25	General	0	120,662
LB 930	Frederickson	Change earmark for University Appropriation for behavioral health professionals	51	781	General	0	0
LB 941	Dorn	Appropriate funds to DHHS for medicaid assisted living facilities	25	348	ARPA	1,499,657	0
LB 975	Ibach	Redefine qualified nonprofit under Shovel-Ready Capital Recovery and Investment Act	72	603	Cash	0	0
LB 1077	McDonnell	Appropriate funds to Labor for workforce development and career readiness	23	31	ARPA	900,000	0
LB 1099	McDonnell	Change nursing scholarship earmark language for ARPA	25	176	ARPA	0	0
LB 1124	Vargas	Appropriate funds to DHHS for home visitation programs & nurse visitation programs (includes LB 1125)	25	514	Cash	1,400,000	1,400,000
LB 1154	McDonnell	Appropriate funds to the Department of Health and Human Services for special Olympics	25	514	CRF	0	500,000
LB 1209	Bosn	Appropriate funds to DHHS for grant to residential child-caring agency	25	514	ARPA	2,000,000	0
LB 1210	Clements	Appropriate funds to DAS for State Capitol 5th floor	65	901	CRF	0	1,500,000
LB 1233	Wayne	Change intent and language related to Standing Bear Museum	33	550	Cash	750,000	0
LB 1242	McDonnell	Appropriate funds to the University for a study on viability of collecting rainwater	51	781	ARPA	350,000	0
LB 1245	McDonnell	Change language of Lead Service Line Cash Fund	84	513	Cash	0	0
LB 1264	Wishart	Intent to appropriate federal funds for developmental disability aid in program 424	25	424,348	Federal	0	0
LB 1275	Brewer	Appropriate funds to DAS for volunteer departments for radios and equipment	65	245	CRF	0	2,000,000
LB 1289	Bostar	Appropriate funds to Military for grant to municipal airport	31	544	General	0	3,000,000
LB 1333	Vargas	Change provisions of Business Innovation Act	72	603	General	0	0
LB 1352	DeBoer	State intent related to ARPA audits	10	506	ARPA	0	0
LB 1378	Dover	Appropriate funds to DAS for volunteer departments for radios and equipment	65	245	CRF	0	425,000
LB 1380	Dover	Appropriate funds to DAS for Wyuka Cemetery	65	560	ARPA	375,000	0
LB 1407	Sanders	Rename Military Base Development and Support Fund and change language	31	544	Cash	0	0

DEFINITION OF TERMS

State Biennial Budget

A biennium is the time period for which the same Legislature exists. For example, the 106th Legislature will exist for two years, with the first session held in 2019, the second session in 2020. Although the State Constitution prohibits one Legislature from enacting appropriations that are binding on a future Legislature, the first session of the 107th Legislature can bind the second session of the same 107th Legislature. Therefore the 108th Legislature, meeting in 2023, can enact appropriations for FY2023-24 and FY2024-25 without binding the 109th Legislature. The biennial budget then is the sum of all appropriations made by the Legislature (both the first and second sessions) for these two succeeding fiscal years. These budgets as initially set in the 2023 session, can be revised and amended in subsequent legislative sessions, up until the end of a fiscal year.

The biennial budget can't be found in any single legislative bill. The phrase "the sum of all appropriations" was appropriately used as appropriations are contained in many different bills. What's referred to as the "mainline" budget bills are basically the appropriations to carry out the functions of state government as they exist at the beginning of a legislative session, and are normally contained in several different bills; legislator salaries, constitutional officer salaries, a main budget, and capital construction. New legislation enacted during a legislative session carries a companion appropriation bill if an appropriation is necessary to carry out the new law. This companion bill, referred to as an "A" bill, is a separate bill using the original bill number with the letter "A" following. In this manner, the appropriation to carry out the provisions of this legislation is only enacted if in fact the new legislation is enacted.

Fiscal Year

The time period for which appropriations are made is the states' fiscal year that runs from July 1st through June 30th of the following year. The fiscal year covering the period July 1, 2023 through June 30, 2024 is referred to as FY2023-24, FY23-24, or simply FY24. Within this 12-month period, agencies are limited to only those appropriations made for FY2023-24. The fiscal year covering the period July 1, 2024 through June 30, 2025 is referred to as FY2024-25, FY24-25, or simply FY25.

Fund Types

The State of Nebraska utilizes several different types of funds for appropriating and accounting for revenue sources. This structure is somewhat similar to a bank that has several general categories of accounts such as commercial, individual, and trust accounts while under these general types of accounts are many separate and distinct individual accounts. In the state system, the broad types of funds are listed below:

General Fund This fund accounts for all the receipts not specified by statute to be credited to another fund. There is only a single General Fund. The majority of General Fund revenues come from sales and use taxes, and individual and corporate income taxes. Because appropriations from this fund determine the level of sales and income tax rates, most discussion on "balancing the budget" relates to the General Fund. Also deposited into the General Fund are liquor taxes, and approximately half of the cigarette tax and insurance premium taxes.

Cash Funds These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there are more than 250 individual cash funds contained in 75 different agencies. In many instances, an agency has multiple cash funds. For example, the Department of Agriculture has over 20 different cash funds. Monies held in these funds generally can only be used for the specific purpose for which the fund was created. Cash funds are used to account for revenues such as University and State College tuition and fees, institution patient revenues, hunting/fishing permits, highway revenues (gas tax and sales tax on motor vehicles), and agricultural commodity check-off fees. In addition, most inspection, regulatory, and

license fees and charges, are dedicated to and accounted for through the use of cash funds. The Department of Roads accounts for about 40% of cash fund revenues/expenditures.

Federal Funds Federal funds account for monies received from the federal government either as grants, contracts, or matching funds. Unlike other fund sources, federal fund appropriations are an estimate and agencies are not limited to the amount shown in the appropriation bills though receipts must meet expenditures. Similar to cash funds, there are numerous individual federal funds contained in the accounting system and they are generally limited to specific uses as authorized by the federal program from which the funds came from. About 61% of the federal funds are expended in the Health and Human Services System, a large portion for programs such as Medicaid, ADC, and other public assistance program. Federal funds in the Dept. of Education account for 13% of the total mostly flow through monies to local K-12 schools for programs such as Title 1, School Lunch, and Special Education.

Revolving Funds These types of funds account for transactions where one agency provides goods or services to another agency. For example, the Dept of Education pays DAS-Building Division (SBD) for office rent in a state office building. The expenditure is charged against Education's budget (be it General, Cash, or Federal) as rent expenses. DAS-SBD then receives these funds which are credited to a revolving fund from which DAS-SBD pays staff salaries, utilities, custodial costs, repairs, etc... This in essence double-counts an expenditure; once when an agency pays another for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. The University and State Colleges also use revolving funds but to account for revenues from dormitories, student unions, agricultural experiment stations, and other "enterprise" operations.

Other Funds - In the appropriation figures, this type includes a very small amount of private donations in capital construction, and the Nebraska Capital Construction Fund (NCCF). Because these amounts are historically both relatively small, they are combined with Revolving Funds for purposes of this report.

Operations, State Aid, Construction

In this report, there are instances where appropriations by fund type are also broken down into three categories: operations, state aid, and capital construction. And within the "state aid" category, there are two kinds: state aid to individuals and state aid to local governments.

Agency Operations accounts for the costs of operating state agencies including items such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc...

Aid to Individuals includes programs such as Medicaid, Aid to Dependent Children (ADC), child welfare services and student scholarships where state funds are provided for the direct benefit of an individual. This area also includes aid to quasi-government units, which are those local agencies that do not have the authority to levy property taxes. This would include entities such as area agencies on aging, mental health regions and developmental disability regions.

Aid to Local Governments accounts for aid payments to local governments that have the authority to levy a property tax such as cities, counties, K-12 schools, community colleges, natural resource districts (NRD's), and educational services units (ESU's). This category includes programs such as state aid to schools (TEEOSA), special education, homestead exemption reimbursements and property tax relief through direct aid payments to cities, counties, NRD's, community colleges, and ESU's. State payments to fund part of the K-12

teacher retirement plan are not included under this category as those amounts are credited directly to the teacher retirement fund and are not checks written to school districts nor do those amounts show up as a school revenue or subsequent expenditure.

Capital Construction includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used with respect to repair and renovations as relatively small or on-going projects are routinely done within agencies operating budgets. Highway and road construction and maintenance is not included in this category. This is included under cash fund agency operations.

Agency and Program Structure

Although only agency total figures are shown in this report, the state uses a program structure to which all appropriations are made. Budget programs are set out in the appropriations bills and are intended to follow functional lines within an agency. Overall, there are approximately 350 budget programs within all state agencies. A lump sum appropriation is made to each program by fund type. Individual line items of expenditure (ie... salaries, data processing, equipment, supplies) are identified in the agency request and subsequently during the expenditure of the appropriated funds, but not for purposes of appropriations.

The only legally valid appropriations are made to budget programs with agency totals being for informational purposes only. Funds can only be shifted from one program to another by action of the Legislature. In some cases an entire agency is contained in one budget program. This normally occurs when it is a small agency with basically one purpose. A good example is the Board of Barber Examiners. However, there are some examples of very large agencies that are also contained in only one program, for example the Dept. of Correctional Services. In this case, the need for flexibility in terms of reallocating funding among the various institutions dictates a broader budget program. In these instances, more detailed data is available through the use of sub-programs during the request and expenditure process.

Budget Process and Chronology

The budgetary process is a biennial cycle of submissions, reviews, and appropriations. The full cycle takes almost one complete 12-month period. The following steps basically comprise the cycle as it works during the preparation of a biennial budget.

Step 1 - Budget Request Instructions By July 15, statutes require the Department of Administrative Services (DAS) Budget Division to issue instructions and forms for state agencies to use in submitting the budget request for the next two fiscal years.

Step 2 - Agency Budget Requests By September 15, agencies must submit their requests to DAS with a copy to the Legislative Fiscal Office (LFO).

Step 3 - Staff Review From September through December, analysts for the DAS Budget Division and LFO review agency requests and collect and analyze information justifying the request levels. The DAS-Budget analysis is conducted for the use of the Governor in developing his/her recommendations, the LFO analysis is provided for the Appropriations Committee and Legislature.

Step 4 - Governor's Recommendation By statute, the Governor's budget is due by January 15th of each year. In the first year of his/her term, this time is extended until February 15th.

Step 5 - Appropriations Committee Initial Review and Preliminary Budget From the middle of January to mid to late February, the Appropriations Committee reviews agency requests and develops

a preliminary budget. This preliminary budget becomes the basis for the agency budget hearings as well as a Preliminary Report required by legislative rules. This report is due 20-30 legislative days after the Governor's budget is submitted during odd numbered years (15-20 legislative days in even numbered years).

Step 6 - Agency Budget Hearings From mid-February to mid-March, approximately 4-5 weeks are used to conduct public hearings on the agency request, the Governor's recommendations and Appropriations Committee preliminary recommendation. During these hearings, agencies, interest groups, and the general public submit requested changes to the Committee preliminary recommendation. Although not done frequently, other standing committees of the Legislature may have hearings on the budgets of those agencies under their subject jurisdiction during this time.

Step 7 - Committee Final Recommendation From mid-March to the mid to late April, another four weeks is used to review all requests subsequent to the hearings and finalize the Appropriations Committee recommendation that will be sent to the full Legislature. By rule, the budget bills must be submitted to the Legislature as a whole by the 70th legislative day in 90 day sessions, and the 40th day in 60 day sessions, otherwise the Governor's bills are considered as introduced. When the Appropriations Committee sends their recommendations to the entire Legislature, the other standing committees again have the opportunity to review and/or hold hearings on the recommendations for the agencies under their jurisdiction.

Step 8 - General File Like all other bills, budget bills are subject to amendment on the floor of the Legislature. The only difference is that for budget bills, all amendments must have 25 votes where a simple majority of those voting can amend other bills. This is the first of three stages a legislative bill must follow on its way to passage.

Step 9 - Select File This is the second and last stage of floor debate and again the budget bills are subject to debate and amendment.

Step 10 - Final Reading The number of votes required for passage of budget bills depends on whether the bill has the emergency clause (ie.. the bill becomes law immediately after signed by the Governor), and whether the appropriation exceeds the Governor's recommendation. Any bill with the emergency clause (including budget bills) requires a 2/3 vote of the 49 members of the Legislature (33 votes). Since the fiscal year starts on July 1, and voting on budget bills normally occurs at the end of May or first part of June, the mainline budget bills will require the emergency clause in order for agencies to have funding available by the start of the new fiscal year. Some appropriations can go into effect after the fiscal year has begun as the mainline bill provides adequate cash flow until 90 days after the session ends when bills without the emergency clause go into effect. In cases of bills without the emergency clause the number of votes depends on whether the appropriation is in excess of the Governor's recommendation (30 votes) or at or below the Governor's recommendation (simple majority, 25 votes). By legislative rule, all bills which have a General Fund impact (ie.. General Fund "A" bill or General Fund revenue loss) are held on the final stage of consideration until the mainline budget bills have been passed.

Step 11 - Governor Vetoes The Governor has five calendar days (excluding Sunday) to sign bills as enacted, let the bill become law without his/her signature, or return the bill with vetoes. In addition to the authority to veto a bill in total, the Governor also has the authority to line-item veto which means the Governor can strike a number and insert a lower number for any specific item of appropriation.

Step 12 - Veto Overrides By legislative rule, if more than one item in a bill is vetoed, the Appropriations Committee must make a report to the Legislature within one legislative day. The rules further lay out the order for considering override attempts: (1) the Committee may offer to override the entire bill; (2) the Committee may offer to override selected line item vetoes; (3) any member of the Legislature may then offer a motion to override the entire bill; and (4) any member may then offer motions to override selected line item vetoes. In the Committee report, the Appropriations Committee can either recommend or not recommend overrides, or as in some cases, remain silent on the disposition of vetoes. In all cases, veto overrides require 30 votes.

Step 13 - Deficit Appropriations A budget enacted for a fiscal year can be amended or changed up to the last day of that fiscal year. Deficit appropriations are changes made to the originally enacted appropriations. There are several chances to amend a biennial budget once it has been enacted. For example, the FY21-22 and FY22-23 biennial budget was enacted in the 2021 Session. Both years can be changed during the 2022 Session, even though at that time, the state will be nine months into FY21-22. The second year of the biennial budget (FY22-23) can also be subject to change prospectively during the 2022 Session and again during the 2023 Session as a “deficit” during the fiscal year.

LEGISLATIVE FISCAL OFFICE

Agency Assignments and Staff

LFO Staff Assignments By Agency Numerical Listing

<u>Agency</u>	<u>LFO Analyst</u>	<u>Phone</u>	<u>Intercom</u>
#03 Legislative Council	Keisha Patent	471-0059	559
#05 Supreme Court	Kenneth Boggs	471-0050	550
#07 Governor/PRO	Scott Danigole	471-0055	555
#08 Lieutenant Governor	Scott Danigole	471-0055	555
#09 Secretary of State	Scott Danigole	471-0055	555
#10 State Auditor	Scott Danigole	471-0055	555
#11 Attorney General	Scott Danigole	471-0055	555
#12 State Treasurer	Scott Danigole	471-0055	555
#13 Dept of Education	Bill Biven	471-0054	554
#14 Public Service Commission	Scott Danigole	471-0055	555
#15 Board of Pardons and Parole	Kenneth Boggs	471-0050	550
#16 Dept of Revenue	John Wiemer	471-0051	563
#18 Dept of Agriculture	Clint Verner	471-0056	556
#19 Dept of Banking	Nikki Swope	471-0042	542
#21 State Fire Marshal	Scott Danigole	471-0055	555
#22 Dept of Insurance	Nikki Swope	471-0042	542
#23 Dept of Labor	Scott Danigole	471-0055	555
#24 Dept of Motor Vehicles	Shelly Glaser	471-0052	552
#25 DHHS	Mikayla Findlay	471-0062	562
#27 Dept of Transportation	Shelly Glaser	471-0052	552
#28 Dept of Veterans Affairs	Nikki Swope	471-0042	542
#29 Dept of Natural Resources	Clint Verner	471-0056	556
#30 State Electrical Board	Scott Danigole	471-0055	555
#31 Military Department	Nikki Swope	471-0042	542
#32 Board of Educational Lands and Funds	Bill Biven	471-0054	554
#33 Game and Parks Commission	Shelly Glaser	471-0052	552
#34 Library Commission	Bill Biven	471-0054	554
#35 Liquor Control Commission	John Wiemer	471-0051	563
#36 Racing and Gaming Commission	John Wiemer	471-0051	563
#37 Workers' Compensation Court	Suzanne Houlden	471-0057	557
#39 Brand Committee	Clint Verner	471-0056	556
#40 Motor Vehicle Industry Licensing Board	Shelly Glaser	471-0052	552
#41 Real Estate Commission	Eric Kasik	471-0053	553
#45 Board of Barber Examiners	Mikayla Findlay	471-0062	562
#46 Dept of Correctional Services	Kenneth Boggs	471-0050	550
#47 Educational Telecommunications Commission	Bill Biven	471-0054	554

<u>Agency</u>	<u>LFO Analyst</u>	<u>Phone</u>	<u>Intercom</u>
#48 Coordinating Comm for Postsecondary Ed	Suzanne Houlden	471-0057	557
#50 State Colleges	Suzanne Houlden	471-0057	557
#51 University of Nebraska	Suzanne Houlden	471-0057	557
#52 State Fair Board	Clint Verner	471-0056	556
#53 Real Property Appraisers Board	Eric Kasik	471-0053	553
#54 Historical Society	Eric Kasik	471-0053	553
#56 Wheat Board	Clint Verner	471-0056	556
#57 Oil and Gas Conservation Commission	Scott Danigole	471-0055	555
#58 Brd of Examiners for Engineers and Architects	Eric Kasik	471-0053	553
#59 Board of Geologists	Eric Kasik	471-0053	553
#60 Ethanol Board	Clint Verner	471-0056	556
#61 Dairy Industry Development Board	Clint Verner	471-0056	556
#62 Board of Examiners for Land Surveyors	Bill Biven	471-0054	554
#63 Board of Public Accountancy	Shelly Glaser	471-0052	552
#64 State Patrol	Kenneth Boggs	471-0050	550
#65 DAS-Personnel and Risk Management	Suzanne Houlden	471-0057	557
#65 DAS-Building Division, Capitol Commission Admin, CIO, Acctng, Materiel, TSB, Budget	Eric Kasik	471-0053	553
#66 Abstractors Board of Examiners	Eric Kasik	471-0053	553
#67 Equal Opportunity Commission	Nikki Swope	471-0042	542
#68 Latino American Commission	Nikki Swope	471-0042	542
#69 Nebraska Arts Council	Eric Kasik	471-0053	553
#70 Foster Care Review Office	Mikayla Findlay	471-0062	562
#72 Dept of Economic Development	Clint Verner	471-0056	556
#73 Bd of Examiners for Landscape Architects	Eric Kasik	471-0053	553
#74 Power Review Board	Scott Danigole	471-0055	555
#75 Investment Council	Bill Biven	471-0054	554
#76 Commission on Indian Affairs	Nikki Swope	471-0042	542
#77 Commission of Industrial Relations	Suzanne Houlden	471-0057	557
#78 Crime Commission	Kenneth Boggs	471-0050	550
#81 Commission for the Blind and Visually Impaired	Nikki Swope	471-0042	542
#82 Commission on the Deaf and Hard of Hearing	Nikki Swope	471-0042	542
#83 Community Colleges	Suzanne Houlden	471-0057	557
#84 Dept of Environment and Energy	Clint Verner	471-0056	556
#85 Public Employees Retirement System	Bill Biven	471-0054	554
#86 Dry Bean Commission	Clint Verner	471-0056	556
#87 Political Accountability and Disclosure	Scott Danigole	471-0055	555
#88 Corn Board	Clint Verner	471-0056	556
#89 Hemp Commission	Clint Verner	471-0056	556

<u>Agency</u>	<u>LFO Analyst</u>	<u>Phone</u>	<u>Intercom</u>
#90 African American Affairs Comm	Nikki Swope	471-0042	542
#91 Tourism Commission	Eric Kasik	471-0053	553
#92 Grain Sorghum Board	Clint Verner	471-0056	556
#93 Tax Equalization and Review Commission	John Wiemer	471-0051	563
#94 Commission on Public Advocacy	Kenneth Boggs	471-0050	550
#95 Dry Pea & Lentil Commission	Clint Verner	471-0056	556
#97 Asian American Affairs Commission	Nikki Swope	471-0042	542

Legislative Fiscal Office Staff

Name	Phone	Email	Responsibilities
Patent, Keisha	471-0059	kpatent@leg.ne.gov	Director Fiscal Note Coordinator 03 – Legislative Council
Verner, Clint	471-0056	cverner@leg.ne.gov	Deputy Director 18 - Agriculture, 29 - Natural Resources, 39 - Brand Committee, 52 - Fair Board, 56 - Wheat Board, 60 - Ethanol Board, 61 - Dairy Industry Development Board, 72 - Economic Development, 84 - Environment & Energy, 86 - Dry Bean Commission, 88 - Corn Board, 89 - Hemp Commission, 92 - Grain Sorghum Board, 95 - Dry Pean & Lentil Commission
Biven, Bill	471-0054	bbiven@leg.ne.gov	13 - Education, 32 - Educational Lands & Funds Board, 34 - Library Commission, 47 - Educational Television Commission, 62 - Land Surveyors Examiners Board, 75 - Investment Council, 85 - Public Employees Retirement Board TEEOSA, K-12 Annual Financial Report AFR
Boggs, Kenneth	471-0050	kboggs@leg.ne.gov	5 - Supreme Court, 15 - Board of Pardons and Parole, 46 - Correctional Services, 64 - State Patrol, 78 - Crime Commission, 94 - Commission on Public Advocacy
Danigole, Scott	471-0055	sdanigole@leg.ne.gov	7 - Governor, 8 - Lt. Governor, 9 - Secretary of State, 10 - State Auditor, 11 - Attorney General, 12 - State Treasurer, 14 - Public Service Commission, 21 - State Fire Marshal, 23 - Labor, 30 - State Electrical Board, 57 - Oil & Gas Conservation Commission, 74 - Power Review Board, 87 - Accountability & Disclosure Commission
Findlay, Mikayla	471-0062	mfindlay@leg.ne.gov	25 - DHHS, 45 - Barber Examiners Board, 70 - Foster Care Review Board

Name	Phone	Email	Responsibilities
Glaser, Shelly	471-0052	sglaser@leg.ne.gov	24 - Motor Vehicles, 27 - Transportation (includes Aeronautics), 33 - Game & Parks Commission, 40 - Motor Vehicle Industry Licensing Board, 63 - Public Accountancy Board
Houlden, Suzanne	471-0057	shoulden@leg.ne.gov	37 - Workers' Compensation Court, 48 - Postsecondary Ed Coordinating Comm 60 - State College System, 51 - University of Nebraska, 65 - DAS Personnel, Employee Relations, Risk Mgmt, State Claims, 77 - Commission on Industrial Relations, 83 - Community Colleges
Kasik, Eric	471-0053	ekasik@leg.ne.gov	41 - Real Estate Commission, 53 - Real Property Appraisers Board, 54 - Historical Society, 58 - Engineers & Architects Examiners Board, 59 - Geologists Board, 65 - DAS Building Division, Task Force for Building Renewal, Capitol Commission, 66 - Abstractors Examiners Board, 69 - Arts Council, 73 - Landscape Architects Examiners Board, 91 - Tourism Commission Capital Construction Coordinator
Swope, Nikki	471-0042	nswope@leg.ne.gov	19 - Banking, 22 - Insurance, 28 - Veterans Affairs, 31 - Military, 67 - Equal Opportunity Commission, 68 - Latino-American Commission, 76 - Indian Affairs Commission, 81 - Commission Blind and Visually Impaired, 82 - Hearing Impaired Commission 90 - Commission on African American Affairs 97 - Commission on Asian American Affairs
Wiemer, John	471-0051	jwiemer@leg.ne.gov	16 - Revenue, 35 - Liquor Control Commission, 36 - Racing & Gaming Commission, 93 - Tax Equalization & Review Commission CTL Property Tax and Valuation (maintain database info)
McNally, Wanda	471-2263	wmcnally@leg.ne.gov	Fiscal Assistance
Turek, Emilie	471-2263	eturek@leg.ne.gov	Fiscal Assistance
Diarrassouba, Malik	471-0061	mdiarrassouba@leg.ne.gov	Economic and Tax Research Analyst, Revenue Forecasting