



STATE OF NEBRASKA

SPECIAL SESSION

BUDGET REPORT

AUGUST 2024

LEGISLATIVE FISCAL OFFICE

Overview

In the 2024 Special Session, called for the purposes of providing property tax relief, four bills were enacted relating to revenue and appropriations provisions.

- LB 2 – Provide, change, and eliminate appropriations for operations of state government;
- LB 3 – Provide, change, and eliminate provisions relating to funds;
- LB 4 – Appropriate funds for special session expenses; and
- LB 34 – Adopt the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to revenue and taxation.

LB 34, referred to the Revenue Committee, repeals the refundable income tax credit against property taxes paid to a school district the prior tax year and replaces that credit with a direct property tax credit on the annual tax statement for property taxes levied by a school district. The cost of the new credit is \$750 million in FY25, and increasing 3% each year thereafter. The state will reimburse school districts for the cost of the new credit. The bill also changes growth in property tax levy authority for cities, counties, and school districts. Additional detail is included later in this report.

LB 2 and 3, referred to the Appropriations Committee, change provisions relating to appropriations and funds to lapse unexpended funds from FY2023-24, reduce General Fund appropriations in the current fiscal year, to provide for transfers of cash funds to the General Fund, and to provide for the crediting of investment earnings from certain cash and revolving funds to the General Fund. LB 2 and LB 3 provide the additional funding for LB 34.

LB 4 appropriates funds to the Legislative Council for costs of the special session.

The following shows the total impact on the General Fund from the legislation enacted over this fiscal year and the following biennium:

General Fund Impact of Special Session Legislation

	FY24-25	FY25-26	FY26-27	3-Year Total
LB 34 New Prop Tax Credit	(750,000,000)	(780,000,000)	(808,000,000)	(2,338,000,000)
LB 34 Repeal Prop Tax Inc Credit	565,135,000	649,373,000	674,016,000	1,888,524,000
LB 34 admin costs	(156,000)	0	0	(156,000)
LB 2 appropriations reductions & lapses	117,146,507	41,461,007	41,461,007	200,068,521
LB 3 investment earnings	15,750,000	21,750,000	21,750,000	59,250,000
LB 3 transfers to General Fund	6,500,000	57,000,000	48,000,000	111,500,000
LB 3 intent to transfer from Cash Reserve	0	0	200,000,000	200,000,000
LB 4 Costs of session	(126,860)	0	0	(126,860)
TOTAL	(45,751,353)	(10,415,993)	177,227,007	121,059,661

The LB 34 new property tax credit is not paid from the General Fund, but is shown as a negative impact to the General Fund because the funds to be distributed are transferred from the General Fund to the newly created School District Property Tax Relief Credit Fund.

General Fund Financial Status: Before 2024 Special Session Actions

	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	1,843,296,751	855,383,520	689,146,792
3 Cash Reserve transfers-automatic	(1,287,998,995)	(2,982,492)	(38,746,104)	0	0
4 Carryover obligations from FY24	0	0	(437,528,028)	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	0	(5,000,000)
6 Unobligated Beginning Balance	1,206,108,857	1,850,802,596	1,362,022,619	855,383,520	684,146,792
7 REVENUES & TRANSFERS					
8 Net Receipts	6,367,982,492	7,155,810,580	5,888,878,915	6,349,119,532	6,244,279,082
9 General Fund transfers-out (current law)	(518,053,459)	(1,399,760,000)	(944,553,886)	(952,417,382)	(976,636,640)
10 General Fund transfers-in (current law)	in actual	in forecast	in forecast	0	0
11 Cash Reserve transfers	(50,000,000)	(440,000,000)	4,000,000	0	0
12 Accounting Adjustment	1,937,066	(8,779,331)	0	0	0
13 General Fund Net Revenues	5,801,866,099	5,307,271,249	4,948,325,029	5,396,702,150	5,267,642,442
14 APPROPRIATIONS					
15 Expenditures / Appropriations	5,154,189,868	5,314,777,094	5,125,672,253	5,125,672,253	5,125,672,253
16 Mainline Budget and A bills (2024 session)	0	0	329,291,875	329,291,875	329,291,875
17 Projected budget increase, following biennium	0	0	0	107,974,749	224,313,023
18 2025 Biennium Budget Adjustments	0	0	0	0	0
19 2025 A bills	0	0	0	0	0
20 General Fund Appropriations	5,154,189,868	5,314,777,094	5,454,964,128	5,562,938,878	5,679,277,151
21 ENDING BALANCE					
22 \$ Ending balance (per Financial Status)	1,853,785,088	1,843,296,751	855,383,520	689,146,792	272,512,083
23 \$ Ending balance (at Min. Reserve 3.0%)			351,485,032		335,526,062
24 Excess (shortfall) from Minimum Reserve			503,898,488		(63,013,979)
25 Biennial Reserve (%)			7.6%		2.4%
General Fund Appropriations					
26 Annual % Change - Appropriations (w/o deficits)	6.4%	4.4%	2.0%	2.0%	2.1%
27 Two Year Average	3.5%	--	3.2%	--	2.0%
28 Est. Revenue Growth (rate/base adjusted)	1.7%	4.7%	2.7%	5.6%	3.6%
29 Two Year Average	10.7%	--	3.7%	--	4.6%
30 Five Year Average	9.7%	--	8.4%	--	3.6%
31 Unadjusted % change over prior year	0.3%	12.4%	-17.7%	7.8%	-1.7%
32 On-Going Revenues vs Appropriations	726,193,848	397,836,831	(510,639,189)	(166,236,817)	(411,634,799)

General Fund Financial Status: After 2024 Special Session Actions

	Actual	Current Biennium		Est for Following Biennium	
	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
1 BEGINNING BALANCE					
2 Beginning Cash Balance	2,494,107,852	1,853,785,088	1,843,296,751	809,632,167	632,979,446
3 Cash Reserve transfers-automatic	(1,287,998,995)	(2,982,492)	(38,746,104)	0	0
4 Carryover obligations from FY24	0	0	(437,528,028)	0	0
4a Lapses 2024 Special Session	0	0	75,685,500	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	0	(5,000,000)
6 Unobligated Beginning Balance	1,206,108,857	1,850,802,596	1,437,708,119	809,632,167	627,979,446
7 REVENUES & TRANSFERS					
8 Net Receipts	6,367,982,492	7,155,810,580	5,888,878,915	6,349,119,532	6,244,279,082
9 General Fund transfers-out (current law)	(518,053,459)	(1,399,760,000)	(944,553,886)	(952,417,382)	(976,636,640)
9a General Fund transfers-out (2024 Spec Session)	0	0	(750,000,000)	(780,000,000)	(808,000,000)
10 General Fund transfers-in (current law)	in actual	in forecast	in forecast	0	0
10a General Fund transfers-in (2024 Spec Session)	0	0	6,500,000	57,000,000	48,000,000
11 Cash Reserve transfers (current law)	(50,000,000)	(440,000,000)	4,000,000	0	0
11a Cash Reserve transfers (2024 Spec Session)	0	0	0	0	200,000,000
12 2024 Special Session Revenue Bills	0	0	580,885,000	671,123,000	695,766,000
13 Accounting Adjustment	1,937,066	(8,779,331)	0	0	0
14 General Fund Net Revenues	5,801,866,099	5,307,271,249	4,785,710,029	5,344,825,150	5,403,408,442
15 APPROPRIATIONS					
16 Expenditures / Appropriations	5,154,189,868	5,314,777,094	5,125,672,253	5,125,672,253	5,125,672,253
17 Mainline Budget and A bills (2024 session)	0	0	329,291,875	329,291,875	329,291,875
18 Projected budget increase, following biennium	0	0	0	107,974,749	224,313,023
19 2024 Special Session Budget Adjustments	0	0	(41,461,007)	(41,461,007)	(41,461,007)
20 2024 Special Session A bills	0	0	282,860	0	0
21 General Fund Appropriations	5,154,189,868	5,314,777,094	5,413,785,981	5,521,477,871	5,637,816,144
22 ENDING BALANCE					
23 \$ Ending balance (per Financial Status)	1,853,785,088	1,843,296,751	809,632,167	632,979,446	393,571,744
24 \$ Ending balance (at Min. Reserve 3.0%)			346,748,673		336,636,867
25 Excess (shortfall) from Minimum Reserve			462,883,494		56,934,877
26 Biennial Reserve (%)			6.6%		3.5%
General Fund Appropriations					
27 Annual % Change - Appropriations (w/o deficits)	6.4%	4.4%	1.2%	2.0%	2.1%
28 Two Year Average	3.5%	--	2.8%	--	2.0%
29 Est. Revenue Growth (rate/base adjusted)	1.7%	4.7%	2.7%	5.6%	3.6%
30 Two Year Average	10.7%	--	3.7%	--	4.6%
31 Five Year Average	9.7%	--	8.4%	--	3.6%
32 Unadjusted % change over prior year	0.3%	12.4%	-17.7%	7.8%	-1.7%
33 <u>On-Going Revenues vs Appropriations</u>	726,193,848	397,836,831	(632,076,042)	(176,652,810)	(434,407,792)

The General Fund financial status, accounting for special session actions, shows a balance above the minimum reserve of \$462.9 million this biennium, and a balance above the minimum reserve of \$56.9 million for the following biennium. For the following biennium, this includes the intent language contained in LB 3 regarding a transfer from the Cash Reserve Fund to the General Fund. This is also reflected on the Cash Reserve Fund status on the following page.

Cash Reserve Fund

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	877,179,779	817,179,779
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	38,746,104	0	0
To/from Gen Fund Current Law	40,000,000	440,000,000	(4,000,000)	0	0
To/from Gen Fund (LB 3 - 2024 Spec Session)	0	0	0	0	(200,000,000)
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(166,673,580)	(29,458,800)	0	0
To Gov Emerg Fund (LB 3 - 2024 Spec Session)	0	0	(25,000,000)	(10,000,000)	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	877,179,779	817,179,779	567,179,779
Ending Balance as % of Revenues	25.7%	12.8%	14.9%	12.9%	9.1%
Ending Balance as % of Expenditures	31.8%	17.2%	16.2%	14.8%	10.1%

Appropriations Adjustments (LB2)

LB 2 lapses unexpended and reappropriated funds from FY2023-24 for various state agency budget programs. These funds were appropriated for FY2023-24 and, absent a specific lapse, would carry over to the second year of the biennium, FY2024-25. The bill includes specific lapses of these funds, and the following table shows the originally proposed lapses and the enacted lapses. All enacted lapses are lapses of unexpended and reappropriated General Funds, except one \$6.5 million lapse in the administration program of the Department of Health and Human Services.

FY24 General Fund Lapses					
Agy	Agency	Prog	Program Name	Introduced	Enacted
003	Legislative Council	122	Legislative Services	(\$3,500,000)	(\$3,500,000)
003	Legislative Council	123	Clerk of the Legislature	(\$1,500,000)	\$0
007	Governor	018	Policy Research Office	(\$250,000)	(\$250,000)
007	Governor	021	Office of the Governor	(\$500,000)	(\$500,000)
008	Lt. Governor	124	Office of the Lt Governor	(\$25,000)	(\$25,000)
009	Secretary of State	045	Election Administration	(\$250,000)	\$0
012	Treasurer	024	State Disbursement Unit	(\$100,000)	(\$100,000)
014	PSC	793	Broadband Bridge	(\$5,000,000)	\$0
016	Revenue	102	Revenue Administration	(\$1,290,000)	(\$1,290,000)
016	Revenue	112	Property Assessment	(\$355,500)	(\$355,500)
018	Agriculture	078	Agriculture Department	(\$500,000)	(\$500,000)
021	Fire Marshal	193	Public Protection	(\$250,000)	(\$250,000)
025	DHHS	033	Administration	(\$15,000,000)	(\$15,000,000)
025	DHHS	038	Behavioral Health Aid	(\$8,000,000)	\$0
025	DHHS	347	Public Assistance	(\$10,000,000)	\$0
025	DHHS	424	Developmental Disability Aid	(\$8,000,000)	\$0
025	DHHS	624	Health Information Exchange	(\$1,250,000)	(\$1,250,000)
028	Veterans Affairs	511	Veterans' Affairs	(\$1,300,000)	\$0
029	Natural Resources	334	Soil & Water Conservation	(\$1,250,000)	(\$1,250,000)
031	Military Department	192	Governor's Emergency Fund	(\$35,000,000)	(\$35,000,000)
033	Game & Parks	336	Wildlife Conservation	(\$250,000)	(\$200,000)
033	Game & Parks	337	Administration	(\$100,000)	(\$90,000)
033	Game & Parks	550	Planning and Trails	(\$50,000)	(\$50,000)
033	Game & Parks	617	Engineering & Area Maintenance	(\$100,000)	(\$50,000)
046	Corrections	200	Operations	(\$10,000,000)	(\$10,000,000)
054	Historical Society	648	State Historical Society	(\$500,000)	(\$500,000)
057	Oil & Gas Commission	335	Oil & Gas Commission	(\$100,000)	(\$100,000)
064	State Patrol	100	Public Protection	(\$1,000,000)	(\$2,000,000)
064	State Patrol	850	Public Safety Comm System	(\$1,000,000)	\$0
065	DAS	101	Chief Information Officer	(\$75,000)	(\$75,000)
065	DAS	509	Budget Administration	(\$750,000)	(\$750,000)
065	DAS	608	Employee Relations Division	(\$500,000)	(\$500,000)
065	DAS	685	Capitol Commission	(\$700,000)	(\$700,000)
065	DAS	901	State Capitol Improvements	(\$300,000)	(\$300,000)
070	Foster Care Review	116	Foster Care Review	(\$250,000)	\$0

FY24 General Fund Lapses					
Agy	Agency	Prog	Program Name	Introduced	Enacted
078	Crime Commission	150	Juvenile Services Act	(\$300,000)	\$0
078	Crime Commission	155	County Juvenile Services Aid	(\$900,000)	\$0
078	Crime Commission	198	State & Local Planning	(\$500,000)	(\$500,000)
078	Crime Commission	199	Law Enforcement Training Center	(\$5,000,000)	\$0
078	Crime Commission	203	Jail Standards	(\$100,000)	(\$100,000)
078	Crime Commission	204	Office of Violence Prevention	(\$400,000)	\$0
078	Crime Commission	220	Community Corrections Council	(\$300,000)	(\$300,000)
093	TERC	115	Tax Equalization and Review	(\$200,000)	(\$200,000)
General Fund TOTAL				(\$116,695,500)	(\$75,685,500)
FY24 Cash Fund Lapses					
Agy	Agency	Prog	Prog Name	Introduced	Enacted
025	DHHS	033	Administration	(\$6,500,000)	(\$6,500,000)
Cash Fund TOTAL				(\$6,500,000)	(\$6,500,000)

In addition to the lapses of unexpended and reappropriated funds from the recently completed fiscal year, FY2023-24, LB 2 amends FY2024-25 new appropriations for various state agency budget programs. The following table shows:

- 1) All proposed General, cash, and revolving fund appropriations changes by agency, program, and fund type in the introduced bill under the Governor columns; and
- 2) All proposed changes by agency, program, and fund type in the enacted bill.

FY24-25 Appropriation Adjustments in LB2								
			LB 2 (Introduced)			LB 2 (Enacted)		
Agy	Agency Name	Prog	General	Cash	Revolving	General	Cash	Revolving
003	Legislative Council	122	(\$1,750,000)	\$0	\$0	\$0	\$0	\$0
003	Legislative Council	123	(\$750,000)	\$0	\$0	\$0	\$0	\$0
009	Secretary of State	045	(\$250,000)	\$0	\$0	\$0	\$0	\$0
012	Treasurer	024	(\$100,000)	\$0	\$0	(\$100,000)	\$0	\$0
014	PSC	793	(\$5,000,000)	\$0	\$0	\$0	\$0	\$0
016	Revenue	102	(\$1,450,000)	\$0	\$0	(\$1,450,000)	\$0	\$0
016	Revenue	112	(\$306,440)	\$0	\$0	(\$306,440)	\$0	\$0
018	Agriculture	078	(\$494,000)	\$1,200,000	\$0	(\$494,000)	\$0	\$0
018	Agriculture	078	\$0	\$300,000	\$0	\$0	\$0	\$0
018	Agriculture	078	(\$1,006,000)	\$0	\$0	\$0	\$0	\$0
021	Fire Marshal	193	(\$3,500,000)	\$3,500,000	\$0	\$0	\$0	\$0
025	DHHS	033	(\$25,000,000)	\$0	\$0	(\$25,000,000)	\$0	\$0
025	DHHS	347	(\$5,000,000)	\$0	\$0	\$0	\$0	\$0
025	DHHS	424	\$0	\$8,000,000	\$0	\$0	\$0	\$0
025	DHHS	502	(\$7,284,060)	\$7,284,060	\$0	\$0	\$0	\$0
025	DHHS	623	\$0	(\$15,000,000)	\$0	\$0	\$0	\$0
025	DHHS	624	(\$1,250,000)	\$0	\$0	(\$1,250,000)	\$0	\$0
028	Veterans Affairs	511	(\$1,000,000)	\$0	\$0	\$0	\$0	\$0
029	Natural Resources	334	(\$2,500,000)	\$1,000,000	\$0	(\$1,500,000)	\$0	\$0
029	Natural Resources	334	\$0	(\$1,000,000)	\$0	\$0	\$0	\$0
031	Military Department	545	(\$200,000)	\$0	\$0	(\$200,000)	\$0	\$0
033	Game & Parks	337	(\$1,010,596)	\$1,010,596	\$0	\$0	\$0	\$0
033	Game & Parks	549	(\$7,816,945)	\$7,816,945	\$0	\$0	\$0	\$0
046	Corrections	200	(\$10,000,000)	\$0	\$0	(\$10,000,000)	\$0	\$0
057	Oil & Gas Commission	335	(\$100,000)	\$0	\$0	(\$100,000)	\$0	\$0
064	State Patrol	100	(\$3,500,000)	\$0	\$0	\$0	\$0	\$0
065	DAS	101	(\$360,567)	\$0	\$360,567	(\$360,567)	\$0	\$360,567
070	Foster Care Review	116	(\$250,000)	\$0	\$0	\$0	\$0	\$0
078	Crime Commission	150	(\$150,000)	\$0	\$0	\$0	\$0	\$0
078	Crime Commission	155	(\$500,000)	\$0	\$0	\$0	\$0	\$0
078	Crime Commission	198	(\$534,817)	\$0	\$0	(\$534,817)	\$0	\$0
078	Crime Commission	198	(\$165,183)	\$0	\$0	(\$165,183)	\$0	\$0
078	Crime Commission	199	(\$1,500,000)	\$0	\$0	\$0	\$0	\$0
078	Crime Commission	204	(\$150,000)	\$0	\$0	\$0	\$0	\$0
093	TERC	115	(\$100,000)	\$0	\$0	\$0	\$0	\$0
			(\$82,978,608)	\$14,111,601	\$360,567	(\$41,461,007)	\$0	\$360,567

In addition to the changes in LB 2, a total of \$282,860 General Funds is appropriated in LB 4 and LB 34A for costs of the special session and to implement the provisions of LB 34, respectively. LB 34A also includes a cash fund appropriation of \$750 million for the newly enacted property tax credit in FY2024-25.

General Fund Budget Summary by Type

	Per 2024 Session		Per 2024 Special Session		Per 2024 Special Session		Change vs Prior Yr		Change vs Prior Yr	
	Adj Total FY2023-24	Adj Total FY2024-25	Adj FY2023-24	Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25	FY23-24 (w/o deficits) \$	%	FY24-25 (w/o deficits) \$	%
Agency Operations										
University & State /Colleges	724,181,629	759,253,617	0	0	724,181,629	759,253,617	20,049,141	2.8%	35,071,988	4.8%
Health & Human Services	353,435,016	355,679,902	0	(26,250,000)	353,435,016	329,429,902	61,549,992	21.1%	(24,005,114)	-6.8%
Correctional Services	341,607,765	362,905,164	0	(10,000,000)	341,607,765	352,905,164	51,646,007	17.8%	11,297,399	3.3%
Courts	219,318,106	232,815,953	0	0	219,318,106	232,815,953	14,961,033	7.3%	13,497,847	6.2%
State Patrol	82,953,661	90,739,673	0	0	82,953,661	90,739,673	12,670,991	18.0%	7,786,012	9.4%
Retirement Board	60,972,169	66,700,303	0	0	60,972,169	66,700,303	3,146,008	5.4%	5,728,134	9.4%
Revenue	31,044,458	35,914,869	0	(1,600,440)	31,044,458	34,314,429	822,299	2.7%	3,269,971	10.5%
Other Agencies	251,543,223	260,941,945	0	(3,162,524)	251,543,223	257,779,421	27,018,396	12.0%	6,236,198	2.5%
Total-GF Operations	2,065,056,027	2,164,951,426	0	(41,012,964)	2,065,056,027	2,123,938,462	191,863,867	10.2%	58,882,435	2.9%
State Aid to Individuals/Others										
Opportunity Scholarships	0	9,250,000	0	0	0	9,250,000	0	--	9,250,000	--
Workforce Development	0	0	0	0	0	0	0	--	0	--
Medicaid	1,007,479,783	1,012,640,639	0	0	1,007,479,783	1,012,640,639	15,826,765	1.6%	5,160,856	0.5%
Child Welfare Aid	202,837,350	182,756,746	0	0	202,837,350	182,756,746	22,973,296	12.8%	(20,080,604)	-9.9%
Developmental disabilities aid	185,955,731	197,567,183	0	0	185,955,731	197,567,183	11,317,222	6.5%	11,611,452	6.2%
Public Assistance	66,130,054	76,380,054	0	0	66,130,054	76,380,054	(23,025,951)	-25.8%	10,250,000	15.5%
Behavioral Health aid	69,505,211	70,132,211	0	0	69,505,211	70,132,211	(4,805,951)	-6.5%	627,000	0.9%
Childrens Health Insurance (SCHIP)	26,384,947	26,246,298	0	0	26,384,947	26,246,298	(48,315)	-0.2%	(138,649)	-0.5%
Nebr Broadband Bridge Act	19,795,788	19,795,788	0	0	19,795,788	19,795,788	0	0.0%	0	0.0%
Business Innovation Act	19,234,402	19,234,402	0	0	19,234,402	19,234,402	(16,760)	-0.1%	0	0.0%
Aging Programs	11,722,579	11,722,579	0	0	11,722,579	11,722,579	0	0.0%	0	0.0%
Public Health Aid	11,314,060	11,314,060	0	0	11,314,060	11,314,060	0	0.0%	0	0.0%
Nebraska Career Scholarships	19,107,500	20,240,000	0	0	19,107,500	20,240,000	5,057,500	36.0%	1,132,500	5.9%
Higher Ed Student Aid programs	9,593,430	9,593,430	0	0	9,593,430	9,593,430	500,000	5.5%	0	0.0%
Health Aid	6,877,196	7,352,196	0	0	6,877,196	7,352,196	0	0.0%	475,000	6.9%
Nebraska Rural Projects Act	4,896,460	4,896,460	0	0	4,896,460	4,896,460	0	0.0%	0	0.0%
All Other Aid to Individuals/Other	35,178,130	33,416,531	0	0	35,178,130	33,416,531	1,240,309	3.7%	(1,761,599)	-5.0%
Total-GF Aid to Individuals/Other	1,696,012,621	1,712,538,577	0	0	1,696,012,621	1,712,538,577	29,162,865	1.7%	16,525,956	1.0%
State Aid to Local Govts										
State Aid to Schools (TEEOSA)	1,028,056,655	1,010,135,323	0	0	1,028,056,655	1,010,135,323	(10,629,579)	-1.0%	(17,921,332)	-1.7%
Property Tax Credit	363 mil (transfer)	398 mil (transfer)	0	0	363 mil (transfer)	398 mil (transfer)	--	--	--	--
Community College Future Fund	0	254 mil (transfer)	0	0	0	254 mil (transfer)	--	--	--	--
Special Education - General Fund	235,724,474	235,724,474	0	0	235,724,474	235,724,474	0	0.0%	0	0.0%
Special Education - Ed Future Fund	227 mil (transfer)	206 mil (transfer)	0	0	227 mil (transfer)	206 mil (transfer)	--	--	--	--
Aid to Community Colleges	111,939,172	114,116,711	0	0	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%
Homestead Exemption	142,700,000	149,000,000	0	0	142,700,000	149,000,000	21,400,000	17.6%	6,300,000	4.4%
Aid to ESU's	13,613,976	13,613,976	0	0	13,613,976	13,613,976	0	0.0%	0	0.0%
Aid to Counties programs	0	0	0	0	0	0	(2,000,000)	-100.0%	0	--
High ability learner programs	2,342,962	2,342,962	0	0	2,342,962	2,342,962	0	0.0%	0	0.0%
Early Childhood programs	11,119,357	11,119,357	0	0	11,119,357	11,119,357	0	0.0%	0	0.0%
Community Based Juvenile Services	5,798,000	5,798,000	0	0	5,798,000	5,798,000	0	0.0%	0	0.0%
Governors Emergency Program	5,000,000	5,000,000	0	0	5,000,000	5,000,000	0	0.0%	0	0.0%
Other Aid to Local Govt	15,976,531	9,319,394	0	(165,183)	15,976,531	9,154,211	(342,863)	-2.1%	(6,822,320)	-42.7%
Total-GF Aid to Local Govt	1,572,271,127	1,556,170,197	0	(165,183)	1,572,271,127	1,556,005,014	10,562,400	0.7%	(16,266,113)	-1.0%
Capital Construction	21,303,928	21,303,928	0	0	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%
TOTAL-MAINLINE BUDGET	5,354,643,703	5,454,964,128	0	(41,178,147)	5,354,643,703	5,413,785,981	228,971,450	4.5%	59,142,278	1.9%

The appropriations changes, except for a reduction of \$165,183 for county justice reinvestment grants administered by the Crime Commission, are all related to agency operational costs. The table on this page shows total operations adjustments are (\$41,012,964) and adjustments to state aid are (\$165,183). About 64% of the total is a reduction to the Department of Health and Human Services agency operations. Another 24% of the total is a reduction to the Department of Correctional Services agency operations. Total General Fund operations costs in the table also include the \$282,860 for LB 4 (costs of the special session) and LB 34A (administrative costs of LB 34).

General Fund Appropriations by Agency – 2024 Special Session Adjustments

		Per 2024 Session		Per 2024 Special Session		Per 2024 Special Session		
	Type	Total FY2023-24	Total FY2024-25	Adj FY2023-24	Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25	
#03	Legislative Council	Oper	26,499,433	27,803,022	0	126,860	26,499,433	27,929,882
#03	Legislative Council	Total	26,499,433	27,803,022	0	126,860	26,499,433	27,929,882
#05	Supreme Court	Aid	270,000	270,000	0	0	270,000	270,000
#05	Supreme Court	Oper	219,318,106	232,815,953	0	0	219,318,106	232,815,953
#05	Supreme Court	Total	219,588,106	233,085,953	0	0	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	160,748	0	0	158,750	160,748
#08	Lt. Governor	Total	158,750	160,748	0	0	158,750	160,748
#09	Secretary of State	Oper	3,643,499	3,279,347	0	0	3,643,499	3,279,347
#09	Secretary of State	Total	3,643,499	3,279,347	0	0	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	9,250,000	0	0	0	9,250,000
#12	State Treasurer	Oper	1,280,827	2,070,027	0	(100,000)	1,280,827	1,970,027
#12	State Treasurer	Total	1,280,827	11,320,027	0	(100,000)	1,280,827	11,220,027
#13	Education	Aid	1,300,981,214	1,282,554,475	0	0	1,300,981,214	1,282,554,475
#13	Education	Oper	33,760,575	35,138,515	0	0	33,760,575	35,138,515
#13	Education	Total	1,334,741,789	1,317,692,990	0	0	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	2,648,183	2,808,405	0	0	2,648,183	2,808,405
#14	Public Service Comm	Total	23,350,449	23,505,409	0	0	23,350,449	23,505,409
#15	Parole Board	Oper	9,098,692	1,608,545	0	0	9,098,692	1,608,545
#15	Parole Board	Total	9,098,692	1,608,545	0	0	9,098,692	1,608,545
#16	Revenue	Aid	142,700,000	149,000,000	0	0	142,700,000	149,000,000
#16	Revenue	Oper	31,044,458	35,914,869	0	(1,600,440)	31,044,458	34,314,429
#16	Revenue	Total	173,744,458	184,914,869	0	(1,600,440)	173,744,458	183,314,429
#17	Aeronautics	Oper	0	0	0	0	0	0
#17	Aeronautics	Total	0	0	0	0	0	0
#18	Agriculture	Aid	1,006,000	1,006,000	0	0	1,006,000	1,006,000
#18	Agriculture	Oper	6,992,261	6,905,428	0	(494,000)	6,992,261	6,411,428
#18	Agriculture	Total	7,998,261	7,911,428	0	(494,000)	7,998,261	7,417,428
#21	Fire Marshal	Oper	5,203,919	5,685,061	0	0	5,203,919	5,685,061
#21	Fire Marshal	Total	5,203,919	5,685,061	0	0	5,203,919	5,685,061
#23	Labor	Oper	714,525	739,805	0	0	714,525	739,805
#23	Labor	Total	714,525	739,805	0	0	714,525	739,805
#25	DHHS	Aid	1,591,668,836	1,599,573,891	0	0	1,591,668,836	1,599,573,891
#25	DHHS	Oper	353,435,016	355,679,902	0	(26,250,000)	353,435,016	329,429,902
#25	DHHS	Total	1,945,103,852	1,955,253,793	0	(26,250,000)	1,945,103,852	1,929,003,793
#28	Veterans Affairs	Aid	2,500,000	0	0	0	2,500,000	0
#28	Veterans Affairs	Oper	47,373,360	54,893,760	0	0	47,373,360	54,893,760
#28	Veterans Affairs	Total	49,873,360	54,893,760	0	0	49,873,360	54,893,760

		Per 2024 Session		Per 2024 Special Session		Per 2024 Special Session		
		Total	Total	Adj	Adj	Adj Total	Adj Total	
		FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	
		Type						
#29	Natural Resources	Aid	1,806,112	1,806,112	0	0	1,806,112	1,806,112
#29	Natural Resources	Oper	11,710,388	12,328,426	0	(1,500,000)	11,710,388	10,828,426
#29	Natural Resources	Total	13,516,500	14,134,538	0	(1,500,000)	13,516,500	12,634,538
#31	Military Dept	Aid	6,052,793	9,464,476	0	0	6,052,793	9,464,476
#31	Military Dept	Oper	5,118,485	5,322,528	0	(200,000)	5,118,485	5,122,528
#31	Military Dept	Total	11,171,278	14,787,004	0	(200,000)	11,171,278	14,587,004
#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	1,879,195	2,009,807	0	0	1,879,195	2,009,807
#35	Liquor Control	Total	1,879,195	2,009,807	0	0	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	341,607,765	362,905,164	0	(10,000,000)	341,607,765	352,905,164
#46	Correctional Services	Total	345,607,765	366,905,164	0	(10,000,000)	345,607,765	356,905,164
#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	17,593,430	0	0	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	19,168,456	0	0	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	691,313,062	0	0	659,939,406	691,313,062
#51	University of Nebraska	Total	667,939,406	699,313,062	0	0	667,939,406	699,313,062
#54	Historical Society	Oper	5,140,464	5,286,038	0	0	5,140,464	5,286,038
#54	Historical Society	Total	5,140,464	5,286,038	0	0	5,140,464	5,286,038
#57	Oil & Gas Comm.	Oper	175,000	175,000	0	(100,000)	175,000	75,000
#57	Oil & Gas Comm.	Total	175,000	175,000	0	(100,000)	175,000	75,000
#64	State Patrol	Oper	82,953,661	90,739,673	0	0	82,953,661	90,739,673
#64	State Patrol	Total	82,953,661	90,739,673	0	0	82,953,661	90,739,673
#65	Admin Services (DAS)	Aid	0	0	0	0	0	0
#65	Admin Services (DAS)	Oper	9,760,243	10,292,643	0	(360,567)	9,760,243	9,932,076
#65	Admin Services (DAS)	Total	9,760,243	10,292,643	0	(360,567)	9,760,243	9,932,076
#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 Amer Comm.	Oper	288,554	299,086	0	0	288,554	299,086
#68	Latino Amer Comm.	Total	288,554	299,086	0	0	288,554	299,086
#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

		Per 2024 Session		Per 2024 Special Session		Per 2024 Special Session		
		Total	Total	Adj	Adj	Adj Total	Adj Total	
		FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	
		Type						
#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	DED	Aid	46,160,294	30,011,624	0	0	46,160,294	30,011,624
#72	DED	Oper	12,413,270	14,789,315	0	0	12,413,270	14,789,315
#72	DED	Total	58,573,564	44,800,939	0	0	58,573,564	44,800,939
#76	Indian Affairs Comm	Oper	283,511	295,530	0	0	283,511	295,530
#76	Indian Affairs Comm	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 Comm	Aid	12,305,805	12,305,805	0	(165,183)	12,305,805	12,140,622
#78	Crime Comm	Oper	6,532,950	6,499,587	0	(534,817)	6,532,950	5,964,770
#78	Crime Comm	Total	18,838,755	18,805,392	0	(700,000)	18,838,755	18,105,392
#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	7,102,201	6,783,302	0	0	7,102,201	6,783,302
#84	Environment & Energy	Total	7,102,201	6,783,302	0	0	7,102,201	6,783,302
#85	Retirement Board	Oper	60,972,169	66,700,303	0	0	60,972,169	66,700,303
#85	Retirement Board	Total	60,972,169	66,700,303	0	0	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 Amer Affairs	Oper	277,053	287,760	0	0	277,053	287,760
#90	African Amer Affairs	Total	277,053	287,760	0	0	277,053	287,760
#93	TERC	Oper	1,411,365	1,481,966	0	0	1,411,365	1,481,966
#93	TERC	Total	1,411,365	1,481,966	0	0	1,411,365	1,481,966
#97	Asian Affairs Comm	Oper	0	143,880	0	0	0	143,880
#97	Asian Affairs Comm	Total	0	143,880	0	0	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			5,354,643,703	5,454,964,128	0	(41,178,147)	5,354,643,703	5,413,785,981
OPERATIONS			2,065,056,027	2,164,951,426	0	(41,012,964)	2,065,056,027	2,123,938,462
STATE AID			3,268,283,748	3,268,708,774	0	(165,183)	3,268,283,748	3,268,543,591
CONSTRUCTION			21,303,928	21,303,928	0	0	21,303,928	21,303,928
TOTAL GENERAL FUNDS			5,354,643,703	5,454,964,128	0	(41,178,147)	5,354,643,703	5,413,785,981

General Fund Revenue – 2024 Special Session

There were two significant bills enacted in the 2024 special legislative session which affected revenue to the General Fund. LB 3 and LB 34, both of which will be discussed herein. The following table shows the General Fund revenue impact by bill and by type of revenue.

2024 General Fund Revenue Legislation by Type

2024 Special Session Revenue Bills Enacted	FY2023-24	FY2024-25	FY2025-26	FY2026-27	Type
LB 34 - Change provisions of revenue and taxation	0	508,621,500	584,435,700	606,614,400	Ind
LB 34 - Change provisions of revenue and taxation	0	56,513,500	64,937,300	67,401,600	Corp
Total - Revenue Bills	0	565,135,000	649,373,000	674,016,000	
Cash Fund Transfers In - Special Session (LB 3)	0	22,250,000	78,750,000	69,750,000	Misc
Total Revenue Bills to add to NEFAB forecast	0	587,385,000	728,123,000	743,766,000	
LB 34 - Change provisions of revenue and taxation	0	(750,000,000)	(780,000,000)	(808,000,000)	Transfer
Subtotal - GF Transfers Out	0	(750,000,000)	(780,000,000)	(808,000,000)	
Total - All Revenue Legislation	0	(162,615,000)	(51,877,000)	(64,234,000)	
2024 Special Session Bills by Type					Type
Sales/Use Tax	0	0	0	0	Sales
Individual Income Tax	0	508,621,500	584,435,700	606,614,400	Ind
Corporate Income Tax	0	56,513,500	64,937,300	67,401,600	Corp
Miscellaneous receipts	0	22,250,000	78,750,000	69,750,000	Misc
Total Revenue Bills to add to NEFAB forecast	0	587,385,000	728,123,000	743,766,000	Total

*Cash Reserve Fund transfer in FY2026-27 not included in table because it is intent language to transfer funds and not included in miscellaneous tax receipts.

Fund Transfers and Investment Earnings Provisions (LB 3)

LB 3 includes provisions related to funds, permitted uses of funds, and transfers of funds. LB 3, as amended by the Legislature, amends the following:

- 1) Adds transfer language for the usual and customary fund transfers to the General Fund from the Securities Act Cash Fund, Department of Insurance Cash Fund, and Tobacco Products Administration Cash Fund, into the statute for the upcoming two biennia, FY2025-26, FY2026-27, FY2027-28, and FY2028-29;
- 2) Credits investment earnings on specified cash and revolving funds to the General Fund, beginning October 1, 2024 (list of funds on page 14);
- 3) Transfers \$35 million from the Cash Reserve Fund to the Governor's Emergency Cash Fund and states intent to transfer \$200 million from the Cash Reserve Fund to the General Fund in FY2026-27, subject to certain requirements; and
- 4) Amends permitted uses of two funds.

LB3, which contained cash fund transfers to the General Fund and the crediting of interest on specifically amended funds, increases revenue to the General Fund as follows:

	FY24-25	FY25-26	FY26-27
LB 3 investment earnings estimate	15,750,000	21,750,000	21,750,000
LB 3 Cash Fund transfers to General Fund	6,500,000	57,000,000	48,000,000
TOTAL	22,250,000	78,750,000	69,750,000

Not included in the table above, LB 3 also contains intent language to transfer \$200 million from the Cash Reserve Fund to the General Fund in FY26-27, subject to certain conditions.

The following table shows the fund transfers in the original bill and in the enacted bill.

Transfers in LB3 (Introduced)

Transfer Name	FY 2024-25	FY 2025-26	FY 2026-27	3-Yr Total
General Fund Transfers In				
Health & Human Services Cash Fund	6,500,000	0	0	6,500,000
Securities Act Cash Fund	0	36,000,000	32,000,000	68,000,000
Department of Insurance Cash Fund	0	14,000,000	11,000,000	25,000,000
Tobacco Products Admin Cash Fund	0	9,000,000	9,000,000	18,000,000
Cash Reserve Fund	0	0	200,000,000	200,000,000
Subtotal General Fund Transfers In	6,500,000	59,000,000	252,000,000	317,500,000
Other Transfers				
Cash Reserve Fund to Governor's Emergency Cash Fund	25,000,000	10,000,000	0	35,000,000
NE Corn Development Fund to AgrAbility Cash Fund	300,000	300,000	300,000	900,000
Water Rec Enhancement Fund to State Park Revolving Cash Fund	15,000,000	0	0	15,000,000
Subtotal Other Transfers	40,300,000	10,300,000	300,000	50,900,000

Transfers in LB 3 (Enacted)

Transfer Name	FY 2024-25	FY 2025-26	FY 2026-27	3-Yr Total
General Fund Transfers In				
Health & Human Services Cash Fund	6,500,000	0	0	6,500,000
Securities Act Cash Fund	0	34,000,000	28,000,000	62,000,000
Department of Insurance Cash Fund	0	14,000,000	11,000,000	25,000,000
Tobacco Products Admin Cash Fund	0	9,000,000	9,000,000	18,000,000
Cash Reserve Fund	0	0	200,000,000	200,000,000
Subtotal General Fund Transfers In	6,500,000	57,000,000	248,000,000	311,500,000
Other Transfers				
Cash Reserve Fund to Governor's Emergency Cash Fund	25,000,000	10,000,000	0	35,000,000
NE Corn Development Fund to AgrAbility Cash Fund	0	0	0	0
Water Rec Enhancement Fund to State Park Revolving Cash Fund	0	0	0	0
Subtotal Other Transfers	25,000,000	10,000,000	0	35,000,000

The following table lists the specific cash and revolving funds from which investment earnings will be credited to the General Fund, beginning October 1, 2024, under the provisions in the enacted bill. The table also shows the past four fiscal years of investment earnings for each fund. The crediting of investment earnings to the General Fund on earnings to the Universal Services Fund continues only through June 30, 2027. For the remaining funds, the change does not have a sunset date.

Cash and Revolving Funds: Investment Earnings Credited to General Fund Beginning Oct 1, 2024

Agency	Fund	Fund Name	FY21 Earnings	FY22 Earnings	FY23 Earnings	FY24 Earnings
9	20931	RECORDS MANAGEMENT CASH	40,605	56,076	95,054	150,259
11	21160	STATE SETTLEMENT CASH	237,294	259,432	459,663	717,201
13	21380	SCHOOL SAFETY & SECURITY FUND	0	0	0	0
14	21460	UNIVERSAL SERVICE FUND	1,117,726	1,204,456	1,633,954	2,170,344
16	21540	REVENUE ENFORCEMENT CASH FUND	17,338	31,807	78,456	135,211
19	21910	FIN INST ASSESSMT	46,607	69,309	122,684	172,401
23	22320	EMP SEC CONTINGENT FUND	68,676	41,988	79,499	142,522
24	22410	DLS SYSTEM REPLACE AND MAINT	0	19,112	117,106	242,636
24	22420	MCS SYSTEM REPLACE AND MAINT	0	17,577	110,246	223,611
24	22450	MOTOR VEH CASH FUND	130,468	153,086	252,147	374,351
24	22470	VTR REPLACEMENT AND MAINT	85,135	100,188	154,375	199,412
25	22545	HCBS ENHANCED FMAP	0	0	0	0
25	22585	MED MAN CARE EX PROFIT FD	16,690	44,445	503,770	1,567,786
25	28001	PROF & OCCUP CRED/CREDENTIALG	172,036	211,305	355,406	429,715
27	26710	GRADE CROSS CONST	76,173	88,360	149,764	203,508
27	26720	RECREATION ROAD FD	167,147	164,079	221,694	268,368
28	22830	MILITARY INSTALL DEV & SUPPORT	0	0	0	710,544
29	22940	WATER SUSTAINABILITY FUND	424,284	508,415	834,252	1,013,345
29	22980	JEDI FUND	0	0	92,099	2,382,399
31	23120	GOVERNORS EMERGENCY CASH FUND	9,871	9,109	110,863	146,673
31	23121	GOV EMERGENCY FUND-PROG 191	0	0	0	0
32	23220	BD ED LANDS & FUNDS	509,333	551,306	867,941	1,209,311
33	23290	NE ENVIRONMENTAL TRUST	588,571	628,527	1,053,120	1,588,310
33	23330	ST PARK CASH REV	391,917	397,331	557,465	565,680
33	23385	WATER RECREATION ENHANCE FD	0	0	1,931,621	2,534,165
33	23395	TRAIL DEVELOP & MAINT FUND	0	0	155,359	220,662
33	23460	STATE PARK IMPROVE AND MAINT	88,874	80,375	97,415	117,167
33	23470	CAPITAL MAINTENANCE FUND	109,466	117,729	200,889	283,546
36	23650	RACETRACK GAMING FUND	0	0	75,147	126,401
48	24840	GAP ASSISTANCE	24,169	38,373	85,313	139,405
65	26520	BLDG RENEWAL 309 TF	158,156	145,760	250,363	274,885
72	27243	SHOVEL-READY CAP REC AND INV	0	0	178,315	378,764
72	27249	NEBRASKA RURAL PROJECTS FUND	0	0	595,035	1,320,497
72	27260	CIVIC & COMMUNITY CTR FIN	55,145	52,954	94,448	155,957
84	28400	LITTER REDUCT & RECYCLE	41,203	43,922	75,457	109,202
91	27210	STATE VISITORS PROMOTION FUND	54,190	62,952	109,243	168,550
65	56500	ST BUILDING REVOLVING	179,418	183,223	220,537	236,124
65	56530	COMMUNICATIONS REVOLVING	75,911	107,190	259,584	469,684
65	56560	IMSERVICES REVOLVING FUND	16,377	87,593	321,403	644,529
65	56571	TRANSPORTATION SERVI	44,872	49,907	74,963	96,171
65	56650	ACCOUNTING DIV REVOLVING	152,655	158,996	221,351	261,309
65	58910	STATE INSURANCE FUND	114,685	118,331	164,162	170,027
65	58920	WORKERS COMP CLAIMS	186,259	160,341	259,208	373,781
Total LB 3 Funds			5,401,251	5,963,555	13,219,374	22,694,412

LB 34 – Adopt the Property Tax Growth Limitation Act and the School District Property Tax Relief Act and change provisions relating to revenue and taxation

LB 34 adopts the Property Tax Growth Limitation Act. Except as otherwise provided in the Act, for fiscal years beginning on or after July 1, 2025, a county, city, or school district property tax request for any year could not exceed its property tax request authority. The preliminary property tax request authority for each political subdivision would be the amount of property taxes levied by the county board of equalization pursuant to section 77-1601 for such political subdivision in the prior fiscal year, less the sum of exceptions utilized in the prior year pursuant to section 4 of the bill. A political subdivision's property tax request authority could be increased in multiple ways as detailed in the bill. A political subdivision could choose not to increase its total property taxes levied by the full amount of the property tax request authority allowed in a particular year. In such cases, the political subdivision could carry forward to future budget years the amount of unused property tax request authority, but accumulation of unused property tax request authority could not exceed an aggregate of 5% of the total property tax request authority from the prior year.

Each political subdivision would calculate such amounts and submit the forms to the Auditor of Public Accounts on or before September 30 of each year. If a political subdivision fails to submit such forms to the auditor or if the auditor determines from such forms that a political subdivision is not complying with the limits provided in the Act, the auditor would notify the political subdivision and the State Treasurer of the noncompliance. LB 34 permits suspension of distribution of state aid allocated to the political subdivision until the political subdivision complies. If the political subdivision fails to comply within a six-month period, the suspended funds would be forfeited and would be redistributed to other recipients of the state aid or, in the case of homestead exemption reimbursement, returned to the General Fund.

The bill adopts the School District Property Tax Relief Act. The Act would apply to tax year 2024 and each tax year after. The total amount of relief granted for each tax year under the Act would be the following:

- Tax year 2024: \$750 million
- Tax year 2025: \$780 million
- Tax year 2026: \$808 million
- Tax year 2027: \$838 million
- Tax year 2028: \$870 million
- Tax year 2029: \$902 million
- Tax year 2030 and each tax year after: The total amount of relief from the prior year increased by 3%.

The relief would be in the form of property tax credits which appear on property tax statements. Property tax credits granted would be credited against the amount of property taxes owed to school districts. The State Treasurer would transfer the tax year 2024 relief amount from the General Fund to the School District Property Tax Relief Credit Fund in FY25. In future fiscal years, it is the intent of the Legislature that the relief amount would be transferred from the General Fund to the School District Property Tax Relief Credit Fund.

The amount of property tax credit for each parcel is determined by the amount disbursed to the county by the ratio of the school district taxes levied in the prior year on the parcel multiplied by the school district taxes levied in the prior year on all real property in the county. The amount disbursed to each county would be equal to the amount available for disbursement multiplied by the ratio of the school district taxes levied in the prior year on all real property in the county to the school district taxes levied in the prior year on all real property in the state. The disbursements to the counties would occur in two equal payments, the first on or before January 31 and the second on or before April 1.

The county treasurer would disburse amounts received, which are credited against the amount of property taxes owed to school districts, in the same manner as if such funds had been received in the form of property tax payments for property taxes owed to school districts. If the real property owner qualifies for a homestead exemption, the owner would also be qualified for this property tax credit to the extent of any remaining liability after calculation of the homestead exemption. If the property tax credit results in a property tax liability on the homestead that is less than

zero, the amount of the credit which cannot be used by the taxpayer would be returned to the Property Tax Administrator by July 1 of the year the amount disbursed to the county was disbursed. The Property Tax Administrator would immediately credit any funds returned to the School District Property Tax Relief Credit Fund.

Section 77-4602 is amended to add a subsection that would provide that if the actual General Fund net receipts for the most recently completed fiscal year exceed estimated General Fund net receipts for such fiscal year, the Tax Commissioner would certify the excess amount to the State Treasurer. The State Treasurer would transfer the excess amount to the Cash Reserve Fund, except that if actual General Fund net receipts for the most recently completed fiscal year exceed 103% of actual General Fund net receipts for the previous fiscal year, the amount transferred to the Cash Reserve Fund would be reduced by the excess amount calculated and such excess amount would be transferred to the School District Property Tax Relief Credit Fund.

The bill would make changes to the Nebraska Property Tax Incentive Act. The bill would remove the definition of allowable growth percentage from the Act and sunset the school district property tax credit under the Act so it only applies to tax years before 2024. These changes result in a revenue increase to the General Fund, as shown in the following table, which is offset by the General Fund transfer out to the newly created cash fund for the School District Property Tax Relief Act.

	<i>Sunset of Nebraska Property Tax Incentive Act</i>	<i>School District Property Tax Relief Act</i>	<i>Net GF Revenues</i>
FY25	\$ 565,135,000	\$ (750,000,000)	\$ (184,865,000)
FY26	\$ 649,373,000	\$ (780,000,000)	\$ (130,627,000)
FY27	\$ 674,016,000	\$ (808,000,000)	\$ (133,984,000)
FY28	\$ 699,593,000	\$ (838,000,000)	\$ (138,407,000)
FY29	\$ 726,141,000	\$ (870,000,000)	\$ (143,859,000)
FY30	\$ 821,196,000	\$ (902,000,000)	\$ (80,804,000)
FY 31	\$ 859,859,000	\$ (929,060,000)	\$ (69,201,000)

Appropriations for FY2024-25 – All Funds

The following table shows total appropriations for all fund types for FY2024-25, including the special session adjustments. Total General Fund changes are (\$41,178,147), total cash fund changes are \$750,000,000, and total revolving fund changes are \$360,567.

FY2024-25	General	Cash	Federal	Rev/Other	Total
Total Per 2023 Session	5,370,345,788	4,063,295,201	4,512,574,332	1,280,892,009	15,227,107,330
2024 Session-Committee Proposed	73,011,702	33,324,760	7,637,487	3,267,465	117,241,414
2024 Session Floor Actions	(10,000,000)	34,000,000	0	2,500,000	26,500,000
2024 Session "A" bills	21,606,638	718,557,732	1,483,577,600	117,540	2,223,859,510
<i>2024 Session Midbiennium Actions</i>	<u>84,618,340</u>	<u>785,882,492</u>	<u>1,491,215,087</u>	<u>5,885,005</u>	<u>2,367,600,924</u>
Total Per 2024 Session	5,454,964,128	4,849,177,693	6,003,789,419	1,286,777,014	17,594,708,254
2024 Special Session	(41,461,007)	0	0	360,567	(41,100,440)
2024 Special Session "A" bills	282,860	750,000,000	0	0	750,282,860
<i>2024 Special Session Actions</i>	<u>(41,178,147)</u>	<u>750,000,000</u>	<u>0</u>	<u>360,567</u>	<u>709,182,420</u>
Total Per 2024 Special Session	5,413,785,981	5,599,177,693	6,003,789,419	1,287,137,581	18,303,890,674
Change over prior year (without deficits)					
Dollar	64,351,563	1,662,691,240	1,249,118,955	(11,163,794)	2,964,997,964
Percent	1.2%	42.2%	26.3%	-0.9%	19.3%

The following table shows FY2024-25 appropriations by fund source by type (operations, state aid, construction). The most significant changes are the increase in cash fund state aid due to the enactment of LB 34 and the reduction in General Fund operations appropriations.

FY2024-25	General	Cash	Federal	Rev/Other	Total
<u>Per 2024 Session</u>					
Agency Operations	2,164,951,381	2,389,386,365	1,083,221,914	1,133,525,443	6,771,085,103
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	5,454,964,128	4,849,177,693	6,003,789,419	1,286,777,014	17,594,708,254
<u>Per 2024 Special Session</u>					
Agency Operations	2,123,938,417	2,389,386,365	1,083,221,914	1,133,886,010	6,730,432,706
State Aid	3,268,543,636	3,123,117,398	4,917,397,000	1,369,771	11,310,427,805
Capital Construction	21,303,928	86,673,930	3,170,505	151,881,800	263,030,163
Total	5,413,785,981	5,599,177,693	6,003,789,419	1,287,137,581	18,303,890,674