



APPROPRIATIONS COMMITTEE PRELIMINARY REPORT

FY2025-26 AND FY2026-27

BIENNIAL BUDGET

FEBRUARY 2025

MEMBERS

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SUMMARY

This preliminary budget is the first of several stages in the budget process. It provides a starting point for discussion of the various budget actions suggested at this point in time. Subsequent to the hearings, the Appropriations Committee will formulate its formal recommendation to the Legislature at which time floor debate and amendment will take place, followed by Governor vetoes and legislative overrides if any.

GENERAL FUND FINANCIAL STATUS

At Sine Die of the 2024 Special Session, the projected financial status for the FY2025-26/FY2026-27 biennium was \$56.9 million above the minimum reserve. At that point, FY2025-26/FY2026-27 were the “out years” in the five-year financial status, and there was no projection for the FY2027-28/FY2028-29 biennium.

The financial status deteriorated significantly in November 2024 when the Tax Rate Review Committee met. The variance from the minimum reserve went from a positive \$56.9 million to a shortfall of \$432.6 million. This was about \$489.6 million lower than what was shown on the financial status for the FY2025-26/FY2026-27 biennium on the Sine Die 2024 Special Session status. The change was mostly due to the following:

- Changes in the General Fund revenue forecast (\$291.6 million);
- FY2024-25 deficits exceeding the allocation for potential deficits (\$73.7 million); and
- Agency requests and/or estimates under current law for FY2025-26 and FY2026-27 differing from prior estimates of appropriations growth (\$126.8 million).

The Appropriations Committee Preliminary Budget shows increased General Fund revenue through transfers from cash funds of \$10.575 million in FY2024-25; \$126.936 million in FY2025-26; and \$7.546 million in FY2026-27 to the General Fund, as well as crediting about \$19 million per year beginning in FY2025-26 in investments earnings from different cash funds. The Appropriations Committee Preliminary Budget also shows a smaller increase in General Fund appropriations for the deficit year, FY2024-25, and for the FY2025-26/FY2026-27 biennium than the pre-session estimate.

The resulting amount below the minimum reserve is \$261.9 million, an improvement of \$170.7 million from the November Tax Rate Review Committee General Fund Financial Status, the most recently published status.

However, even with the changes made by the Appropriations Committee Preliminary Budget, because the General Fund Financial Status reflects a shortfall with the Appropriations Committee Preliminary Budget, additional increases to revenue or reductions appropriations, or some combination of the two, will need to be considered prior to the Committee’s final recommendation.

The Governor’s recommendation, which did show a General Fund Financial Status with a surplus of \$62.4 million in the FY2025-26/FY2026-27 biennium, included numerous pieces of other legislation to raise revenue and to reduce appropriations. Such legislation is outside of the budget bills, and each of those bills were referred to other standing committees. Depending upon legislative action related to these revenue increases and/or appropriations reductions, the Appropriations Committee will need to address the budget shortfall accordingly in its final recommendation.

ALLOCATION FOR POST HEARING ADJUSTMENTS

The Appropriations Committee Preliminary Budget does not specifically include an allocation for post-hearing adjustments. However, due to the shortfall of \$261.9 million reflected on the General Fund financial status,

approximately \$130 million per year in adjustments, either through increased revenues or reduced appropriations, are required to balance the General Fund.

GENERAL FUND REVENUES

FY2023-24 actual receipts were \$7.156 billion, and rate and base adjusted revenue growth was 4.7%. The FY2023-24 actual net receipts exceeded the July 2023 certified forecast for FY2023-24 by \$718,684,680. Under section 77-4602, this amount was certified by the Department of Revenue as the excess amount above the certified forecast. Pursuant to 77-4602(4)(c), the transfer amount was reduced so the balance of the Cash Reserve Fund did not exceed 16% of total General Fund budgeted expenditures for FY2024-25 (new appropriations and reappropriated General Funds). As a result, the automatic transfer to the Cash Reserve Fund is reduced from the excess amount certified to \$38,746,104.

The FY2024-25 forecast was adjusted up to \$6.476 billion following the 2024 Special Session. At the October 2024 meeting, the NEFAB revised the forecast down to \$6.335 billion. The NEFAB also set the first forecast for FY2025-26 and FY2026-27 at \$6.95 billion and \$6.965 billion, respectively. Revenue growth (adjusted for rate and base changes) implied by these current forecasts is 3.7% in FY2024-25, 3.8% in FY2025-26, and 4.9% in FY2026-27, for a two-year average for the upcoming biennium of 4.4%.

THE FORECAST BOARD WILL MEET ON FRIDAY, FEBRUARY 28, 2025, AND AGAIN IN LATE APRIL 2025 TO REVIEW THE CURRENT FORECASTS. CHANGES TO THESE FORECASTS WILL RESULT IN CHANGES TO THE PROJECTED FINANCIAL STATUS.

Utilizing the historical average methodology, revenues for FY2027-28 and FY2028-29 reflect 6.1% per year rate and base adjusted revenue growth. Revenue estimates are \$7.259 billion in FY2027-28 and \$7.673 billion in FY2028-29.

GENERAL FUND SPENDING GROWTH

Budget growth in the Committee preliminary budget is 2.2% in FY2025-26 and 1.4% in FY2026-27, for a two-year average of 1.8%. This is higher than the Governor's recommendation of -0.5%. However, the Governor's recommendation also included appropriations reductions related to bills that are outside of the biennial budget bills and that were referred to other standing committees.

CASH RESERVE FUND

The Cash Reserve Fund (CRF) unobligated balance is projected at \$877.2 million at the end of FY2024-25. A transfer of \$10 million in FY2025-26 was approved in LB 3 (2024 Special Session). The Committee Preliminary Budget utilizes an additional \$16.2 million in FY2025-26, approving a transfer to the Nebraska Capital Construction Fund for approved new construction projects and the reaffirmation for the final phase of the State Capitol HVAC project. An unobligated balance of \$851 million remains at the end of FY2026-27 after these transfers are taken into account.

Pending items related to the Transformational Projects Act and intent language related to transferring funds to either the General Fund or the Education Future Fund are not included in the preliminary budget, but will be considered by the Committee prior to its final recommendation.

PROJECTED GENERAL FUND FINANCIAL STATUS

Table 1 shown below includes the projected General Fund Financial Status based on the Appropriations Committee Preliminary budget. Furthermore, for planning purposes, an estimated financial status is also constructed for the following biennium allowing the Legislature to see the future implications of budget actions already taken or being considered.

Table 1 – General Fund Financial Status per Committee Preliminary Budget

	Current Year FY2024-25	Upcoming Biennium FY2025-26 FY2026-27		Est for Following Biennium FY2027-28 FY2028-29	
1 BEGINNING BALANCE					
2 Beginning Cash Balance	1,843,296,751	624,822,164	468,889,150	64,613,398	(269,827,397)
3 Cash Reserve transfers-automatic	(38,746,104)	0	0	0	0
4 Carryover obligations from FY24	(360,102,643)	0	0	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	0	(5,000,000)
6 Unobligated Beginning Balance	1,444,448,004	624,822,164	463,889,150	64,613,398	(274,827,397)
7 REVENUES & TRANSFERS					
8 Net Receipts	6,335,000,000	6,950,000,000	6,965,000,000	7,258,740,000	7,673,308,000
9 General Fund transfers-out (Committee Prelim)	(1,694,747,425)	(1,719,998,849)	(1,781,298,291)	(1,850,262,706)	(1,911,925,341)
10 General Fund transfers-in (current law)	in forecast	in forecast	in forecast	in estimate	in estimate
10a General Fund transfers-in (Committee Prelim)	10,575,000	126,935,957	7,545,957	0	0
11 Cash Reserve transfers (current law)	4,000,000	0	0	0	0
11a Cash Reserve transfers (Committee Prelim)	0	0	0	0	0
12 Inv. Earnings from cash funds (Committee Prelim)	0	19,000,000	19,000,000	19,000,000	19,000,000
12 General Fund Net Revenues	4,654,827,575	5,375,937,108	5,210,247,666	5,427,477,294	5,780,382,659
13 APPROPRIATIONS					
14 Expenditures / Appropriations	5,413,727,981	5,413,727,981	5,413,727,981	5,413,727,981	5,413,727,981
15 Mainline Budget (Committee Prelim)	60,725,434	118,142,142	195,795,437	195,795,437	195,795,437
16 Projected budget increase, following biennium	0	0	0	152,394,672	300,862,487
17 General Fund Appropriations	5,474,453,415	5,531,870,123	5,609,523,418	5,761,918,089	5,910,385,905
18 ENDING BALANCE					
19 \$ Ending balance (per Financial Status)	624,822,164	468,889,150	64,613,398	(269,827,397)	(404,830,643)
20 \$ Ending balance (at Min. Reserve 3.0%)			326,534,183		328,324,467
21 Excess (shortfall) from Minimum Reserve			(261,920,785)		(733,155,110)
22 Biennial Reserve (%)			0.6%		-3.5%
General Fund Appropriations					
23 Annual % Change - Appropriations (w/o deficits)	1.2%	2.2%	1.4%	2.7%	2.6%
24 Two Year Average	2.7%	--	1.8%	--	2.6%
General Fund Revenues					
25 Est. Revenue Growth (rate/base adjusted)	3.7%	3.8%	4.9%	6.1%	6.1%
26 Two Year Average	4.2%	--	4.4%	--	6.1%
27 Five Year Average	8.6%	--	3.8%	--	4.9%
28 Unadjusted % change over prior year	-11.5%	9.7%	0.2%	4.2%	5.7%
29 On-Going Revenues vs Appropriations	(762,900,406)	(155,933,014)	(399,275,752)	(334,440,795)	(130,003,246)

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 short period. The CRF also serves as a "rainy day fund" in that revenues in excess of a "certified forecast" are transferred from the General Fund to CRF at the end of a fiscal year, subject to certain statutory requirements. 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 2 Cash Reserve Fund Status

	Estimated	Estimated	Estimated	Estimated	Estimated
CASH RESERVE FUND	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Beginning Balance	912,817,475	877,179,779	850,979,779	850,979,779	800,979,779
Excess of certified forecasts (line 3 in Status)	38,746,104	0	0	0	0
To/from Gen Fund Current Law	(4,000,000)	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	(29,458,800)	(16,200,000)	0	0	0
To Gov Emerg Fund (LB 3 - 2024 Spec Session)	(25,000,000)	(10,000,000)	0	0	0
To University Next project (LB1107-2020)	0	0	0	(50,000,000)	(50,000,000)
To Health and Human Services Cash	(3,500,000)	0	0	0	0
To Public Safety Comm Systems Revolving Fund	(2,425,000)	0	0	0	0
To State Insurance Fund	(5,000,000)	0	0	0	0
To Municipality Infrastructure Aid Fund (LB 600-2024)	(5,000,000)	0	0	0	0
Projected Unobligated Ending Balance	877,179,779	850,979,779	850,979,779	800,979,779	750,979,779
Ending Balance as % of Revenues	13.8%	12.2%	12.2%	11.0%	9.8%
Ending Balance as % of Expenditures	16.0%	15.4%	15.2%	13.9%	12.7%

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.

For FY2023-24 pursuant to section 77-4602, in FY23-24, the method for automatic transfers to the Cash Reserve Fund is 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.

The actual net receipts exceeded the July 2023 Certified forecast by \$718.7 million. This amount is reduced so as not to exceed a balance in the Cash Reserve Fund of more than 16% of General Fund budgeted expenditures. The estimated transfer based on FY2023-24 net receipts from the General Fund to the Cash Reserve Fund, which occurs at the beginning of FY2024-25 and is calculated based on statute section 77-4602, was \$39,968,800 at the end of the 2024 session. The actual transfer to the Cash Reserve Fund is \$38,746,104, which is \$1,222,696 less than the estimated amount.

For fiscal year 2024-25, statutory language regarding transfers in excess of the certified forecast was amended in LB 34 (2024 Special Session). However, there is no estimated automatic transfer to the Cash Reserve Fund in FY2025-26 because the most recent revenue forecast from the NEFAB for FY2024-25 was a reduction from the certified forecast and was, therefore, required to be recertified. At this point in time, the revenue estimate for FY2024-25 is the certified forecast, and there is no estimated revenue above the certified.

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 Appropriations Committee has not included any transfers to or from the General Fund from the Cash Reserve Fund in its preliminary recommendation.

Transfers To & From Other Funds

In FY2025-26, LB 3 (2024 Special Session) included a transfer of \$10 million to the Governor's Emergency Fund. In addition, the Appropriations Committee Preliminary Budget includes a transfer of \$16.2 million to the Nebraska Capital Construction Fund in FY2025-26 for construction projects.

The Appropriations Committee has not yet approved additional transfers, including an estimated transfer to the Transformational Projects Fund for approved grants, which would be \$50 million in FY2025-26 and \$50 million in FY2026-27.

Table 3 Cash Reserve Fund – Historical Balances

	Beginning Balance	Direct Deposit and Interest	Automatic Transfers (1)	Legislative Transfers (2)		Ending Balance	EB as % of revenues	EB as % of expend
				Gen Fund	Other Funds			
FY2000-01	142,159,429	0	77,576,670	(24,500,000)	(25,000,000)	170,236,099	6.9%	6.9%
FY2001-02	170,236,099	0	0	(59,800,000)	(370,000)	110,066,099	4.7%	4.2%
FY2002-03	110,066,099	66,476,446	0	(87,400,000)	0	59,142,545	2.4%	2.3%
FY2003-04	59,142,545	59,463,461	0	(61,191,862)	(385,807)	87,028,337	3.2%	3.4%
FY2004-05	87,028,337	8,170,556	108,727,007	(26,000,000)	(758,180)	177,167,720	5.8%	6.5%
FY2005-06	177,167,720	0	261,715,297	0	(165,266,227)	273,616,790	8.2%	9.4%
FY2006-07	273,616,790	0	259,929,524	(15,674,107)	(1,784,416)	516,087,791	15.1%	16.5%
FY2007-08	516,087,791	0	191,436,773	(60,177,767)	(101,801,000)	545,545,797	15.6%	16.8%
FY2008-09	545,545,797	0	116,976,571	(54,990,505)	(29,340,000)	578,191,863	17.2%	17.4%
FY2009-10	578,191,863	0	0	(105,000,000)	(5,990,237)	467,201,626	14.6%	14.1%
FY2010-11	467,201,626	0	0	(154,000,000)	0	313,201,626	8.9%	9.4%
FY2011-12	313,201,626	8,422,528	145,155,092	(37,000,000)	3,560,802	428,878,372	11.6%	12.4%
FY2012-13	428,878,372	0	104,789,781	(78,000,000)	(76,008,427)	384,121,402	9.5%	10.7%
FY2013-14	384,121,402	0	285,292,610	49,400,000	251,294	719,065,306	17.5%	18.7%
FY2014-15	719,065,306	0	96,721,232	(67,701,112)	(20,250,000)	727,835,426	16.9%	18.1%
FY2015-16	727,835,426	0	84,599,532	0	(81,779,850)	730,655,108	17.0%	17.4%
FY2016-17	730,655,108	0	0	0	(50,000,000)	680,655,108	16.0%	15.7%
FY2017-18	680,655,108	265,729	0	(225,000,000)	(115,930,772)	339,990,065	7.4%	7.8%
FY2018-19	339,990,065	0	61,995,773	(48,000,000)	(20,436,714)	333,549,124	6.8%	7.6%
FY2019-20	333,549,124	0	176,378,178	0	(83,619,600)	426,307,702	8.6%	9.2%
FY2020-21	426,307,702	0	10,655,528	(30,000,000)	60,000,972	466,964,202	7.8%	10.3%
FY2021-22	466,964,202	0	535,259,366	50,000,000	(124,700,000)	927,523,568	14.6%	19.9%
FY2022-23	927,523,568	0	1,287,998,995	40,000,000	(617,670,000)	1,637,852,563	25.7%	31.8%
FY2023-24	1,637,852,563	0	2,982,492	440,000,000	(1,168,017,580)	912,817,475	12.8%	17.2%
FY2024-25 Est	912,817,475	0	38,746,104	(4,000,000)	(70,383,800)	877,179,779	13.8%	16.1%
FY2025-26 Est	877,179,779	0	0	0	(26,200,000)	850,979,779	12.2%	15.2%
FY2026-27 Est	850,979,779	0	0	0	0	850,979,779	12.2%	15.0%
FY2027-28 Est	850,979,779	0	0	0	(50,000,000)	800,979,779	11.0%	13.7%
FY2028-29 Est	800,979,779	0	0	0	(50,000,000)	750,979,779	9.8%	12.5%

GENERAL FUND REVENUES

General Fund Revenue Forecasts

FY2023-24 actual receipts were \$7.156 billion, and rate and base adjusted revenue growth was 4.7%. The FY2023-24 actual net receipts exceeded the July 2023 certified forecast for FY2023-24 by \$718,684,680. Under section 77-4602, this amount was certified by the Department of Revenue as the excess amount above the certified forecast. Pursuant to 77-4602(4)(c), the transfer amount was reduced so the balance of the Cash Reserve Fund did not exceed 16% of total General Fund budgeted expenditures for FY2024-25 (new appropriations and reappropriated General Funds). As a result, the automatic transfer to the Cash Reserve Fund is reduced from the excess amount certified to \$38,746,104.

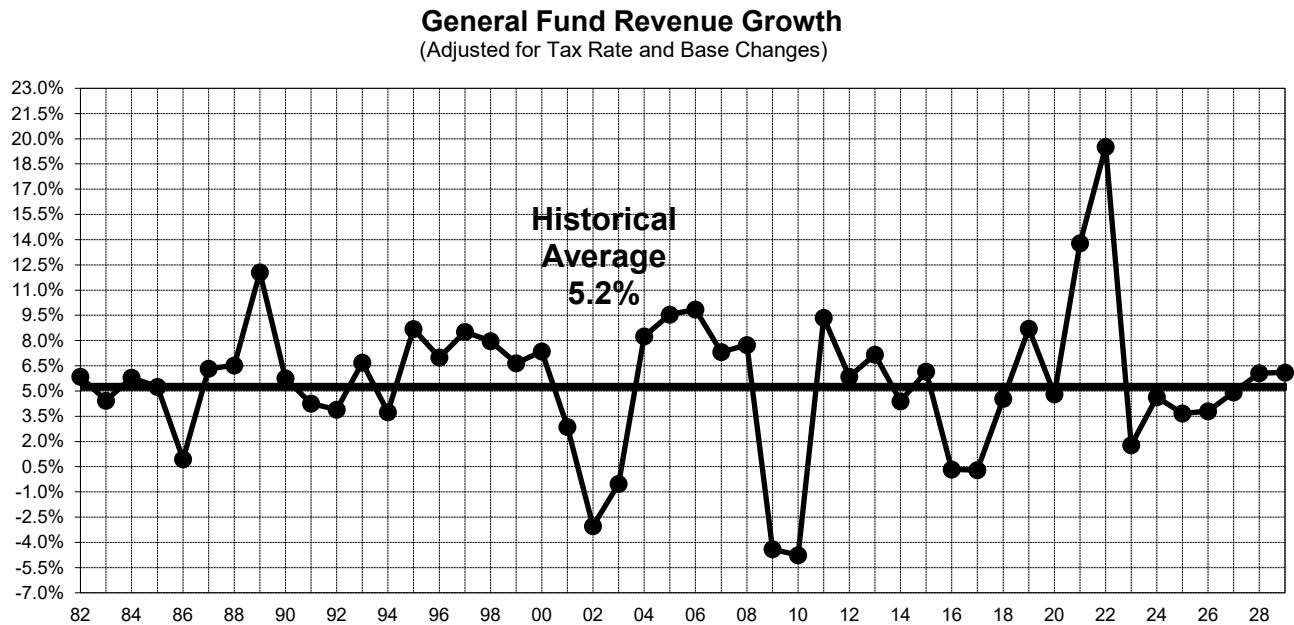
The FY2024-25 forecast was adjusted up to \$6.476 billion following the 2024 Special Session. At the October 2024 meeting, the NEFAB revised the forecast down to \$6.335 billion. The NEFAB also set the first forecast for FY2025-26 and FY2026-27 at \$6.95 billion and \$6.965 billion, respectively. Revenue growth (adjusted for rate and base changes) implied by these current forecasts is 3.7% in FY2024-25, 3.8% in FY2025-26, and 4.9% in FY2026-27, for a two-year average for the upcoming biennium of 4.4%.

THE FORECAST BOARD WILL MEET ON FRIDAY, FEBRUARY 28, 2025, AND AGAIN IN LATE APRIL 2025 TO REVIEW THE CURRENT FORECASTS. CHANGES TO THESE FORECASTS WILL RESULT IN CHANGES TO THE PROJECTED FINANCIAL STATUS.

Table 4 General Fund Revenue Forecasts and Growth Rates

	NEFAB FY2024-25	NEFAB FY2025-26	NEFAB FY2026-27	LFO Prelim FY2027-28	LFO Prelim FY2028-29
<u>Actual/Forecast</u>					
Sales and Use Tax	2,500,000,000	2,600,000,000	2,700,000,000	2,921,706,000	3,152,299,000
Individual Income Tax	2,500,000,000	3,150,000,000	3,140,000,000	3,181,620,000	3,268,473,000
Corporate Income Tax	960,000,000	870,000,000	825,000,000	843,190,000	911,594,000
Miscellaneous receipts	375,000,000	330,000,000	300,000,000	312,224,000	340,942,000
Total General Fund Revenues	6,335,000,000	6,950,000,000	6,965,000,000	7,258,740,000	7,673,308,000
<u>Adjusted Growth</u>					
Sales and Use Tax	0.4%	3.9%	4.2%	7.9%	7.6%
Individual Income Tax	9.0%	8.0%	6.6%	5.1%	3.7%
Corporate Income Tax	-2.2%	-9.3%	1.5%	6.7%	10.3%
Miscellaneous receipts	-11.4%	-9.5%	-3.3%	-0.2%	16.9%
Total General Fund Revenues	3.7%	3.8%	4.9%	6.1%	6.1%
Two Yr Average	4.2%	--	4.4%	--	6.1%
Five Yr Average	8.6%	--	3.8%	--	4.9%

Table 5 General Fund Revenue Growth (Rate and Base Adjusted) Since 1981



Following Biennium (FY2026-27 and FY2027-28)

The NEFAB does not make official forecasts for the following biennium (“out years”). “Out year” estimates have traditionally been derived by the Legislative Fiscal Office (LFO) using a “capped” historical average methodology. This smoothing technique derives “out year” revenue estimates by calculating the level of revenues that would yield a five-year average growth (FY23 to FY27) roughly equal to the 40+ year historical average (5.2%) less 0.25%, which is the projected impact of indexing the tax brackets as enacted in 2014 (LB987). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth. The “capped” provision of this methodology means that the derived growth needed in the out years to achieve the historical average cannot be higher than the “above average” growth years nor lower than the “below average” growth years. Using the methodology has generally allowed for the Legislature to budget to the average over the five-year period.

Over the past 43 years, there were 18 years in which revenue growth was "below average" (1.9% average) and 25 years in which revenue growth was above average (8.3% average). Because the revenue growth in the NEFAB forecasts is below average, using this methodology the revenue growth needed to yield a 4.95% five-year average is 6.1% in both FY2027-28 and FY2028-29.

Alternative methods are available for deriving revenue estimates for the following biennium. In addition to LFO’s historical average methodology, both the Nebraska Dept. of Revenue and LFO have calculated revenue estimates for these two “out years” using the same models and input from S&P GLOBAL and Moody’s Analytics, the national forecasting services used as input into the tax forecast models. In the prior biennium, this methodology was utilized, largely due to the unprecedented revenue growth in the prior biennium that was not accounted for in the five-year status period in question. Previously, LFO has been reluctant to use “out year” forecast estimates for projecting revenue for the “out years” because there is some tendency of the forecasts to flatten out and follow current trends into those years without picking up changes in the trend line.

This is the case with the current forecast estimates for FY2027-28 and FY2028-29. To more adequately reflect the historical trends of revenue growth, the historical average methodology is utilized.

Table 6 Actual and Projected General Fund Revenues

	Sales/ Use	Individual Income	Corporate Income	Misc. Receipts	Total GF Receipts	Total GF Receipts
<u>ADJUSTED GROWTH</u>						
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	8.3%
FY2004-05 Actual	1,231.0	1,400.1	198.4	207.7	3,037.2	9.5%
FY2005-06 Actual	1,263.7	1,545.3	262.3	280.9	3,352.2	9.9%
FY2006-07 Actual	1,303.8	1,650.9	213.0	240.6	3,408.3	7.3%
FY2007-08 Actual	1,321.9	1,726.1	232.9	225.3	3,506.2	7.7%
FY2008-09 Actual	1,326.2	1,600.4	198.5	232.4	3,357.5	-4.4%
FY2009-10 Actual	1,289.8	1,514.8	154.3	245.7	3,204.7	-4.8%
FY2010-11 Actual	1,372.8	1,735.2	154.9	236.7	3,499.7	9.3%
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	1.8%
FY2023-24 Actual	2,458.8	2,479.1	1,724.9	493.0	7,155.8	4.6%
FY2024-25 NEFAB	2,500.0	2,500.0	960.0	375.0	6,335.0	3.7%
FY2025-26 NEFAB	2,600.0	3,150.0	870.0	330.0	6,950.0	3.8%
FY2026-27 NEFAB	2,700.0	3,140.0	825.0	300.0	6,965.0	4.9%
FY2027-28 LFO Prelim (hist avg)	2,921.7	3,181.6	843.2	312.2	7,258.7	6.1%
FY2028-29 LFO Prelim (hist avg)	3,152.3	3,268.5	911.6	340.9	7,673.3	6.1%
<u>AVERAGE GROWTH:</u>						
Above Average Years (25)	6.0%	10.1%	14.6%	3.9%	8.3%	8.3%
Below Average Years (18)	2.5%	2.1%	-1.7%	3.0%	1.9%	1.9%
Historical Average (43 yrs)	4.5%	6.5%	6.4%	2.1%	5.2%	5.2%

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 (on the Financial Status, see line 9).

Table 7 General Fund Transfers Out

	Current Yr	Biennial Budget		Following Biennium	
	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Property Tax Credit Fund	(395,000,000)	(422,000,000)	(442,000,000)	(457,000,000)	(472,000,000)
Cultural Preservation Endowment Fund (with LB142)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Water Sustainability Fund	(2,519,000)	0	0	(11,000,000)	(11,000,000)
Hall of Fame Trust Fund (LB 42-2021)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Public Advocacy Cash Fund	(1,000,000)	(1,000,000)	(1,000,000)	0	0
Economic Recovery Act	(40,000,000)	0	0	0	0
Education Future Fund	(250,000,000)	(250,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
Judges' Retirement Fund	(1,370,712)	0	0	0	0
School Mapping Fund (LB 1329-2024)	(525,000)	0	0	0	0
School Property Tax Relief Fund (LB 34-2024 Sp Sess)	(750,000,000)	(780,000,000)	(808,000,000)	(838,000,000)	(870,000,000)
Community College Future Fund (LB 243-2023)	(253,322,713)	(265,988,849)	(279,288,291)	(293,252,706)	(307,915,341)
General Fund Transfers-Out	(1,694,747,425)	(1,719,998,849)	(1,781,298,291)	(1,850,262,706)	(1,911,925,341)
<i>Change in General Fund Transfers-Out (Committee Pelim)</i>	0	15,000,000	10,000,000	0	0

School District Property Tax Relief Cash Fund

Created by LB 34 (2024 Special Session), the School District Property Tax Relief Cash Fund is funded by a transfer from the General Fund. Intent language in the statute indicates a transfer amount equal to the required level of relief, which is \$750 million in FY2024-25; \$780 million in FY2025-26; and \$808 million in FY2026-27. Based on the required credit amount, monies are allocated to counties by the ratio property taxes levied by school districts in the prior year in the county to the total property taxes levied by school districts in the prior year for the state. Counties then allocate funds as credit to each tax payer again based on their proportionate amount.

Property Tax Credit Cash Fund

Under this program transfers are made to the Property Tax Credit Cash Fund at the discretion of the Legislature. Based on the amount of funds available, monies are then allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as credit to each tax payer again based on their proportionate value. Enacted in 2007, the amount available for credits was \$105 million in FY07-08, and \$115 million in FY08-09 through FY13-14. During the 2014 session, the FY14-15 amount was increased to \$140 million. In the 2015 session, the credit was increased by \$64 million increase to a total of \$204 million.

In the 2016 session, LB 958 made several changes dealing with the Property Tax Credit Act. Previously the property tax credit was distributed based on 100% of the taxable value of real property. Under LB 958, the credit is distributed using "credit allocation valuation" which is 120% of agricultural and horticultural land taxable value and 100% for all other real property except agricultural and horticultural land.

In the 2019 session, the credit amount was increased in the mainline budget bill to \$275 million per year starting in FY2019-20. In the 2021 session, the amount was increased to \$300 million for FY21-22, and \$313 million for FY22-23. In the 2023 session, the amount was increased to \$363 million for FY23-24 and \$398 million for FY24-25 related to General Fund transfers. LB 243 (2023) also increases the minimum amount of relief under the act for upcoming years, as reflected in the increases in the General Fund transfers out.

The General Fund transfer amounts shown here are \$8 million less than the minimum credit amount in FY2025-26 and \$3 million less than the minimum credit amount in FY2026-27. This is because the credit amount is funded through these General Fund transfers plus any interest that will be earned on the fund balance from the time of transfer to the time of reimbursement payments to the counties and credits calculated but unpaid relating to properties receiving homestead exemptions. Because amounts unpaid due to homestead exemptions and investment earnings have been higher in the previous two years, additional funds are available in the fund from prior credit years, sufficiently to reduce the General Fund transfer in FY2025-26 only.

In addition, there is also an appropriation to correspond with the casino gaming tax that is directly credited to the Property Tax Credit Cash Fund. Pursuant to section 9-1204, seventy percent of casino gaming tax collected is credited to the Property Tax Credit Cash Fund. The General Fund transfer amount does not take into account the additional credit appropriation due to casino gaming tax. Additional information is included in the cash fund appropriations section of the report.

Nebraska Cultural Preservation Endowment Fund

The Cultural Preservation Endowment Fund was created in 1998 with a transfer of \$5 million from the General Fund. LB 1165 (2008) provided for an additional \$5 million for the endowment fund through a \$1 million transfer from the Cash Reserve Fund and another \$4 million from the General Fund provided over a series of years. After multiple alterations of the fiscal year transfers, the final transfers, which averaged \$500,000 were scheduled to expire at the end of FY2016-17. In FY2021-22, the amount of the transfer increased from \$500,000 to \$1 million per year.

Water Sustainability Fund

This fund was created through LB906 passed in the 2014 session. Monies for the fund came from General Fund transfers; \$21,000,000 in FY2014-15. Of this transfer, \$10,000,000 is considered one-time as it was financed by a like transfer from the Cash Reserve Fund to the General Fund. Intent language was included that \$11,000,000 General Funds be transferred to the Water Sustainability Fund in each fiscal year beginning in FY2015-16. The Appropriations Committee Preliminary Budget does not include these transfers from the General Fund for FY2025-26 and FY2026-27. The fund will instead receive a transfer of \$5,000,000 per fiscal year from the Nebraska Environmental Trust Fund.

Hall of Fame Trust Fund

An annual transfer of \$10,000 from the General Fund to the Hall of Fame Trust Fund is authorized, but if the balance in the Hall of Fame Trust Fund exceeds \$50,000 at on the last day of the preceding fiscal year, the transfer shall not take place. For purposes of the General Fund financial status, the transfer is shown on an annual basis. The Hall of Fame Trust Fund is administratively supported by the Nebraska State Historical Society and is utilized for the creation, design, size, configuration, and placement of busts or other appropriate objects in the State Capitol or other location approved by the Hall of Fame Commission.

Public Advocacy Cash Fund

Beginning in FY2021-22, transfers from the General Fund have been authorized to the Public Advocacy Cash Fund. Due to declining revenue from court fees, the cash fund used for administrative expenses of the Public

Advocacy Commission have been insufficient to pay expenses. The Appropriations Committee Preliminary Budget includes a transfer to the agency's cash fund of \$1 million in FY2025-26 and \$1 million in FY2026-27.

Community College Future Fund

LB 243 (2023) limits the ability of community college areas to levy property taxes for FY 2024-25 and after. The state distributes 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 are distributed to community college areas by the government of the State of Nebraska in the following manner:

- FY 2024-25: The amount of property taxes levied by the community college area for FY 2023-24 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 2025-26 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 to all community college areas in August of each year. 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.

The certified aid amount for FY2024-25 is \$253,322,713. This is an increase of approximately 5% from the fiscal year base because of the impact of the growth in reimbursable education units in multiple community college areas exceeding 3.5%. As such, the Appropriations Committee Preliminary Budget includes funds for FY2025-26 and thereafter that reflect an increase of 5% per year due to this impact, rather than the minimum annual increase of 3.5% in statute. Additional information is included in the cash fund appropriations section of the report.

Education Future Fund

LB 818 (2023) created the Education Future Fund and transferred \$1 billion to the Nebraska Department of Education (NDE) from the General Fund in FY2023-24 into the newly created fund and \$250 million each year thereafter. The Appropriations Committee Preliminary Budget includes the \$250 million transfer per year, but does not include additional General Fund transfers to the fund.

The Education Future Fund can be utilized for various education expenses, including 24% of total foundation aid to school districts and special education reimbursements.

Total appropriations are \$335 million in FY25. Estimated appropriations, including the recommendations of the Appropriations Committee Preliminary Budget to reflect changes in foundation aid and special education reimbursements, are shown in the table below. Also included is the remaining balance in the fund as the initial transfer in from the General Fund is drawn down.

Table 8 Education Future Fund Cash Flow

EDUCATION FUTURE FUND DISTRIBUTIONS					
Bill #		FY2023-24 Actual	FY2024-25 Est	FY2025-26 Est	FY2026-27 Est
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	2,000,000		
LB 1284	Transfer Out (To Computer Science & Tech Ed Fund)	-	(1,500,000)	(1,500,000)	(500,000)
Prelim	New Transfers In (from cash)			3,750,000	
Prelim	New Transfers In (from General Fund)				
	Investment Income*	22,613,065	30,207,350	16,068,070	11,587,960
	Total Revenue	1,030,113,065	280,707,350	268,318,070	261,087,960
LB 705	Extraordinary Increases in Special Education	402,283	2,500,000	2,500,000	2,500,000
LB 705	Nebraska Teacher Apprenticeship Program	144,184	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
LB 583	Special Education - 80% (est.)	246,087,379	273,565,676	291,390,830	309,839,863
LB 583	24% of Foundation Aid	112,353,248	112,309,502	112,729,367	113,204,174
LB 814	Career & Technical Education Aid	4,961,818	4,959,040	4,959,040	4,959,040
LB 814	Career & Technical Education Ops	-	356,960	356,960	356,960
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	Menstrual Products Pilot Program	-	-	250,000	-
	Total:	363,948,912	402,191,178	420,186,197	438,860,037
	Fund Balance:	666,164,153	544,680,325	392,812,197	215,040,120
	*estimates				

General Fund Transfers In

Cash funds are funds which 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.

LB 3 (2024 Special Session) included statutory language authorizing transfers from the Securities Act Cash Fund, the Insurance Cash Fund, and the Tobacco Products Administration Cash Fund in FY2025-26, FY2026-27, FY2027-28, and FY2028-29, as reflected in the table. These amounts are already included in the General Fund revenue forecast, as set by the NEFAB, and in the LFO preliminary estimates of General Fund revenue for the following biennium.

The Appropriations Committee Preliminary Budget includes additional transfers-in of \$10,575,000 in FY2024-25; \$126,935,957 in FY2025-26; and \$7,545,957 in FY2026-27.

Table 9 General Fund Transfers In

	Current Year	Biennial Budget		Following Biennium	
	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
Securities Act Cash Fund	39,500,000	34,000,000	28,000,000	28,000,000	28,000,000
Dept of Insurance Cash Fund	12,000,000	14,000,000	11,000,000	11,000,000	11,000,000
Tobacco Products Admin Cash Fund	9,000,000	9,500,000	9,500,000	9,000,000	9,000,000
State Settlement Cash Fund	5,295,957	295,957	295,957	0	0
PSC Regulation Fund	0	250,000	0	0	0
JEDI Fund	0	4,400,000	0	0	0
Records Management Cash Fund	0	1,000,000	0	0	0
Financial Institution Cash	0	3,000,000	0	0	0
Banking & Finance Settlement	0	1,000,000	0	0	0
State Insurance Fund	8,250,000	0	0	0	0
Charitable Gaming Operations Fund	1,500,000	0	0	0	0
Dept of Motor Vehicles Ignition Interlock Fund	0	500,000	250,000	0	0
Civic and Community Center Fund	4,000,000	0	0	0	0
Lead Service Line Fund	0	4,000,000	0	0	0
Economic Recovery Contingency Fund	0	10,000,000	0	0	0
State Visitors Promotion Fund	0	2,000,000	2,000,000	0	0
Water Recreation Enhancement Fund	0	40,000,000	0	0	0
Unclaimed Property Fund	0	1,000,000	0	0	0
Treasury Management Cash Fund	0	500,000	0	0	0
Revenue Enforcement Fund	1,000,000	2,000,000	2,000,000	0	0
Contractor & Professional Employer Organization Reg	0	100,000	0	0	0
Department of Motor Vehicles Cash Fund	526,716	0	0	0	0
Vehicle Title & Reg System Replacement Fund	0	5,500,000	1,500,000	0	0
Motor Carrier System Replacement	0	4,000,000	1,000,000	0	0
Engineers and Architects Registration Cash Fund	0	400,000	0	0	0
Appraisal Management Co. Fund	0	100,000	0	0	0
Real Property Appraisers Fund	0	150,000	0	0	0
Economic Development Cash Fund	0	20,500,000	0	0	0
Nuclear & Hydrogen Development Fund	0	215,000	0	0	0
Customized Job Training Cash Fund	0	2,700,000	0	0	0
Intern Nebraska Cash	0	21,000,000	0	0	0
211 Cash Fund	0	380,000	0	0	0
Flexible Spending Fund	1,000,000	800,000	0	0	0
Resource Recycling Cash Fund	125,000	0	0	0	0
Site and Building Development Fund	9,000,000	0	0	0	0
Job Training Cash Fund	3,300,000	0	0	0	0
Employment Security Contingency Fund	2,500,000	0	0	0	0
Behavioral Health Services Cash	2,000,000	0	0	0	0
Job Creation and Mainstreet Revitalization Fund	0	75,000	0	0	0
Historical Society Cash Fund	0	100,000	0	0	0
Support NE History Fund	0	10,000	0	0	0
Health and Human Services Cash Fund	8,250,000	345,000	0	0	0
Miscellaneous funds (2025 Committee Prelim)	0	115,000	0	0	0
<i>Transfers-In already in revenue forecast</i>	96,672,673	57,000,000	48,000,000	48,000,000	48,000,000
Committee Preliminary Transfers	10,575,000	126,935,957	7,545,957	0	0
Total General Fund Transfers-In	107,247,673	183,935,957	55,545,957	48,000,000	48,000,000

General Fund Credit of Investment Earnings

In LB 3 (2024 Special Session), investment earnings from specific cash and revolving funds were credited to the General Fund, beginning October 1, 2024. The crediting of investment earnings to the General Fund on earnings to the Universal Services Fund was set to continue only through June 30, 2027. For the remaining funds, the change did not have a sunset date. Investment earnings previously approved are included in the revenue forecasts set by NEFAB and in the preliminary estimates for the “out years.”

The Appropriations Committee Preliminary Budget includes additional investments earnings on funds, totaling an estimated \$19 million per fiscal year, to be credited to the General Fund, beginning in FY2025-26.

The Appropriations Committee Preliminary Budget directs investments earnings from the following funds, beginning July 1, 2025:

- Perkins County Canal Fund
- Universal Services Fund
- Inland Port Authority Fund
- 911 Service System Fund

For the Universal Services Fund, through FY2024-25, investment earnings are directed first to the 211 Cash Fund (up to \$1,455,000 per year), and then remaining earnings are credited to the General Fund. The Appropriations Committee Preliminary Budget strikes the transfer to the 211 Cash Fund and credits all investment earnings to the General Fund, beginning July 1, 2025.

GENERAL FUND APPROPRIATIONS

Table 10 shows a summary of the current FY2024-25 General Fund appropriations (excluding deficits), the Governor’s recommendation, and the Appropriations Committee Preliminary Budget for FY2025-26 and FY2026-27.

Table 10 Committee Preliminary Budget – General Funds

	W/o deficits FY2024-25	Governor FY2025-26	Governor FY2026-27	Prelim Adjust FY2025-26	Prelim Adjust FY2026-27	Committee Preliminary Prelim FY2025-26	Committee Preliminary Prelim FY2026-27
Agency Operations							
University & State /Colleges	759,253,617	744,928,270	744,928,270	(14,325,347)	(14,325,347)	744,928,270	744,928,270
Health & Human Services	329,429,902	335,551,051	349,377,949	6,677,562	20,191,703	336,107,464	349,621,605
Correctional Services	352,905,164	364,067,188	373,429,061	12,615,758	23,614,270	365,520,922	376,519,434
Courts	232,815,953	233,085,953	233,085,953	0	0	232,815,953	232,815,953
State Patrol	90,739,673	90,739,673	90,739,673	4,616,903	6,050,859	95,356,576	96,790,532
Retirement Board	66,700,303	69,059,456	69,550,112	2,321,041	2,811,697	69,021,344	69,512,000
Revenue	34,314,429	159,917,000	170,303,000	(1,071,527)	(400,140)	33,242,902	33,914,289
Other Agencies	262,511,145	121,158,411	114,622,036	(3,345,789)	5,047,204	259,165,356	267,558,349
Total-GF Operations	2,128,670,186	2,118,507,002	2,146,036,054	7,488,601	42,990,246	2,136,158,787	2,171,660,432
State Aid to Individuals/Others							
Opportunity Scholarships	9,250,000	0	0	(9,250,000)	(9,250,000)	0	0
Medicaid	1,012,640,639	1,151,890,827	1,194,476,867	104,140,645	131,530,889	1,116,781,284	1,144,171,528
Child Welfare Aid	182,756,746	182,506,746	182,506,746	0	0	182,756,746	182,756,746
Developmental disabilities aid	197,567,183	212,662,155	229,386,103	15,094,972	31,818,923	212,662,155	229,386,106
Public Assistance	76,380,054	76,380,054	76,380,054	0	0	76,380,054	76,380,054
Behavioral Health aid	70,132,211	70,132,211	70,132,211	0	0	70,132,211	70,132,211
Childrens Health Insurance (SCHIP)	26,246,298	29,952,083	29,989,393	3,705,785	3,743,095	29,952,083	29,989,393
Nebr Broadband Bridge Act	19,795,788	0	0	(19,795,788)	(19,795,788)	0	0
Business Innovation Act	15,020,352	10,020,352	10,020,352	(5,000,000)	(5,000,000)	10,020,352	10,020,352
Aging Programs	11,722,579	11,722,579	11,722,579	0	0	11,722,579	11,722,579
Public Health Aid	11,314,060	5,783,060	5,783,060	(1,500,000)	(1,500,000)	9,814,060	9,814,060
Nebraska Career Scholarships	20,240,000	20,240,000	20,240,000	0	0	20,240,000	20,240,000
Higher Ed Student Aid programs	9,593,430	8,493,430	8,593,430	(1,100,000)	(1,000,000)	8,493,430	8,593,430
Health Aid	7,352,196	6,806,907	6,806,907	0	0	7,352,196	7,352,196
Nebraska Rural Projects Act	4,896,460	0	0	(4,896,460)	(4,896,460)	0	0
All Other Aid to Individuals/Other	32,840,857	19,226,228	19,226,208	(4,980,594)	(5,480,594)	27,860,263	27,360,263
Total-GF Aid to Individuals/Other	1,707,748,853	1,805,816,632	1,865,263,910	76,418,560	120,170,065	1,784,167,413	1,827,918,918
State Aid to Local Govts							
State Aid to Schools (TEEOSA)	1,010,135,323	990,309,494	996,984,407	26,317,981	14,332,126	1,036,453,304	1,024,467,449
Special Education - General Fund	235,724,474	235,724,474	235,724,474	0	0	235,724,474	235,724,474
Aid to Community Colleges	114,116,711	114,116,711	114,116,711	0	0	114,116,711	114,116,711
Homestead Exemption	149,000,000	159,917,000	170,303,000	10,917,000	21,303,000	159,917,000	170,303,000
Aid to ESU's	13,613,976	12,897,167	12,897,167	0	0	13,613,976	13,613,976
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0	2,342,962	2,342,962
Early Childhood programs	11,119,357	11,119,357	11,119,357	0	0	11,119,357	11,119,357
Community Based Juvenile Services	5,798,000	5,798,000	5,798,000	0	0	5,798,000	5,798,000
Governors Emergency Program	5,000,000	5,000,000	5,000,000	0	0	5,000,000	5,000,000
Other Aid to Local Govt	9,154,211	3,948,211	3,948,211	(3,000,000)	(3,000,000)	6,154,211	6,154,211
Total-GF Aid to Local Govt	1,556,005,014	1,541,173,376	1,558,234,289	34,234,981	32,635,126	1,590,239,995	1,588,640,140
Capital Construction	21,303,928	21,303,928	21,303,928	0	0	21,303,928	21,303,928
TOTAL-MAINLINE BUDGET	5,413,727,981	5,486,800,938	5,590,838,181	118,142,142	195,795,437	5,531,870,123	5,609,523,418

The numbers in the Committee Preliminary Budget are the net result of hundreds of individual issues which reflect both increases to and reductions from the current year appropriation.

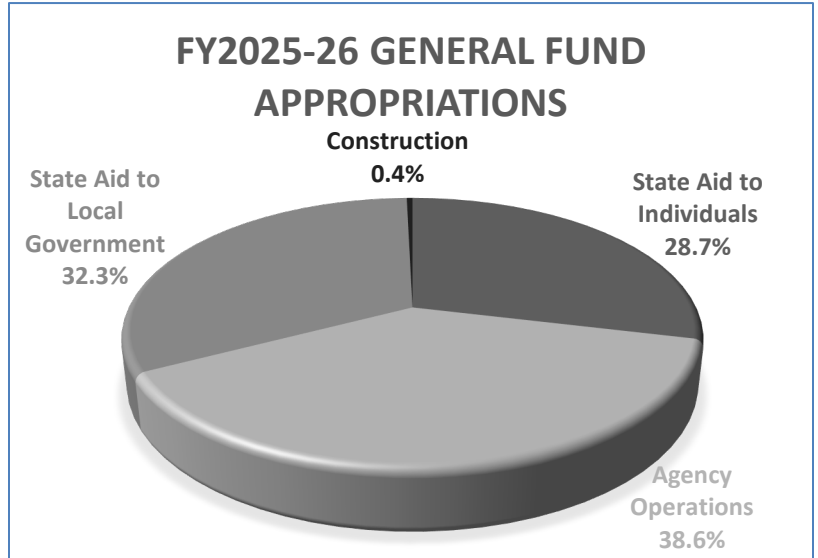
Significant changes, both increases and decreases, in state aid programs and agency operations are listed in Table 11.

Table 11 Significant Increases and Reductions

<i>Amounts shown are \$ change from FY25 base year</i>		Committee Prelim - 2025 Session		
		FY2025-26	FY2026-27	Two Yr total
TEEOSA Aid to Schools	Aid-Local	26,317,981	14,332,126	40,650,107
Homestead Exemption	Aid-Local	10,917,000	21,303,000	32,220,000
Other Not Listed (net)	Aid-Local	(3,000,000)	(3,000,000)	(6,000,000)
AID TO LOCAL GOVERNMENTS		34,234,981	32,635,126	66,870,107
Medicaid (with expansion)	Aid-Ind/Other	104,140,645	131,530,889	235,671,534
Developmental Disability aid	Aid-Ind/Other	15,094,972	31,818,923	46,913,895
Childrens Health Insurance (SCHIP)	Aid-Ind/Other	3,705,785	3,743,095	7,448,880
Public Health aid	Aid-Ind/Other	(1,500,000)	(1,500,000)	(3,000,000)
Broadband Bridge and Nebr Precision Ag	Aid-Ind/Other	(20,697,004)	(20,697,004)	(41,394,008)
Higher Ed Student aid programs	Aid-Ind/Other	(1,100,000)	(1,000,000)	(2,100,000)
Opportunity Scholarships	Aid-Ind/Other	(9,250,000)	(9,250,000)	(18,500,000)
Nebr Water Conservation Fund	Aid-Ind/Other	(1,806,112)	(1,806,112)	(3,612,224)
Small Business Assistance Act	Aid-Ind/Other	(2,107,025)	(2,107,025)	(4,214,050)
Business Innovation Act	Aid-Ind/Other	(5,000,000)	(5,000,000)	(10,000,000)
State aid to development districts	Aid-Ind/Other	(300,000)	(300,000)	(600,000)
Nebraska Rural Projects Act	Aid-Ind/Other	(4,896,460)	(4,896,460)	(9,792,920)
Grant to state-owned cemetery	Aid-Ind/Other	500,000	0	500,000
Other Not Listed (net)	Aid-Ind/Other	(316,241)	(316,241)	(632,482)
AID TO INDIVIDUALS / OTHER		76,418,560	120,170,065	196,688,625
Salaries (State Agencies)	Oper	21,258,922	43,237,353	64,496,275
Health Insurance (State Agencies)	Oper	8,831,857	18,635,218	27,467,075
DAS related rates (State Agencies)	Oper	(1,086,928)	1,046,406	(40,522)
Regional Centers	Oper	(1,500,000)	0	(1,500,000)
DED Marketing Campaign	Oper	(5,000,000)	(5,000,000)	(10,000,000)
Attorney General Operations	Oper	400,000	400,000	800,000
RTC Operations (Corrections)	Oper	4,858,192	4,629,086	9,487,278
Crime Commission Retention and Recruitment	Oper	(2,500,000)	(2,500,000)	(5,000,000)
General Operating increases (University+Colleges)	Oper	(14,325,347)	(14,325,347)	(28,650,694)
State Patrol Operations	Oper	1,699,323	225,345	1,924,668
Retirement, K-12 School / Judges / Patrol	Oper	2,321,041	2,811,697	5,132,738
Other Not Listed (net)	Oper	(7,468,459)	(6,169,512)	(13,637,971)
AGENCY OPERATIONS		7,488,601	42,990,246	50,478,847
Capital Construction	Const	0	0	0
CAPITAL CONSTRUCTION		0	0	0
TOTAL GENERAL FUND CHANGE (without deficits)		118,142,142	195,795,437	314,037,579

General Fund Agency Operations

This area accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc. Although there are 48 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 about 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 Fund appropriations for agency operations show a net increase of \$7.5 million in FY2025-26 and \$43.0 million in FY2026-27, as compared to the base year FY2024-25. Two-year average annual appropriation growth is 1.0%.

Employee Salary and Health Insurance Increases (State Agencies)

Increases related to state employee salaries and health insurance are the most significant increases in General Fund appropriation. The Appropriations Committee Preliminary Budget includes an across-the-board increase of 3.25% per year for salaries and 11% per year for health insurance for most budget programs. Additional calculations related to specific special wage increases and negotiated bargaining units will be completed prior to the committee's final recommendation.

Department of Correctional Services

The Appropriations Committee Preliminary Budget includes a one-time \$5 million cash fund appropriation increase and a \$1.5 million general fund reduction for FY 2026 to cover the demolition of Housing Unit 1 at the Nebraska State Penitentiary, which was a total loss. The project is partially offset by \$3.5 million in insurance proceeds. Increased cash revenues, primarily from work release inmate rent, have exceeded appropriation levels, allowing NDCS to shift funding and better utilize resources. The Appropriations Committee approved the request, authorizing the fund adjustments to proceed.

The Appropriations Committee Preliminary Budget includes funding to support 56.0 full-time equivalent (FTE) positions to staff three new specialty units at the Reception and Treatment Center (RTC). These units—a 32-bed geriatric unit, a 32-bed unit for cognitively impaired individuals, and a 32-bed transition unit for individuals moving from acute mental health care to the general population—were previously funded for construction under LB383 (2021) and LB1011 (2022). The facilities are expected to be completed by June 2025 and operational by July 2025. The Appropriations Committee has approved the request to ensure adequate staffing for these specialized care units.

The Appropriations Committee Preliminary Budget includes funding to support grants for organizations providing apprenticeship, reentry, and restorative justice programs, as established by LB 1012 (2022). The Appropriations Committee approved a \$3.5 million cash fund appropriation while deferring a decision on the general fund portion at this time.

University of Nebraska

In the Governor’s budget recommendation, a 2% decrease was included, equaling \$14.3 million per fiscal year. The Appropriations Committee Preliminary Budget includes the same reduction.

State Colleges

In the preliminary budget, general increases for operating costs are not included. The State Colleges requested funds for general operating expenses as well as salary and health insurance increases. None of these were included in the preliminary recommendation.

State marketing campaign

The Appropriations Committee Preliminary Budget includes removing \$5 million per year appropriation for a marketing campaign for the state with the intent of drawing individuals to move to Nebraska. Funding was implemented in 2024 making this a relatively new program.

Defined Benefit Retirement Plans

Funding for the defined benefit retirement plans for schools, judges, and the State Patrol are based on the actuarial report. Overall, the increase amounts to \$2.3 million in FY2025-26 and \$2.8 million in FY2026-27. The amounts funded are from the November 2024 actuarial experience study and valuations.

Table 12 General Fund Retirement Plan Funding by Plan

	Base	Committee Prelim		Increase - Biennial Basis	
	FY2024-25	FY2025-26	FY2026-27	FY2025-26	FY2026-27
Omaha Service Annuity	1,701,782	1,534,144	1,600,000	(167,638)	(101,782)
2%-State Schools	47,734,715	50,118,963	51,400,000	2,384,248	3,665,285
2%-Omaha Schools	8,639,634	9,073,468	9,000,000	433,834	360,366
Subtotal Schools	58,076,131	60,726,575	62,000,000	2,650,444	3,923,869
State Patrol	7,253,460	6,834,870	6,000,000	(418,590)	(1,253,460)
Subtotal State Patrol	7,253,460	6,834,870	6,000,000	(418,590)	(1,253,460)
Judges	1,370,712	1,459,899	1,512,000	89,187	141,288
Subtotal Judges	1,370,712	1,459,899	1,512,000	89,187	141,288
Total	66,700,303	69,021,344	69,512,000	2,321,041	2,811,697

Commission on Law Enforcement & Criminal Justice

LB 1241 (2022) established the Law Enforcement Attraction and Retention Act to address declining applications by providing tiered retention bonuses, hiring grants for understaffed agencies, and allocating \$5 million annually for these incentives through June 30, 2028. With sufficient funds available and all unexpended

amounts reappropriated, the committee approved a \$2.5 million reduction for FY2025-26 and FY2026-27.

General Fund 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 (NRD's), and educational services units (ESU's).

Aid to local governments increased by \$34.2 million in FY2025-26 and \$32.6 million in FY2026-27, as compared to the base year FY2024-25. Two-year average annual appropriation growth is 1.0%. The primary reason for the change in aid is an increase in TEEOSA aid as calculated under existing law.

Homestead Exemption

The forecast for FY2025-26 and FY2026-27 projects an increase of \$10.6 million and \$20.8 million needed for homestead exemptions, respectively. Additionally, as a result of the passage of LB 126 (2024), homestead exemptions are expected to increase by \$317,000 in FY25-26 and \$503,000 in FY26-27, as well. This would make the appropriation for homestead exemptions \$159.917 million for FY2025-26 and \$170.303 million for FY2026-27.

Aid to Community Colleges

No increase in General Fund aid is included in the Appropriations Committee Preliminary Budget. An increase in cash fund aid is included. Refer to the section on Cash Fund Appropriations for more details.

Airport Grant

In 2024, the Legislature authorized a one-time grant of \$3 million to a municipal airport, funded by a transfer from the Cash Reserve Fund to the General Fund. The Appropriations Committee Preliminary Budget includes a reduction of this amount for the biennium because this funding is not ongoing.

State Aid to Schools (TEEOSA)

Table 13 reflects the estimate for TEEOSA state aid under the current law. The Committee preliminary budget includes an increase in TEEOSA aid in FY2025-26 of \$26.3 million from the FY2024-25 base appropriation, and in FY2026-27 an increase of \$14.3 million from the FY2024-25 base appropriation.

The amounts in the Appropriations Committee Preliminary Budget reflect higher amounts for FY2025-26 and FY2026-27 than the November estimate due to higher than estimated General Fund Operating Expenditures (GFOE) for school districts (5.4% rather than 3.5%), which is incorporated in the January recalculation.

Table 13 TEEOSA State Aid Estimates for FY2025-26 through FY2028-29

Aid Yr FY26, FY27 & FY28 Estimates	2025-26	2026-27	2027-28	2028-29
Local Effort Rate	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Allowable Growth Rate: Year of Aid	2.500%	2.500%	2.500%	2.500%
Allowable Growth Rate: Prior Year	2.50%	2.50%	2.50%	2.50%
Cost Growth Factor	1.0500	1.0500	1.0500	1.0500
Spending Growth (GFOE)	5.40%	3.31%	3.49%	3.49%
Valuation Growth (set on aidcalc pages)	8.81%	6.97%	3.14%	3.19%
Formula Students	313,826	315,476	317,175	318,951
Fall Membership (foundation aid)	313,847	315,476	317,175	318,947
Foundation Aid Per Pupil	1,500	1,500	1,500	1,500
Foundation Aid % counted as a resource	60.00%	60.00%	60.00%	60.00%
Averaging Adjustment %	100.00%	100.00%	100.00%	100.00%
Avg Adjust: Avg Basic Funding per Student->	\$10,297.85	\$10,560.75	\$10,807.91	\$11,057.54
Avg Adjust: Avg Basic Funding per Student-S	\$11,581.49	\$11,880.31	\$12,178.73	\$12,481.51
Gen Fund Operating Expenditures	4,274,722,853	4,416,370,933	4,570,354,055	4,729,748,335
Plus: Cost Growth Factor	1.0500	1.0500	1.0500	1.0500
Adjusted GF Operating Expenditures	4,488,458,996	4,637,189,480	4,798,871,758	4,966,235,752
Total Formula Need	4,643,390,133	4,792,176,141	4,940,049,137	5,095,029,202
Effective Yield from Local Effort Rate	2,785,193,714	2,920,959,623	3,027,352,950	3,139,284,744
Other Actual Receipts	854,061,463	877,463,202	901,506,161	926,207,908
Net Option Funding	121,623,034	125,227,993	128,828,132	132,480,866
Allocated Income Tax	65,722,910	67,694,602	69,725,440	71,817,196
Foundation Aid	282,443,798	283,928,000	285,457,325	287,052,485
Community Achievement Plan Aid	8,094,764	9,309,232	9,820,895	10,163,904
Total Formula Resources	4,117,139,682	4,284,582,652	4,422,690,902	4,567,007,103
Calculated Equalization Aid	526,250,451	507,593,489	517,358,234	528,022,099
Net Option Funding	121,623,034	125,227,993	128,828,132	132,480,866
Allocated Income Tax	65,722,910	67,694,602	69,725,440	71,817,196
Foundation Aid	470,739,663	473,213,333	475,762,208	478,420,809
Community Achievement Plan Aid	8,094,764	9,309,232	9,820,895	10,163,904
TEEOSA State Aid	1,192,430,823	1,183,038,649	1,201,494,910	1,220,904,874
State General Funds	1,036,453,304	1,024,467,449	1,040,811,980	1,058,083,880
Education Futures Fund	112,977,519	113,571,200	114,182,930	114,820,994
Insurance Premium Tax (w/o deficit)	43,000,000	45,000,000	46,500,000	48,000,000
Total TEEOSA Aid	1,192,430,823	1,183,038,649	1,201,494,910	1,220,904,874
<u>Change over Prior Yr</u>				
\$ Change	28,985,998	(9,392,174)	18,456,261	19,409,964
% Change	2.5%	-0.8%	1.6%	1.6%

General Fund 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, including entities such as area agencies on aging and mental health regions.

This area has an increase of \$76.4 million in FY2025-26 and an increase of \$120.2 million in FY2026-27, as compared with the base year FY2024-25. Two-year average appropriation growth is 3.5%. Increases in aid programs are largely due to a decrease in the Federal Medical Assistance Percentage (FMAP), which results in General Fund costs.

Department of Health and Human Services

Funding for Elimination of the Developmental Disabilities (DD) Waitlist

In March 2024 DHHS announced plans to eliminate the registry of individuals awaiting services in Program 424 DD Aid through evaluating need and increasing services. For details: <https://dhhs.ne.gov/Pages/DD-Wait-List.aspx>. To fund the additional services, DHHS requested \$7,821,499 in General Funds and \$22,766,983 corresponding federal matching funds in FY2025-26 and \$16,647,104 in General Funds and \$22,571,075 federal funds in FY2026-27, which is included in the preliminary budget. The preliminary budget also includes up to \$8 million of unexpended FY2024-25 General Funds in Program 421 Beatrice State Developmental Center be reappropriated for use in FY2025-26 in Program 424. The agency requested \$11 million increase to DD aid in Health Care Cash Funds (HCCF) to be offset by an \$11 million reduction of HCCF in Program 623 Biomedical Research. The preliminary budget includes the \$11 million increase to DD aid and a \$5 million reduction to Biomedical Research resulting in a \$6 million additional obligation to the HCCF.

Continuous Eligibility of Kids

Effective January 1, 2024, states are required to provide 12 months of Continuous Eligibility for children under the age of 19 in Medicaid, Program 348, and the Children's Health Insurance Program (CHIP), Program 344. This requirement is six more months than what Nebraska DHHS was previously providing. The total fund request is \$20.3 million in FY25-26 (\$6 million General Funds, \$3 million Cash Funds and \$14.3 million Federal Funds), \$37,585,397 in FY25-26, and \$37,931,251 in FY27 including General Funds, federal matching funds, and Hospital Assessment Cash Funds.

FY25-26	Program 344 CHIP	Program 348 Medicaid
General Funds	3,730,941	9,269,121
Cash Funds	3,000,000	0
Federal Funds	8,894,918	12,690,417
Total	15,625,859	21,959,538
FY26-27	Program 344 CHIP	Program 348 Medicaid
General Funds	3,768,251	9,361,812
Cash Funds	3,000,000	0
Federal Funds	8,983,867	12,817,321
Total	15,752,118	22,179,133

Medicare Part D Clawback

The agency requested funds to cover substantial increases in Medicare Part D Prescription Drug Premium Payments. Nebraska pays federal CMS for drug coverage of Dual Eligible Medicaid beneficiaries and the

transaction is referred to as a, “Clawback”. DHHS cites a 18% increase in costs in calendar year 2024 and another 11% in calendar year 2025, with the expectation that further increases in 2026. The projected increase in costs for state fiscal year 2026 is \$30,616,755. Efficiencies identified by the agency result in the net request of \$11,809,696 additional General Funds which was included in the preliminary budget recommendation.

	Program 344 CHIP	Program 348 Medicaid
General Funds	(533,507)	12,343,203
Federal Funds	(1,225,501)	(19,817,268)
Total	(1,759,008)	(7,474,065)

High-Cost Drugs

Medicaid programs are required to cover drugs that are approved by the FDA and appropriately prescribed. DHHS notes increased expenditures on drugs, increasing from \$23.6 million in 2019 to over \$61 million in 2023. Included in the preliminary budget is the agency request for a total of \$5,308,877 in FY25-26 (\$2,022,467 GF and \$3,286,410 FF) and \$11,722,789 in FY26-27 (\$4,399,508 GF and \$7,323,281 FF).

Reduce General Fund Aid to Local Health Departments

The preliminary budget reduces appropriations and associated earmark in Program 502 Public Health for Local Public Health Departments by \$1.5 million per year. This issue rolls back additions established by LB 1018 passed in 2020.

Non-Medicaid Provider Rate Maintenance and Reappropriations

The preliminary budget includes reappropriation of unexpended FY2024-25 General Funds for use in the FY2025-27 biennium in multiple programs. In Program 354 Child Welfare, the agency initially requested an additional \$10 million in General Funds to maintain provider rates. That request was rescinded and replaced with the request to reappropriate up to \$10 million. The agency remains committed to improving IV-E penetration rates to increase federal fund claiming and intends to reduce expenditures by FY26-27 enough to be able to fund the provider rates within their current appropriation. Similarly, in Program 424 Developmental Disabilities Aid, the preliminary budget includes reappropriation to maintain provider rates. In Program 38 Behavioral Health Aid, reappropriation was included to address added costs associated with new programming to address Olmstead requirements. The Justice Department found in May of 2024 that individuals with Severe Mental Illness in Nebraska were unjustly institutionalized and additional services for community integration need to be established. DHHS is pursuing a Medicaid Waiver to claim federal matching for these new services.

Certified Community Behavioral Health Clinics

Included in the preliminary budget is annualization of LB276A passed in 2023. The go-live date of the Certified Community Behavioral Health Clinic Act (CCBHC) is January 1, 2026. The agency requested funds in Program 348, (\$1,171,182 GF & 3,682,452 FF in FY26 and \$2,342,364 GF & 7,364,905 FF in FY27) anticipating additional costs to add this service. Administrative costs can be absorbed by the agency.

Education Scholarships – State Treasurer

Funding in the amount of \$10,000,000 General Funds per year is eliminated due to the adoption of Referendum Measure 425. The passage of this measure eliminated the need and authority to grant such scholarships.

Nebraska Opportunity Grant – Coordinating Commission for Postsecondary Education (CCPE)

CCPE administers the Nebraska Opportunity Grant (NOG), a need-based grant program for Nebraska students aspiring to obtain a postsecondary education. The grants are currently funded in part with Cash funds originating from the Lottery Fund, and in part with State General Funds. The FY2024-25 General Fund appropriation is \$8,093,430. The preliminary budget includes a rollback of a \$1,000,000 in increases that had been added during the past few years, so that the appropriation for the upcoming biennium would be \$7,093,430 each year. At the same time, the agency’s Cash fund spending authority will increase by \$500,000 each year, to minimize any negative impact to existing grant disbursements.

Broadband Bridge and Precision Agriculture

The Appropriations Committee Preliminary Budget includes a reduction of \$20,697,004 in General Fund aid each year. Beginning in FY26-27, \$323,895 of administrative funding is eliminated. In order for the program to fulfill grants that are already awarded, administrative funding is provided in FY25-26 and unexpended appropriations as of June 30, 2025 is reappropriated.

Rural Project Act Annualization

The Appropriations Committee Preliminary Budget includes a \$5,000,000 reduction per year in total General Funds, \$4,496,460 per fiscal year reduction of state aid. Applications under the law closed on June 30, 2023. Intent was for \$50,000,000 in total funding which has been provided via a Cash Fund appropriation. In addition, there has been \$5,000,000 in General Fund appropriation per year since FY21-22 for the program making total funds for the program \$70,000,000.

Business Innovation Act

The Appropriations Committee Preliminary Budget includes a reduction of \$5,000,000 per year in aid. The Business Innovation Act has several subprograms with various caps on aid, which are as follows:

- Planning grants: Cap \$6 million/year
- Financial Assistance for Prototypes: Cap \$6 million/year
- Value-added Agriculture: Cap \$6 million/year
- Commercialization of Product/Process: Cap \$6 million/year
- University R&D: Cap \$6 million/year
- Small Business Investment: Cap \$3 million/year

Total authorized if all caps are reached is \$33 million per year. However, the total General Fund aid appropriation is just over \$15 million in FY2024-25. This would reduce the program by \$5 million per year.

State Small Business Assistance Act (SSBAA)

The Appropriations Committee Preliminary Budget includes amending the Small Business Assistance Act to make the act permissive and reducing its appropriation by \$2,500,000, including operations and aid. The Small Business Assistance Act was created in 2022 via LB450 and provided up to \$5,000,000 per year for businesses with fewer than five employees for a wide variety of eligible uses.

CASH FUND APPROPRIATIONS

Table 14 shows a summary of the current FY2024-25 Cash Fund appropriations (excluding deficits), the Governor’s recommendation, and the Appropriations Committee Preliminary Budget for FY2025-26 and FY2026-27.

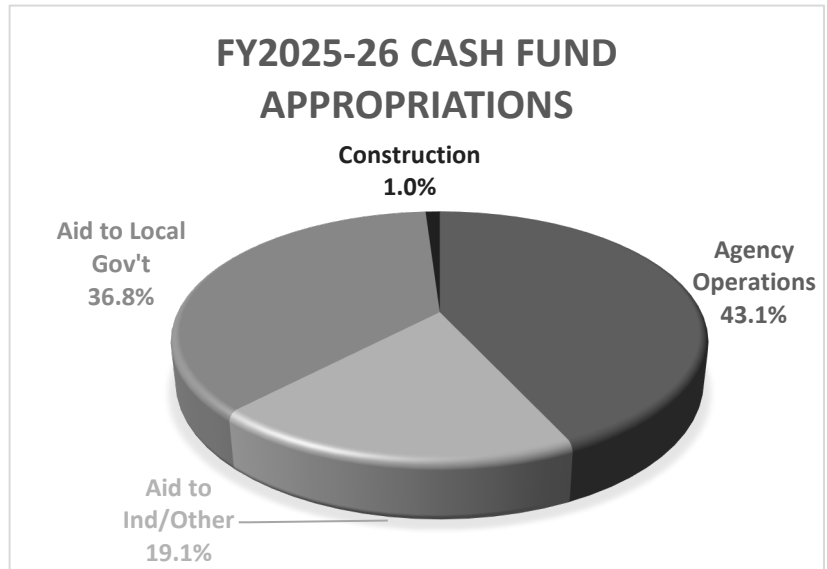
Table 14 Committee Preliminary Budget – Cash Funds

	W/o deficits FY2024-25	Governor FY2025-26	Governor FY2026-27	Prelim Adjust FY2025-26	Prelim Adjust FY2026-27	Prelim FY2025-26	Prelim FY2026-27
<u>Agency Operations</u>							
Transportation	1,244,937,319	1,289,486,325	1,298,362,953	46,154,045	56,480,233	1,291,091,364	1,301,417,552
University & State /Colleges	567,645,804	534,463,998	534,463,998	0	0	567,645,804	567,645,804
Game and Parks	83,148,082	17,726,718	17,726,718	7,528,928	8,463,410	90,677,010	91,611,492
Health & Human Services	75,338,673	74,779,984	78,461,481	(382,429)	184,305	74,956,244	75,522,978
Natural Resources	69,901,272	69,923,143	69,945,886	(1,431,234)	(3,858,263)	68,470,038	66,043,009
DMV	42,362,711	58,297,831	47,049,160	16,077,191	4,994,623	58,439,902	47,357,334
State Patrol	29,350,202	32,210,983	32,235,941	2,659,532	2,828,263	32,009,734	32,178,465
Environment & Energy	21,975,961	1,226,150,000	1,269,150,000	60,177	523,601	22,036,138	22,499,562
Other Agencies	266,093,207	(848,982,745)	(889,486,793)	19,791,123	17,755,723	285,884,330	283,848,930
Total-CF Operations	2,400,753,231	2,454,056,237	2,457,909,344	90,457,333	87,371,895	2,491,210,564	2,488,125,126
<u>State Aid to Individuals/Others</u>							
Hospital Assessment	632,500,000	632,500,000	632,500,000	0	0	632,500,000	632,500,000
Medicaid	95,280,910	95,280,910	95,280,910	0	0	95,280,910	95,280,910
Universal Service Fund	84,000,000	84,000,000	84,000,000	0	0	84,000,000	84,000,000
Economic Recovery Act	147,448,770	27,448,770	27,448,770	(120,000,000)	(120,000,000)	27,448,770	27,448,770
Health aid	20,525,817	20,525,817	20,525,817	(500,000)	(500,000)	20,025,817	20,025,817
NE Opportunity Grant	16,354,872	16,854,872	16,854,872	500,000	500,000	16,854,872	16,854,872
Biomedical Research	15,000,000	4,000,000	4,000,000	(5,000,000)	(5,000,000)	10,000,000	10,000,000
Developmental Disabilities Aid	12,367,913	23,367,913	23,367,913	11,000,000	11,000,000	23,367,913	23,367,913
Opioid Recovery Aid	11,840,351	11,840,351	11,840,351	0	0	11,840,351	11,840,351
Industrial Recruitment Aid (DED)	11,839,197	6,339,197	6,339,197	(5,500,000)	(5,500,000)	6,339,197	6,339,197
Behavioral Health Aid	11,579,500	11,579,500	11,579,500	0	0	11,579,500	11,579,500
Childrens' Health Insurance (CHIP)	7,085,700	10,085,700	10,085,700	3,000,000	3,000,000	10,085,700	10,085,700
Workforce Development	10,000,000	10,000,000	10,000,000	0	0	10,000,000	10,000,000
Public Health Aid	9,230,000	9,230,000	9,230,000	0	0	9,230,000	9,230,000
Enhanced 911	8,500,000	8,500,000	8,500,000	0	0	8,500,000	8,500,000
Housing	5,023,140	5,023,140	5,023,140	14,953,720	0	19,976,860	5,023,140
All Other Aid to Individuals/Other	85,355,295	126,254,215	96,254,215	19,153,067	(29,300,653)	104,508,362	56,054,642
Total-CF Aid to Individuals/Other	1,183,931,465	1,102,830,385	1,072,830,385	(82,393,213)	(145,800,653)	1,101,538,252	1,038,130,812
<u>State Aid to Local Govts</u>							
School Property Tax Credit	750,000,000	780,000,000	808,000,000	30,000,000	58,000,000	780,000,000	808,000,000
Property Tax Credit	413,000,000	445,000,000	460,000,000	51,000,000	77,000,000	464,000,000	490,000,000
Community College Future Fund	246,499,886	265,988,849	279,288,291	12,666,136	25,965,578	265,988,849	279,288,291
Special Education - Ed Future Fund	206,007,489	273,565,676	273,565,676	85,383,341	103,832,374	291,390,830	309,839,863
Foundation Aid to Schools (TEEOSA)	113,145,292	113,569,115	113,755,772	(167,773)	425,908	112,977,519	113,571,200
Public Airports	39,348,300	39,348,300	39,348,300	0	0	39,348,300	39,348,300
Environmental Trust	25,750,000	25,750,000	25,750,000	0	0	25,750,000	25,750,000
Inland Port Authority	30,000,000	0	0	(5,000,000)	(5,000,000)	25,000,000	25,000,000
Gaming Tax to Cities/Counties	0	25,000,000	25,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Environmental Quality Grants	18,645,601	18,645,601	18,645,601	0	0	18,645,601	18,645,601
Water Sustainability Fund	10,865,033	10,865,033	10,865,033	0	0	10,865,033	10,865,033
Education Innovation	10,807,362	10,807,362	10,807,362	0	0	10,807,362	10,807,362
Mutual Finance Assistance	8,060,000	8,060,000	8,060,000	0	0	8,060,000	8,060,000
Soil/Water Conservation	7,450,000	7,450,000	7,450,000	(1,000,000)	(1,000,000)	6,450,000	6,450,000
Local Transit	6,312,705	6,312,705	6,312,705	0	0	6,312,705	6,312,705
Civic/Comm Finaning Fund	5,397,775	5,397,775	5,397,775	0	0	5,397,775	5,397,775
Teacher Recruitment/Retention	5,000,000	5,000,000	5,000,000	0	0	5,000,000	5,000,000
Convention Center Fac Financing Act	4,100,000	4,100,000	4,100,000	3,000,000	3,000,000	7,100,000	7,100,000
Career and Technical Education	4,959,040	4,959,040	4,959,040	0	0	4,959,040	4,959,040
Sports Arena Fac Financing Act	2,200,000	2,200,000	2,200,000	2,300,000	2,300,000	4,500,000	4,500,000
Other Aid to Local Govt	38,733,530	17,127,260	17,127,260	(17,106,270)	(17,106,270)	21,627,260	21,627,260
Total-CF Aid to Local Govt	1,946,282,013	2,069,146,716	2,125,632,815	181,075,434	267,417,590	2,134,180,274	2,220,522,430
Capital Construction	86,673,930	59,887,930	50,784,930	(26,786,000)	(35,889,000)	59,887,930	50,784,930
TOTAL-MAINLINE BUDGET	5,617,640,639	5,685,921,268	5,707,157,474	162,353,554	173,099,832	5,786,817,020	5,797,563,298

Cash Fund Agency Operations

This area accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc. Although nearly all state agencies receive Cash Fund appropriations, higher education (University of Nebraska and State Colleges), and the largest cash-funded agencies (Transportation, Game and Parks Commission, Health and Human Services, Natural Resources, Motor Vehicles, State Patrol, and Environment and Energy) account for about 89% of state operations.

Cash Fund appropriations for agency operations show a net increase of \$90.5 million in FY2025-26 and \$87.4 million in FY2026-27, as compared to the base year FY2024-25. Two-year average annual cash fund appropriation growth is 1.8%.



Secretary of State

Funding in the amount of \$1,000,000 in FY2025-26 and \$400,000 (Cash Funds) in FY2026-27 is included to complete the Secretary of State’s Business Filing System replacement. The project was funded in the current biennium and is currently underway but project delays have occurred. Funding is needed in the upcoming biennium to complete this \$2.4 million system replacement.

211 System Funding – Public Service Commission

The Cash Fund appropriation for the 211 Service program is eliminated, and the existing cash fund balance is transferred to the General Fund in FY2025-26. The current funding source for this program comes from interest earnings on the Universal Service Fund.

Department of Motor Vehicles

Print on Demand License Plates and Temporary Tags

The Appropriations Committee Preliminary Budget includes \$1,503,016 Cash Funds in FY2025-26 and \$622,450 Cash Funds in FY2026-27 from the DMV License Plate Cash Fund, to begin a phased-in implementation of a new Print on Demand and Temporary Tags system. These expenditures are split between Program 70 and Program 90.

Driver License System Modernization

The Appropriations Committee Preliminary Budget includes an appropriation increase of \$16,450,703 in Cash Funds in FY2025-26 and \$4,029,980 Cash Funds in FY2026-27 to move up the deployment of the previously mandated driver license system modernization from a mainframe system to a modern web-based system. Included in this would be PSL for staffing the project of \$370,803 in FY2025-26 and \$381,927 in FY2026-27. There are many associated components to fund the project and speed up the deployment. One is a transfer of \$8 million unused funds from FY2023-24 from the DMV Cash Fund into the DLS Modernization Fund. Secondly, there is a reappropriation of unexpended cash fund from FY2024-25 to FY2025-26 for \$8 million for Program

70 to pay the initial contract payments out of the Operator's License Services System Replacement & Maintenance Cash Fund. Third, there is a transfer of \$7.5 million in FY2025-26 and \$6 million in FY2026-27 from the DMV Cash Fund to the Operator's License Services System Replacement & Maintenance Cash Fund. Lastly, there is a transfer of \$3 million in FY2025-26 and \$3 million in FY2026-27 from the Motor Carrier Services System Replacement & Maintenance Cash Fund to the DMV Cash Fund.

Motor Carriers Modernization

The Appropriations Committee Preliminary Budget an appropriation reduction of (\$2,866,430) in FY2025-26 and (\$2,938,555) in FY2026-27, as the motor carrier modernization project is expected to be under budget, with the expected completion in May of 2025. The per ton registration fee, which had been temporarily increased to fund this project, has already been reduced in legislation as of July 1, 2024, after it became apparent the project would end up costing less than originally anticipated.

Game and Parks

Conservation Officers & Equipment

The Appropriations Committee Preliminary Budget includes an appropriation increase of \$1,543,784 in Cash Funding with \$275,184 PSL in FY2025-26 and \$685,953 in Cash Funding with \$283,440 PSL in FY2026-27, for the addition of five new Conservation Officers to the underserved areas of the state. Included in this appropriation is operational and equipment funding to support five Conservation Officer positions granted PSL in the previous budget cycle FY2023-25. Additionally, this includes the replacement of aging vehicles and boats used in the Wildlife Conservation program.

Nebraska Environmental Trust Transfers Out

The Appropriations Committee Preliminary Budget includes two transfers from the Nebraska Environmental Trust. The first is a transfer of \$2.5 million Cash Funds in FY2025-26 and \$2.5 million Cash Funds in FY2026-27 to the DNR's Nebraska Soil and Water Conservation Fund. The second is a transfer of \$5 million in FY2025-26 and \$5 million in FY2026-27 to the DNR's Water Sustainability Fund. Included with these transfers is language requiring that the use of these funds be pursuant to Nebraska Environmental Trust Act.

Transfers in from Recreation Road Fund

The Appropriations Committee Preliminary Budget includes \$2.5 million Cash Fund transfer in FY2025-26 and \$2.5 million Cash Fund transfer in FY2026-27 from the NDOT Recreation Road Fund to the State Park Cash Fund. This transfer is related to the current FY2024-25 General Fund shift to Cash Funding of \$5 million in the State Parks Operations Program (see approved deficits in preliminary budget).

Removal of Distribution of Aid Earmark for Depredation

The Appropriations Committee Preliminary Budget includes removing the earmark for wildlife crop depredation damage payments. Depredation payments would violate the U.S. Fish and Wildlife restrictions on eligible uses of the State Game Fund.

Amending the Water Recreation Enhancement Fund Permitted Uses

The Appropriations Committee Preliminary Budget includes a recommendation to amend the permitted uses of the Water Recreation Enhancement Fund to include campground expansion, road repair, and maintenance.

State Match for Federal Highway Formula Funding - NDOT

The Appropriations Committee Preliminary Budget includes \$37,700,000 in Cash Funds in FY2025-26 and \$39,500,000 in Cash Funds in FY2026-27 for state match for Federal Highway formula funding. This is for the 20% state match required to obligate additional federal Infrastructure Investment and Jobs Act (IIJA) funds.

The current match equates to receiving \$4 in federal funds for every \$1 in state funding. This request would provide on-going funding to fully match the IJA formula funding, thereby supporting asset preservation, system modernization, and capital construction projects.

Corn Development Marketing Board

The Appropriations Committee Preliminary Budget includes the Board's request for approximately \$9.8M in spending authority per fiscal year.

Cash Fund 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, and educational services units (ESU's).

Cash fund aid to local governments increases by \$181.1 million in FY2025-26 and \$267.4 million in FY2026-27, as compared to the base year FY2024-25. Two-year average annual cash fund appropriation growth is 6.6%. The largest increases relate to the School District Property Tax Credit, the Property Tax Credit, community college aid, and special education reimbursements to school districts.

School District Property Tax Relief Act

The Appropriations Committee Preliminary Budget includes a \$30 million Cash Fund appropriation increase in FY2025-26 and \$58 million Cash Fund appropriation increase in FY2026-27 so total property tax relief from the School District Property Tax Relief Credit Fund would equal the statutory amount of \$780 million from this Fund in FY2025-26 and \$808 million in FY2026-27. General Funds are transferred into this Fund each fiscal year equal to the appropriations for the program.

Additional Property Tax Credit Cash Fund Appropriations

The Appropriations Committee Preliminary Budget increases the Cash Fund appropriations in this program by \$17 million in FY2025-26 and \$32 million in FY2026-27 to match the statutory minimum property tax credit required of \$430 million in FY2025-26 and \$445 million in FY2026-27. Additionally, the Appropriations Committee Preliminary Budget adds \$34 million in FY2025-26 and \$45 million in FY2026-27 in Cash Fund appropriations for the program to account for the additional casino gaming and cash device tax revenue credited to the Property Tax Credit Cash Fund, which is connected to this program. This creates a total Cash Fund appropriation for this program in FY2025-26 of \$464 million and \$490 million for FY2026-27.

Table 15 on the following page shows a history of credit amounts since this program was enacted in 2007.

Table 15 Property Tax Credit History

Tax Year	Fiscal Yr	State Total	\$ Change	% Change
2007	FY2007-08	\$105,000,000	--	--
2008	FY2008-09	\$115,000,000	10,000,000	9.5%
2009	FY2009-10	\$115,000,000	0	0.0%
2010	FY2010-11	\$115,000,000	0	0.0%
2011	FY2011-12	\$115,000,000	0	0.0%
2012	FY2012-13	\$115,000,000	0	0.0%
2013	FY2013-14	\$115,000,000	0	0.0%
2014	FY2014-15	\$140,000,000	25,000,000	21.7%
2015	FY2015-16	\$204,000,000	64,000,000	45.7%
2016	FY2016-17	\$204,000,000	0	0.0%
2017	FY2017-18	\$224,000,000	20,000,000	9.8%
2018	FY2018-19	\$224,000,000	0	0.0%
2019	FY2019-20	\$275,000,000	51,000,000	22.8%
2020	FY2020-21	\$275,000,000	0	0.0%
2021	FY2021-22	\$300,000,000	25,000,000	9.1%
2022	FY2022-23	\$313,000,000	13,000,000	4.3%
2023	FY2023-24	\$364,365,285	51,365,285	16.4%
2024	FY2024-25	\$427,068,566	62,703,281	17.2%
2025	FY2025-26 Approp.	\$464,000,000	36,931,434	8.6%
2026	FY2026-27 Approp.	\$490,000,000	26,000,000	5.6%

Special Education Reimbursements to School Districts

The Appropriations Committee Preliminary Budget increases Cash Fund appropriations to meet the statutory requirement of reimbursing 80% of allowable special education costs. The preliminary budget does not include an increase in the General Fund appropriation for the reimbursements, but includes the following from the Education Future Fund (EFF):

- A deficit for FY2024-25 of \$67,558,187;
- A base adjustment equaling the deficit amount for FY2025-26 and FY2026-27; and
- An increase of \$17,825,154 in FY2025-26 and \$36,274,187 in FY2026-27 to account for 3.5% growth in total reimbursements.

Total special education allowable costs have increased by an average annual growth over the past five years of about 7% per year. Beginning in FY2023-24 due to enactment of LB 583 (2023), the state reimbursement level is required to be 80% of these allowable costs. In FY2024-25, 51% of total reimbursements (\$462,304,704) was paid from the General Fund. Due to an increase in allowable costs exceeding 10%, the FY2024-25 reimbursements totaled \$509,290,100. The Appropriations Committee Preliminary Budget includes the deficit amount from the EFF, bringing the total General Fund share of reimbursements to 46.3%. Due to the cash balance in the EFF, an increase for FY2025-26 and FY2026-27 sufficient to increase total special education appropriations of 3.5% annual growth in reimbursements is included from cash funds. For a cash flow analysis of the EFF, please refer to table 8, which reflects the increase in appropriation for special education.

Table 16 on the following page shows special education appropriations since FY2021-22.

Table 16 Special Education Appropriations by Fund Source

Special Education	FY22/FY23 Biennium		FY24/25 Biennium		Committee Prelim	
	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Base Year appropriation (GF)	231,079,770	231,079,770	235,724,424	235,724,424	235,724,424	235,724,424
Base Adjustment	0	0	0	0	0	0
Cost/Client increases	2,310,798	4,644,704	0	0	0	0
Total General Funds	233,390,568	235,724,474	235,724,424	235,724,424	235,724,424	235,724,424
\$ Change (GF)	2,310,798	2,333,906	0	0	0	0
% Change (GF)	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%
Education Future Fund (LB 583)	0	0	199,041,052	206,007,489	206,007,489	206,007,489
Base Adjustment	0	0	0	0	67,558,187	67,558,187
Cost/Client increases			27,539,228	67,558,187	17,825,154	36,274,187
Total Education Future Funds	0	0	226,580,280	273,565,676	291,390,830	309,839,863
\$ Change (EFF)	0	0	226,580,280	46,985,396	17,825,154	18,449,034
% Change (EFF)	N/A	N/A	N/A	20.74%	6.52%	6.33%
TOTAL ALL FUNDS	233,390,568	235,724,474	462,304,704	509,290,100	527,115,254	545,564,287
\$ Change (ALL FUNDS)	2,310,798	2,333,906	226,580,230	46,985,396	17,825,154	18,449,034
% Change (ALL FUNDS)	1.00%	1.00%	96.12%	10.16%	3.50%	3.50%
GF Share of total	100.0%	100.0%	51.0%	46.3%	44.7%	43.2%

Community College Future Fund Aid

The Appropriations Committee Preliminary Budget increases Cash Fund appropriations based on an estimated growth of 5% per year in cash fund aid pursuant to the statutory formula. The preliminary budget does not include an increase to General Fund aid to community colleges, but does include a 5% per year increase in Community College Future Fund (CCFF) aid to reflect anticipated growth in required aid under the statutory formula. The increase in aid each year is 3.5% or the increase in reimbursable education units, whichever is greater. The aid in FY2024-25, the first year the CCFF aid formula was in place, was a 5% increase over the base calculation.

The Appropriations Committee Preliminary Budget reflects a total increase in community college aid of about 3.5% per year (all funds) and about 30% per year from the General Fund with the remaining 70% per year from the CCFF.

Table 17 on the following page shows total aid to community colleges by fund source since FY2021-22.

Table 17 Community College Aid by Fund Source

Community Colleges	FY22/FY23 Biennium		Enacted Budget		Upcoming Biennium	
	FY2021-22	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Base Year appropriation	103,558,339	103,558,339	109,804,330	109,804,330	114,116,711	114,116,711
State aid increase for operations	2,071,167	4,183,757	2,134,842	4,312,381	0	0
Dual Credit	1,015,583	2,062,234	0	0	0	0
Total General Funds	106,645,089	109,804,330	111,939,172	114,116,711	114,116,711	114,116,711
\$ Change (GF)	3,086,750	3,159,241	2,134,842	2,177,539	0	0
% Change (GF)	2.98%	2.96%	1.94%	1.95%	0.00%	0.00%
Federal ARPA Funds	0	15,000,000	0	0	0	0
Community Colleges Future Fund	0	0	0	253,322,713	265,988,849	279,288,291
TOTAL ALL FUNDS	106,645,089	124,804,330	111,939,172	367,439,424	380,105,560	393,405,002
\$ Change (ALL FUNDS)	3,086,750	18,159,241	-12,865,158	255,500,252	12,666,136	13,299,442
% Change (ALL FUNDS)	2.98%	17.03%	-10.31%	228.25%	3.45%	3.50%
% General Funds	100.00%	87.98%	100.00%	31.06%	30.02%	29.01%

Estimated Cash Funds to Track Gaming Tax Distributions to Local Governments

The Appropriations Committee Preliminary Budget includes a \$20 million estimated state aid Cash Fund appropriation for FY2025-26 and FY2026-27, per request of state auditors, in order for the Racing and Gaming Commission to show the inflow and outflow of casino gaming taxes to local governments on Commission reports. The appropriation amount reflects only the amount distributed to political subdivisions, and not the amounts credited directly to other state funds. This appropriation is in a new program, Program 87-Casino Tax Revenue. Without this appropriation, the Commission would not be able to show all of the distributions of casino gaming taxes on the reports because they would not have the spending authority to show the expenditures of distributing out the casino gaming taxes to local governments that flow into the Commission.

Sports Arena Financing

The Cash Fund appropriation for Sports Arena Financing is increased by \$2.3 million per year. The new appropriated amount is \$4.5 per year. This appropriation level more accurately reflects the actual amount of sales tax turned back to cities under the Act and certified by the Department of Revenue each year.

Convention Center Financing

The Cash Fund appropriation for Convention Center Financing is increased by \$3 million per year. The new appropriated amount is \$7.1 million per year. This appropriation level more accurately reflects the actual amount of sales tax turned back to cities under the Act and certified by the Department of Revenue each year.

Cash Fund 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, including entities such as area agencies on aging and mental health regions.

This area has a decrease of \$82.4 million in FY2025-26 and a decrease of \$145.8 million in FY2026-27, as compared to the base year FY2024-25. Two-year average annual cash fund appropriation growth is -6.4%. Decreases are largely due to reductions in appropriation for the Economic Recovery Act as one-time funds are spent down.

Economic Recovery

The Appropriations Committee Preliminary Budget includes a \$120 million reduction each fiscal year as one-time funds are paid out in grants and aid. An appropriation of about \$27.5 million in FY2025-26 and in FY2026-27 remains as the Department of Economic Development continues to expend awarded funds.

In addition, there were several amendments made relating to the transfer of interest that affect the budget program used for the Economic Recovery Act.

Originally:

	ERCF	Museum	IPAF
Perkins Interest	\$12,000,000	\$7,000,000	Remainder (until 6/30/2026)
Prison Interest	\$5,000,000	\$0	Remainder (until 6/30/2026)
ARPA interest	\$13,000,000	\$0	Remainder (until 6/30/2026)

As amended:

	ERCF in FY2024-25	As of July 1, 2025	IPAF
Perkins Interest	12,000,000	General Fund	None
Prison Interest	5,000,000	NCCF	None
ARPA Interest	13,000,000	IPAF	Remainder (until 6/30/26)

The Appropriations Committee Preliminary Budget includes a \$10,000,000 transfer from the Economic Recovery Contingency Fund (ERCF) to the General Fund in FY2025-26. The preliminary budget includes retaining the transfer of the unobligated balance of the ERCF to the Inland Port Authority Fund (IPAF) on July 31, 2026. The Appropriations Committee Preliminary Budget includes retaining interest that accrues to the ERCF and IPAF, as well as the earnings on the funds set aside for construction of the new prison facility, to the individual funds, beginning July 1, 2025.

Middle Income Workforce Housing Investment Fund/Rural Workforce Housing Investment Fund

The Appropriations Committee Preliminary Budget includes \$7,476,860 Cash Funds for aid from each fund in FY2025-26. In the 2024 session, \$12.5 million was transferred into each fund in LB1413 (2024). With the base appropriation in each program this will increase the appropriation to \$12,500,000 for the programs.

Municipality Infrastructure – LB 600 (2024)

The Appropriations Committee Preliminary Budget includes a reduction of \$4,406,270 of cash funds for state-aid from the FY2024-25 base cash fund appropriation. This is a result of the duties of LB600, a one-time grant program, being completed.

Shovel-Ready Cash Fund

The Appropriations Committee Preliminary Budget includes an appropriation reduction of \$30 million per year. Shovel-Ready provides one-time funds to eligible non-profits, and as its fund balance is drawn down, the appropriation is being reduced to correspond with its remaining balance.

Economic Development Cash Fund – LB 617 (2024)

LB617 created a cash fund for a jobs training program for a superconductor chips plant to attempt to get CHIPS Act award and superconductor fabrication facility in the state. The state was not awarded a facility, and the Department of Commerce indicating that fabrication facility awards would not occur past December, 2024. In addition to reducing the aid appropriation to zero, the Appropriations Committee Preliminary Budget includes transferring the balance of the fund to the General Fund in FY2025-26. The fund balance as of 12/31/2024 was approximately \$20.25M.

Project REACH

The Research, Engineering, Architecture Collaboration Hub is a \$200M total project, which aims to be a national cybersecurity and defense hub. The project received \$20M grant from the Site and Building Development Fund in FY2024-25. The Appropriations Committee Preliminary Budget includes a \$30 million additional grant to bring the state's contribution to \$50 million. This will be funded by a \$25.5 million transfer from the Military Installation Development and Support Fund and \$4.5 million from the Site and Building Development Fund.

APPROPRIATIONS – ALL FUNDS

The following table shows the total appropriations included in the Appropriations Committee Preliminary Budget recommendation by fund type.

Table 18 Committee Preliminary Budget – All Funds

FY2025-56	General	Cash	Federal	Rev/Other	Total
<i>Appropriations Committee Preliminary</i>	5,531,870,123	5,762,320,160	6,910,419,595	1,365,560,892	19,570,170,770
Change over prior year (with deficits)					
Dollar	57,416,708	63,366,765	726,969,685	(3,961,631)	843,791,527
Percent	1.0%	1.1%	11.8%	-0.3%	4.5%
Change over prior year (without deficits)					
Dollar	118,142,142	145,079,834	704,464,669	(3,961,631)	963,725,014
Percent	2.2%	2.6%	11.4%	-0.3%	5.2%
FY2026-27	General	Cash	Federal	Rev/Other	Total
<i>Appropriations Committee Preliminary</i>	5,609,523,418	5,786,745,158	6,841,026,055	1,235,560,804	19,472,855,435
Change over prior year (without deficits)					
Dollar	77,653,295	24,424,998	(69,393,540)	(130,000,088)	(97,315,335)
Percent	1.4%	0.4%	-1.0%	-9.5%	-0.5%

FEDERAL FUNDS

A description of some of the significant items relating to federal fund appropriations are listed below.

Broadband Bridge

The Appropriations Committee Preliminary Budget includes a reduction of \$3,032,062 of Federal Funds each year from Broadband Bridge program. These funds were awarded to address Broadband Equity, Access and Development (BEAD) federal programs with ARPA. Due to federal guidelines, the agency is unable to utilize these funds. The Department of Economic Development now administers the ARPA federal dollars.

Federal Funding for Public Airports

The Appropriations Committee Preliminary Budget includes \$20 million in Federal Funds for Aid Distribution in FY2025-26 and \$12 million in Federal Funds for Aid Distribution in FY2026-27 for the Aeronautics Division's management of grant funds administered by the Federal Aviation Administration (FAA) under the Airport Improvement Program. This is for anticipated additional pass-through funds from the FAA for improvements to Nebraska airports as a result of the passing of the Infrastructure Investment and Jobs Act (IIJA) in November 2021.

Federal Broadband Funding – Broadband Office

The Appropriations Committee Preliminary Budget includes \$139.96 million in FY2025-26 and \$93.64 million in FY2026-27 in Federal Funds related to the Broadband, Equity, Access, and Deployment (BEAD) program funds. Also included is a transfer of the Nebraska Broadband Office's (NBO) expenditures from Program 568 – NDOT Administration to a new Program 562 – State Broadband Office, for better transparency of the operating, travel, and salary expenses of the NBO. This is a change from the initial placement in 2023, when the NBO was placed under the administrative and budgetary support of the NDOT.

New Federal Awards Received – Department of Environment and Energy

The Appropriations Committee Preliminary Budget includes \$25 million increase in Federal Fund appropriation in operations and aid to administer a \$307M Environmental Protection Agency grant award (ONE Red). The funds will be distributed over the course of a decade.

REVOLVING FUNDS

A description of some of the significant items relating to federal fund appropriations are listed below.

Department of Administrative Services

Cybersecurity Expansion

The Appropriations Committee Preliminary Budget includes \$1,125,980 Revolving Funds in FY2025-26 and \$1,170,840 in FY2026-27. OCIO intends to add 89.0 FTEs to expand its capacity in Cybersecurity, Projects and Business Analytics and bring Web Services and Data Management in-house. The increase in appropriation is due to the expansion of specialists in the area of cybersecurity. Over time, current services provided by contractors will be brought in house.

FTE Transition to DHHS

The Appropriations Committee Preliminary Budget includes a reduction of OCIO's Revolving fund appropriation by \$5,829,829 per fiscal year. OCIO will transition 50.0 FTEs to DHHS. These positions are stationed and managed within DHHS already. The salary and health insurance of these positions will now become part of DHHS budget as opposed to the budget of the OCIO.

Nebraska Public Safety Communication System Reduction

The Appropriations Committee Preliminary Budget includes a reduction of \$2,425,000 of Revolving Funds per fiscal year. In the 2024 session a one-time cash reserve transfer of \$2,425,000 was added to the Nebraska Public Safety Communication System Revolving fund to be used for grants for volunteer fire departments radios and training. This appropriation has been removed from the budget due to one-time funding.

Software as A Service (SAAS)

The Appropriations Committee Preliminary Budget includes \$1.1 million Revolving Funds per fiscal year. On July 1, 2025, the Software as A Service (SAAS) fees for Workday - part of the state's Human Capital Management (HCM) System will become part of State Accountings operational budget. This will now be funded through a fee to the agencies because the previous fund source (ARPA interest) will no longer be available.

Capital Construction

Of the General Funds appropriation amounts included in the Committee preliminary 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.

The Appropriations Committee preliminary budget includes a transfer of \$16.2 million in FY2025-26 from the Cash Reserve Fund for construction.

Table 19 Committee Preliminary Budget – Construction by Fund Type

	Request			Governor			2025 Committee		
	Reaffirm	New Projects	Total	Reaffirm	New Projects	Total	Reaffirm	New Projects	Total
<u>FY2025-26</u>									
General Funds (SBF)	27,414,824	107,280,860	134,695,684	21,303,928	0	21,303,928	21,303,928	0	21,303,928
Cash Funds	39,573,930	24,114,001	63,687,931	39,573,930	20,314,000	59,887,930	39,573,930	20,314,000	59,887,930
Federal Funds	0	3,150,555	3,150,555	0	4,179,320	4,179,320	0	4,179,320	4,179,320
Revolving/Other Funds	2,370,000	0	2,370,000	2,370,000	0	2,370,000	2,370,000	0	2,370,000
Nebr Capital Const Fund (NCCF)	160,000,000	0	160,000,000	140,886,886	8,909,305	149,796,191	140,886,886	8,909,305	149,796,191
FY23-24 Total	229,358,754	134,545,416	363,904,170	204,134,744	33,402,625	237,537,369	204,134,744	33,402,625	237,537,369
<u>FY2026-27</u>									
General Funds (SBF)	21,303,928	135,545,581	156,849,509	21,303,928	0	21,303,928	21,303,928	0	21,303,928
Cash Funds	39,573,930	19,711,000	59,284,930	39,573,930	11,211,000	50,784,930	39,573,930	11,211,000	50,784,930
Federal Funds	0	3,054,880	3,054,880	0	0	0	0	0	0
Revolving/Other Funds	2,370,000	0	2,370,000	2,370,000	0	2,370,000	2,370,000	0	2,370,000
Nebr Capital Const Fund (NCCF)	10,000,000	0	10,000,000	10,000,000	6,500,000	16,500,000	10,000,000	6,500,000	16,500,000
FY24-25 Total	73,247,858	158,311,461	231,559,319	73,247,858	17,711,000	90,958,858	73,247,858	17,711,000	90,958,858
<u>FY2027-28</u>									
General Funds (SBF)	21,303,928	0	21,303,928	21,303,928	0	21,303,928	21,303,928	0	21,303,928
Cash Funds	39,573,930	0	39,573,930	39,573,930	0	39,573,930	39,573,930	0	39,573,930
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	2,370,000	0	2,370,000	2,370,000	0	2,370,000	2,370,000	0	2,370,000
Nebr Capital Const Fund (NCCF)	0	0	0	0	0	0	0	0	0
FY25-26 Total	63,247,858	0	63,247,858	63,247,858	0	63,247,858	63,247,858	0	63,247,858
<u>FY2028-29</u>									
General Funds (SBF)	21,303,928	0	21,303,928	21,303,928	0	21,303,928	21,303,928	0	21,303,928
Cash Funds	39,573,930	0	39,573,930	39,573,930	0	39,573,930	39,573,930	0	39,573,930
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	2,370,000	0	2,370,000	2,370,000	0	2,370,000	2,370,000	0	2,370,000
Nebr Capital Const Fund (NCCF)	0	0	0	0	0	0	0	0	0
FY26-27 Total	63,247,858	0	63,247,858	63,247,858	0	63,247,858	63,247,858	0	63,247,858
<u>Future</u>									
General Funds (SBF)	629,527,624	399,627,300	1,029,154,924	629,527,624	0	629,527,624	629,527,624	0	629,527,624
Cash Funds	639,547,860	0	639,547,860	639,547,860	0	639,547,860	639,547,860	0	639,547,860
Federal Funds	0	0	0	0	0	0	0	0	0
Revolving/Other Funds	25,140,000	0	25,140,000	25,140,000	0	25,140,000	25,140,000	0	25,140,000
Nebr Capital Const Fund (NCCF)	0	4,000,000	4,000,000	0	0	0	0	0	0
Future Total	1,294,215,484	403,627,300	1,697,842,784	1,294,215,484	0	1,294,215,484	1,294,215,484	0	1,294,215,484

Reaffirmations

Several projects are reaffirmed, including facilities funds for the State Colleges and University of Nebraska; the new multi-custody prison facility, and the final phase of the State Capitol HVAC project.

State College Facilities Program

The Appropriations Committee Preliminary Budget includes \$1,125,000 General Funds and \$1,440,000 Revolving Funds each fiscal year. This is for continuation of funding approved for certain projects at each of the three State College campuses. LB 384 (2021) extended this annual state appropriation from the original sunset date of FY30 to a new sunset date in FY40. The NSCS Student Facility Fee generates \$1,440,000 in revolving funds annually, as matching funds for the annual state General Fund payments.

Board Facilities Fee Fund

The Appropriations Committee Preliminary Budget includes \$930,000 Revolving Fund appropriation each fiscal year. This reaffirmation request is for continued appropriations for renovation or maintenance projects funded through the Capital Improvement Fee. The State College System has historically requested \$900,000 per year for these revolving funds that come from student fees. For the upcoming biennium, they will increase the spending to \$930,000, to maximize the use of increased fund balances. The future amount represents 10 future years of this revenue stream, though there is no end date in statute.

Program 933 – CSC Rangeland Center (Math/Science Renov) - \$2,216,000 (G) each year

This is for continuation of funding for specified projects at Chadron State College. The \$2,216,000 annual General Fund appropriation was extended from original sunset date of FY30 to the new sunset date in FY40. This funding is used to satisfy bond payments.

Program 906 – NU Facilities Renewal

The reaffirmed General Fund appropriation for NU Facilities Renewal, Prog 906, is \$3,642,928. The University matches this appropriation with \$4,500,000 in revolving funds that come from student fees. The new General Fund reappropriation beginning FY26 will be \$4,462,928 due to the \$820,000 General Fund appropriation from Prog. 930 being statutorily rolled into Prog. 906 effective July 1, 2025.

Program 920 – University of Nebraska Facilities Program

The reaffirmed General Fund appropriation for the University of Nebraska Facilities Prog. 920, is \$13,500,000. The University currently matches this with spending of \$13,500,000 in cash funds coming from student fees. For the upcoming biennium, the \$13,500,000 General Fund appropriation will be reaffirmed, and the University has communicated that it will increase its cash fund match by \$4,500,000 to a total \$18,000,000. The General Fund appropriation and a University match of no less than \$13,500,000 are scheduled to sunset at the end of FY62.

Prog 931 – Ag Innovation Facility

In 2022, LB 1011 provided for \$25,000,000 to be transferred from the Nebraska Capital Construction Fund to the University of Nebraska Board of Regents (NU) for an Agricultural Innovation Facility by the end of FY2022-23. This was contingent upon NU certifying that \$25,000,000 in matching funds had been received from private or nonstate sources. In this case, the nonstate source will be Federal funds, which have been delayed. The \$25,000,000 was then reappropriated into the current biennium via LB814 (2023). The Appropriations Committee Preliminary Budget includes reappropriation of the unexpended funds for the project.

Multi-Custody Penitentiary Facility and Correctional Service Upgrades

The Nebraska State Penitentiary (NSP), originally opened in 1869, is being replaced with a facility to address aging infrastructure and operational inefficiencies. The new facility will integrate contemporary correctional design focused on improving mental health, engagement, and overall well-being for inmates and staff, with comprehensive support services, including education, vocational training, healthcare, recreation, and rehabilitation programs. Project bidding is set for 2025, with completion anticipated by May 2028 and occupancy by June 2028. The Appropriations Committee Preliminary Budget includes appropriating \$135 million in FY2025-26 and \$10 million in FY2026-27 to reaffirm the project.

Additionally, the Appropriations Committee Preliminary Budget includes security system upgrades across facilities, including enhanced perimeter detection, video surveillance, and automated door controls to improve safety and operational efficiency. Appropriations Committee Preliminary Budget includes funding for critical infrastructure and maintenance projects under Program 914, covering roof replacements, structural improvements, HVAC updates, and fire safety enhancements.

State Capitol HVAC Project

The Appropriations Committee Preliminary Budget includes \$5,886,886 to complete the final phase of the State Capitol HVAC Project.

New Capital Construction Projects

Game and Parks – Administrative Facilities

The Appropriations Committee Preliminary Budget includes a cash fund appropriation increase of \$2.61 million in FY2025-26 and \$445,000 in FY 2026-27 for the maintenance, repairs, and upgrades of NGPC's district offices statewide (Alliance, Bassett, Norfolk, North Platte, Kearney, and Lincoln). This includes replacing the aging roof at the Lincoln headquarters in FY2025-26.

Game and Parks – Fish Access Projects

Included in the preliminary budget is \$1.5 million in FY2025-26 and \$1.5 million in Cash Funds in FY2026-27 for the restoration, enhancement, and access to public waters. This includes work to improve aquatic habitat conditions and projects; such as the Soldier Creek Restoration at Fort Robinson State Park, Windmill State Recreation Area, Smith Lake, Holmes Lake, Elwood Reservoir canal, East Twin Reservoir, Alexandria Lakes, and Iron Horse Reservoir.

Game and Parks – Fish Production

The Appropriations Committee Preliminary Budget includes a Cash Fund appropriation increase of \$2.5 million in FY2025-26 and \$2.5 million in FY2026-27, to be used to cover the annual costs associated with various upgrades, maintenance, and repairs at: Calamus, North Platte, Rock Creek, and Valentine fishery hatchery facilities; the Grove Trout Rearing Station; the four District offices; and the two Service Centers.

Game and Parks – State Park Facility Improvements

The Appropriations Committee Preliminary Budget includes a Cash Fund appropriation increase of \$1.2 million in FY2025-26 only, for the construction of new motorboat access facilities and improvements to those already existing. Included in this request is handicap accessible parking areas and restrooms. Plus, planned excavation to create deeper waters for safer boating, and construction of wind breakwater protection structures. Many of the motorboat access improvement projects will be coordinated during the time the lakes and reservoirs are drained for rehabilitation.

Game and Parks – State Park Maintenance

The Appropriations Committee Preliminary Budget includes \$5.5 million in FY2025-26 and \$5.5 million in FY2026-27 in cash funds for state park area deferred maintenance, replacement and upgrading projects. Included are larger maintenance items such as campground upgrades, bathroom upgrades, and utility work upgrades; which are necessary to keep these areas open and fully operational for the public.

Game and Parks – Project Description Adjustment

The Appropriations Committee Preliminary Budget includes adjusting the description of Fort Robinson projects by removing the high-hazard dam at Carter P. Johnson Lake and adding the expansion of angler access along Soldier Creek.

Nebraska Department of Transportation – Facility Improvements

The Appropriations Committee Preliminary Budget includes a Cash Fund appropriation increase of \$4.3 million in FY2026-27 only, for the replacement of an existing outdated maintenance facility in Falls City, Nebraska. The proposed maintenance facility will include an office area, a mechanic bay/work area, a wash bay, and a storage area large enough to store modern snowplow trucks, a grader, and a loader.

FY2024-25 Deficit Adjustments

There was a total of \$60.7 million of General Fund appropriations included in the Committee’s deficit adjustments. The largest of these are the increases in CHIP and Medicaid due to the declining FMAP for federal matching funds, increasing state costs. Additionally, funds are included for the Lincoln Regional Center related to added expenses from increased case counts and reliance on contract nurses. Efforts continue to hire nurses as state employees however the job market for nurses is highly competitive. Included in the preliminary budget is \$4.5 million additional General Funds plus \$3 million ARPA funds. The difference of \$1.5 million additional ARPA funds will offset a \$1.5 million reduction in FY26 GF appropriation.

Finally, the Appropriations Committee Preliminary Budget includes a fund shift for the Game and Parks Commission, reducing FY2024-25 General Funds by \$5 million, and increasing cash fund appropriation, funded by a transfer of monies from the Recreation Road Fund.

Table 20 shows all deficit items included in the Appropriations Committee Preliminary Budget by fund type.

Table 20 Committee Preliminary Budget – FY2024-25 Deficits All Funds

Ag #	Agency	Prog	Type	Issue	General	Cash	Federal	Revolving	PSL
3	Legislative Council	122	Oper	Special Session Per Diem Costs	0	0	0	0	0
13	Education	25	Oper	Vacation/Sick payouts	0	0	0	0	196,457
13	Education	25	Oper	Professional practices to Certification Authority	0	100,000	0	0	0
13	Education	158	Aid	TEEOSA Change	(73,006)	0	0	0	0
13	Education	158	Aid	Special Education	0	67,558,187	0	0	0
13	Education	158	Aid	Adjust TEEOSA for premium tax	(575,679)	0	0	0	0
13	Education	158	Aid	Update EFF foundation aid	0	(835,790)	0	0	0
13	Education	161	Oper	Reduce transfer from Education Improvement Grant Fund to Education Future Fund	0	0	0	0	0
15	Parole Board	358	Oper	PSL and General Fund shortfall	150,000	0	0	0	220,120
16	Revenue	108	Aid	Homestead Exemption	2,000,000	0	0	0	0
25	DHHS	250	Oper	PSL Increase	0	0	0	0	500,000
25	DHHS	344	Aid	CHIP Deficit Request	6,000,000	0	14,300,000	0	0
25	DHHS	344	Aid	CHIP Cash Authority	0	3,000,000	0	0	0
25	DHHS	347	Aid	Transfer to Child Welfare	0	0	0	0	0
25	DHHS	348	Aid	Medicaid Deficit Request	55,094,831	0	(36,805,016)	0	0
25	DHHS	354	Aid	Child Welfare Aid Deficit	0	0	0	0	0
25	DHHS	365	Oper	Lincoln Regional Center Deficit	4,500,000	0	0	0	6,300,000
33	Game & Parks	549	Oper	Fund shift	(5,000,000)	5,000,000	0	0	0
41	Real Estate	77	Oper	Director Retirement Payout	0	67,845	0	0	58,925
65	DAS	171	Oper	Transfer \$125,000 from Resource Recycling Fund to General Fund	0	0	0	0	0
65	DAS	594	Oper	Transfer \$8.25 million from State Insurance Fund to General Fund	0	0	0	0	0
65	DAS	606	Oper	Transfer \$1 million from Flexible Spending Fund to General Fund	0	0	0	0	0
83	Community Colleges	152	Aid	Increase appropriation to certification	0	6,822,827	0	0	0
85	Retirement	41	Oper	Director Retirement Payout	0	0	0	0	41,182
85	Retirement	515	Oper	Reduce appropriation in FY25 for Judges' Retirement due to General Fund transfer to trust fund	(1,370,712)	0	0	0	0
Totals					60,725,434	81,713,069	(22,505,016)	0	7,316,684

**Table 21 Appropriations by Agency
Appropriations Committee Preliminary Budget**

	Fund	Approp	Approp	Approp	FY26 vs Prior Year		FY27 vs Prior Year	
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
3 Legislative Council	Gen	27,929,882	27,509,640	27,714,440	(420,242)	-1.5%	204,800	0.7%
	Cash	285,434	322,299	327,599	36,865	12.9%	5,300	1.6%
	Fed	39,270	39,270	39,270	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	28,254,586	27,871,209	28,081,309	(383,377)	-1.4%	210,100	0.8%
5 Supreme Court	Gen	233,085,953	233,085,953	233,085,953	0	0.0%	0	0.0%
	Cash	17,726,718	17,726,718	17,726,718	0	0.0%	0	0.0%
	Fed	949,808	949,808	949,808	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	251,762,479	251,762,479	251,762,479	0	0.0%	0	0.0%
7 Governor	Gen	2,211,929	2,211,929	2,211,929	0	0.0%	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	2,211,929	2,211,929	2,211,929	0	0.0%	0	0.0%
8 Lt. Governor	Gen	160,748	160,748	160,748	0	0.0%	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	160,748	160,748	160,748	0	0.0%	0	0.0%
9 Secretary of State	Gen	3,279,347	3,212,731	3,279,820	(66,616)	-2.0%	67,089	2.1%
	Cash	8,325,842	9,502,035	9,035,296	1,176,193	14.1%	(466,739)	-4.9%
	Fed	1,239,818	1,256,483	1,274,183	16,665	1.3%	17,700	1.4%
	Rev	1,028,648	1,028,648	1,028,648	0	0.0%	0	0.0%
	Total	13,873,655	14,999,897	14,617,947	1,126,242	8.1%	(381,950)	-2.5%
10 Auditor	Gen	3,989,059	4,484,179	4,920,319	495,120	12.4%	436,140	9.7%
	Cash	2,787,609	2,863,287	2,942,866	75,678	2.7%	79,579	2.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	6,776,668	7,347,466	7,863,185	570,798	8.4%	515,719	7.0%
11 Attorney General	Gen	8,061,298	8,505,298	8,554,138	444,000	5.5%	48,840	0.6%
	Cash	7,908,683	8,017,334	8,131,742	108,651	1.4%	114,408	1.4%
	Fed	1,874,825	1,887,002	1,900,518	12,177	0.6%	13,516	0.7%
	Rev	2,093,308	2,098,643	2,104,565	5,335	0.3%	5,922	0.3%
	Total	19,938,114	20,508,277	20,690,963	570,163	2.9%	182,686	0.9%

	Fund	Approp		FY26 vs Prior Year		FY27 vs Prior Year		
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
12 Treasurer	Gen	11,220,027	1,191,896	1,218,868	(10,028,131)	-89.4%	26,972	2.3%
	Cash	48,267,864	48,563,152	48,663,503	295,288	0.6%	100,351	0.2%
	Fed	1,888,708	1,881,416	1,921,991	(7,292)	-0.4%	40,575	2.2%
	Rev	0	0	0	0	na	0	na
	Total	61,376,599	51,636,464	51,804,362	(9,740,135)	-15.9%	167,898	0.3%
13 Education	Gen	1,317,692,990	1,343,021,829	1,331,647,848	25,328,839	1.9%	(11,373,981)	-0.8%
	Cash	354,750,211	439,959,029	458,312,361	85,208,818	24.0%	18,353,332	4.2%
	Fed	422,217,785	456,095,912	458,042,577	33,878,127	8.0%	1,946,665	0.4%
	Rev	2,107,325	2,137,568	2,169,473	30,243	1.4%	31,905	1.5%
	Total	2,096,768,311	2,241,214,338	2,250,172,259	144,446,027	6.9%	8,957,921	0.4%
14 Public Service Commission	Gen	23,505,409	2,631,259	2,367,015	(20,874,150)	-88.8%	(264,244)	-10.0%
	Cash	113,921,435	112,677,921	112,888,859	(1,243,514)	-1.1%	210,938	0.2%
	Fed	3,032,062	0	0	(3,032,062)	-100.0%	0	na
	Rev	0	0	0	0	na	0	na
	Total	140,458,906	115,309,180	115,255,874	(25,149,726)	-17.9%	(53,306)	0.0%
15 Parole Board	Gen	1,608,545	1,656,272	1,706,858	47,727	3.0%	50,586	3.1%
	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	1,608,545	1,656,272	1,706,858	47,727	3.0%	50,586	3.1%
16 Revenue	Gen	183,314,429	193,159,902	204,217,289	9,845,473	5.4%	11,057,387	5.7%
	Cash	1,196,643,126	1,278,512,085	1,333,438,261	81,868,959	6.8%	54,926,176	4.3%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,379,957,555	1,471,671,987	1,537,655,550	91,714,432	6.6%	65,983,563	4.5%
18 Agriculture	Gen	7,417,428	7,584,320	7,761,509	166,892	2.2%	177,189	2.3%
	Cash	9,451,729	9,651,580	9,938,424	199,851	2.1%	286,844	3.0%
	Fed	4,556,258	4,662,879	4,776,106	106,621	2.3%	113,227	2.4%
	Rev	435,436	446,481	458,215	11,045	2.5%	11,734	2.6%
	Total	21,860,851	22,345,260	22,934,254	484,409	2.2%	588,994	2.6%
19 Banking	Gen	0	0	0	0	na	0	na
	Cash	9,944,458	9,944,458	9,944,458	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	9,944,458	9,944,458	9,944,458	0	0.0%	0	0.0%
21 Fire Marshal	Gen	5,685,061	5,873,459	6,070,260	188,398	3.3%	196,801	3.4%
	Cash	5,128,389	5,530,562	5,678,013	402,173	7.8%	147,451	2.7%
	Fed	510,769	700,000	714,308	189,231	37.0%	14,308	2.0%
	Rev	0	0	0	0	na	0	na
	Total	11,324,219	12,104,021	12,462,581	779,802	6.9%	358,560	3.0%

	Fund	Approp		FY26 vs Prior Year		FY27 vs Prior Year		
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
22 Insurance	Gen	0	0	0	0	na	0	na
	Cash	13,440,090	13,328,035	13,328,035	(112,055)	-0.8%	0	0.0%
	Fed	1,457,703	1,457,703	1,457,703	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	14,897,793	14,785,738	14,785,738	(112,055)	-0.8%	0	0.0%
23 Labor	Gen	739,805	756,538	773,898	16,733	2.3%	17,360	2.3%
	Cash	13,733,311	13,771,901	13,812,264	38,590	0.3%	40,363	0.3%
	Fed	48,763,229	49,550,433	50,370,321	787,204	1.6%	819,888	1.7%
	Rev	0	0	0	0	na	0	na
	Total	63,236,345	64,078,872	64,956,483	842,527	1.3%	877,611	1.4%
24 Motor Vehicles	Gen	0	0	0	0	na	0	na
	Cash	42,410,711	58,507,902	47,425,334	16,097,191	38.0%	(11,082,568)	-18.9%
	Fed	48,446	48,446	48,446	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	42,459,157	58,556,348	47,473,780	16,097,191	37.9%	(11,082,568)	-18.9%
25 DHHS System	Gen	1,929,003,793	2,057,122,757	2,114,788,403	128,118,964	6.6%	57,665,646	2.8%
	Cash	904,361,292	912,478,863	913,045,597	8,117,571	0.9%	566,734	0.1%
	Fed	4,684,422,945	5,161,112,825	5,144,707,336	476,689,880	10.2%	(16,405,489)	-0.3%
	Rev	0	0	0	0	na	0	na
	Total	7,517,788,030	8,130,714,445	8,172,541,336	612,926,415	8.2%	41,826,891	0.5%
27 Transportation	Gen	0	0	0	0	na	0	na
	Cash	1,290,638,524	1,336,792,569	1,347,118,757	46,154,045	3.6%	10,326,188	0.8%
	Fed	0	159,960,000	105,640,000	159,960,000	na	(54,320,000)	-34.0%
	Rev	0	0	0	0	na	0	na
	Total	1,290,638,524	1,496,752,569	1,452,758,757	206,114,045	16.0%	(43,993,812)	-2.9%
28 Veterans Affairs	Gen	54,893,760	58,629,175	62,692,634	3,735,415	6.8%	4,063,459	6.9%
	Cash	16,236,475	16,348,721	16,673,933	112,246	0.7%	325,212	2.0%
	Fed	26,680,304	27,595,357	28,581,665	915,053	3.4%	986,308	3.6%
	Rev	0	0	0	0	na	0	na
	Total	97,810,539	102,573,253	107,948,232	4,762,714	4.9%	5,374,979	5.2%
29 Natural Resources	Gen	12,634,538	11,062,817	11,488,875	(1,571,721)	-12.4%	426,058	3.9%
	Cash	89,523,805	89,592,571	87,165,542	68,766	0.1%	(2,427,029)	-2.7%
	Fed	2,144,722	2,214,617	2,288,788	69,895	3.3%	74,171	3.3%
	Rev	0	0	0	0	na	0	na
	Total	104,303,065	102,870,005	100,943,205	(1,433,060)	-1.4%	(1,926,800)	-1.9%
30 Electrical Board	Gen	0	0	0	0	na	0	na
	Cash	2,567,470	2,567,470	2,567,470	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	2,567,470	2,567,470	2,567,470	0	0.0%	0	0.0%

	Fund	Approp FY2024-25	Approp FY2025-26	Approp FY2026-27	FY26 vs Prior Year		FY27 vs Prior Year	
					\$ Chng	% Chng	\$ Chng	% Chng
31 Military Dept	Gen	14,587,004	11,445,663	11,604,871	(3,141,341)	-21.5%	159,208	1.4%
	Cash	1,359,835	1,371,568	1,383,937	11,733	0.9%	12,369	0.9%
	Fed	28,184,067	28,935,867	29,402,723	751,800	2.7%	466,856	1.6%
	Rev	0	0	0	0	na	0	na
	Total	44,130,906	41,753,098	42,391,531	(2,377,808)	-5.4%	638,433	1.5%
32 Ed Lands & Funds	Gen	481,080	497,895	515,654	16,815	3.5%	17,759	3.6%
	Cash	21,144,887	21,233,721	21,332,768	88,834	0.4%	99,047	0.5%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	21,625,967	21,731,616	21,848,422	105,649	0.5%	116,806	0.5%
33 Game and Parks	Gen	13,385,147	13,809,488	14,259,092	424,341	3.2%	449,604	3.3%
	Cash	111,859,082	119,488,010	119,672,492	7,628,928	6.8%	184,482	0.2%
	Fed	8,454,151	8,464,481	8,475,428	10,330	0.1%	10,947	0.1%
	Rev	0	0	0	0	na	0	na
	Total	133,698,380	141,761,979	142,407,012	8,063,599	6.0%	645,033	0.5%
34 Library Commission	Gen	4,633,591	4,721,314	4,827,306	87,723	1.9%	105,992	2.2%
	Cash	45,484	45,484	45,484	0	0.0%	0	0.0%
	Fed	1,640,891	1,658,959	1,696,279	18,068	1.1%	37,320	2.2%
	Rev	0	0	0	0	na	0	na
	Total	6,319,966	6,425,757	6,569,069	105,791	1.7%	143,312	2.2%
35 Liquor Commission	Gen	2,009,807	2,009,807	2,009,807	0	0.0%	0	0.0%
	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	2,080,526	2,080,526	2,080,526	0	0.0%	0	0.0%
36 Racing Commission	Gen	0	0	0	0	na	0	na
	Cash	6,404,722	26,581,117	26,769,772	20,176,395	315.0%	188,655	0.7%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	6,404,722	26,581,117	26,769,772	20,176,395	315.0%	188,655	0.7%
37 Workers Compensation Court	Gen	0	0	0	0	na	0	na
	Cash	7,168,933	7,168,933	7,168,933	0	0.0%	0	0.0%
	Fed	64,358	64,358	64,358	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	7,233,291	7,233,291	7,233,291	0	0.0%	0	0.0%
39 Brand Committee	Gen	0	0	0	0	na	0	na
	Cash	6,331,108	6,567,682	6,807,526	236,574	3.7%	239,844	3.7%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	6,331,108	6,567,682	6,807,526	236,574	3.7%	239,844	3.7%

	Fund	Approp		FY26 vs Prior Year		FY27 vs Prior Year		
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
40 Motor Vehicle Dealers	Gen	0	0	0	0	na	0	na
	Cash	936,862	1,008,764	1,083,803	71,902	7.7%	75,039	7.4%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	936,862	1,008,764	1,083,803	71,902	7.7%	75,039	7.4%
41 Real Estate Commission	Gen	0	0	0	0	na	0	na
	Cash	1,536,168	1,624,868	1,627,589	88,700	5.8%	2,721	0.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,536,168	1,624,868	1,627,589	88,700	5.8%	2,721	0.2%
45 Barber Examiners	Gen	0	0	0	0	na	0	na
	Cash	199,101	203,450	207,945	4,349	2.2%	4,495	2.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	199,101	203,450	207,945	4,349	2.2%	4,495	2.2%
46 Correctional Services	Gen	356,905,164	369,520,922	380,519,434	12,615,758	3.5%	10,998,512	3.0%
	Cash	7,386,125	15,886,125	7,386,125	8,500,000	115.1%	(8,500,000)	-53.5%
	Fed	2,296,659	2,296,659	2,296,659	0	0.0%	0	0.0%
	Rev	22,760,256	23,050,099	23,354,569	289,843	1.3%	304,470	1.3%
	Total	389,348,204	410,753,805	413,556,787	21,405,601	5.5%	2,802,982	0.7%
47 Educational Telecomm.	Gen	11,557,557	11,805,462	12,067,646	247,905	2.1%	262,184	2.2%
	Cash	340,097	340,097	340,097	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	11,897,654	12,145,559	12,407,743	247,905	2.1%	262,184	2.2%
48 Postsecondary Coord Comm	Gen	19,168,456	18,176,599	18,179,737	(991,857)	-5.2%	3,138	0.0%
	Cash	20,515,131	21,819,720	21,826,492	1,304,589	6.4%	6,772	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	39,683,587	39,996,319	40,006,229	312,732	0.8%	9,910	0.0%
50 Nebraska State Colleges	Gen	72,780,555	72,780,555	72,780,555	0	0.0%	0	0.0%
	Cash	47,058,529	47,058,529	47,058,529	0	0.0%	0	0.0%
	Fed	52,120,000	52,120,000	52,120,000	0	0.0%	0	0.0%
	Rev	10,564,000	10,564,000	10,564,000	0	0.0%	0	0.0%
	Total	182,523,084	182,523,084	182,523,084	0	0.0%	0	0.0%
51 University of Nebraska	Gen	699,313,062	684,987,715	684,987,715	(14,325,347)	-2.0%	0	na
	Cash	520,587,275	520,587,275	520,587,275	0	0.0%	0	0.0%
	Fed	752,550,000	752,550,000	752,550,000	0	0.0%	0	na
	Rev	891,350,000	891,350,000	891,350,000	0	0.0%	0	na
	Total	2,863,800,337	2,849,474,990	2,849,474,990	(14,325,347)	-0.5%	0	0.0%

	Fund	Approp		FY26 vs Prior Year		FY27 vs Prior Year		
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
52 Board of Agriculture	Gen	0	0	0	0	na	0	na
	Cash	4,500,000	5,000,000	5,000,000	500,000	11.1%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	4,500,000	5,000,000	5,000,000	500,000	11.1%	0	0.0%
53 Real Property Appraiser Brd	Gen	0	0	0	0	na	0	na
	Cash	444,285	444,285	444,285	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	444,285	444,285	444,285	0	0.0%	0	0.0%
54 Historical Society	Gen	5,286,038	5,448,504	5,621,161	162,466	3.1%	172,657	3.2%
	Cash	2,954,012	3,057,489	3,167,455	103,477	3.5%	109,966	3.6%
	Fed	940,921	973,421	1,007,959	32,500	3.5%	34,538	3.5%
	Rev	0	0	0	0	na	0	na
	Total	9,180,971	9,479,414	9,796,575	298,443	3.3%	317,161	3.3%
56 Nebraska Wheat Board	Gen	0	0	0	0	na	0	na
	Cash	1,680,797	1,693,673	1,707,139	12,876	0.8%	13,466	0.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,680,797	1,693,673	1,707,139	12,876	0.8%	13,466	0.8%
57 Oil & Gas Commission	Gen	75,000	0	0	(75,000)	-100.0%	0	na
	Cash	1,392,633	1,428,992	1,466,982	36,359	2.6%	37,990	2.7%
	Fed	84,633	86,815	89,094	2,182	2.6%	2,279	2.6%
	Rev	0	0	0	0	na	0	na
	Total	1,552,266	1,515,807	1,556,076	(36,459)	-2.3%	40,269	2.7%
58 Engineers Architects	Gen	0	0	0	0	na	0	na
	Cash	953,937	953,937	953,937	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	953,937	953,937	953,937	0	0.0%	0	0.0%
59 Geologists Board	Gen	0	0	0	0	na	0	na
	Cash	33,998	35,324	35,892	1,326	3.9%	568	1.6%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	33,998	35,324	35,892	1,326	3.9%	568	1.6%
60 Ethanol Board	Gen	0	0	0	0	na	0	na
	Cash	853,481	872,078	891,720	18,597	2.2%	19,642	2.3%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	853,481	872,078	891,720	18,597	2.2%	19,642	2.3%

	Fund	Approp	Approp	Approp	FY26 vs Prior Year		FY27 vs Prior Year	
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
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%
62 Land Surveyors	Gen	0	0	0	0	na	0	na
	Cash	30,874	30,874	30,874	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	30,874	30,874	30,874	0	0.0%	0	0.0%
63 Public Accountancy	Gen	0	0	0	0	na	0	na
	Cash	480,274	480,274	480,274	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	480,274	480,274	480,274	0	0.0%	0	0.0%
64 State Patrol	Gen	90,739,673	95,356,576	96,790,532	4,616,903	5.1%	1,433,956	1.5%
	Cash	29,350,202	32,009,734	32,178,465	2,659,532	9.1%	168,731	0.5%
	Fed	4,855,302	5,172,394	5,544,744	317,092	6.5%	372,350	7.2%
	Rev	1,880,909	1,957,103	2,031,602	76,194	4.1%	74,499	3.8%
	Total	126,826,086	134,495,807	136,545,343	7,669,721	6.0%	2,049,536	1.5%
65 Admin Services (DAS)	Gen	9,932,076	10,829,218	10,657,654	897,142	9.0%	(171,564)	-1.6%
	Cash	4,541,132	4,596,904	4,634,834	55,772	1.2%	37,930	0.8%
	Fed	0	0	0	0	na	0	na
	Rev	285,420,841	280,762,159	283,629,732	(4,658,682)	-1.6%	2,867,573	1.0%
	Total	299,894,049	296,188,281	298,922,220	(3,705,768)	-1.2%	2,733,939	0.9%
66 Abstracter's Board	Gen	0	0	0	0	na	0	na
	Cash	56,266	56,266	56,266	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	56,266	56,266	56,266	0	0.0%	0	0.0%
67 Equal Opportunity Commission	Gen	1,456,854	1,456,854	1,456,854	0	0.0%	0	0.0%
	Cash	0	0	0	0	na	0	na
	Fed	1,066,455	1,066,455	1,066,455	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	2,523,309	2,523,309	2,523,309	0	0.0%	0	0.0%
68 Latino American Commission	Gen	299,086	299,086	299,086	0	0.0%	0	0.0%
	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	304,086	304,086	304,086	0	0.0%	0	0.0%

	Fund	Approp	Approp	Approp	FY26 vs Prior Year		FY27 vs Prior Year	
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
69 Arts Council	Gen	2,628,779	2,658,800	2,690,459	30,021	1.1%	31,659	1.2%
	Cash	1,834,763	1,834,763	1,834,763	0	0.0%	0	0.0%
	Fed	766,502	766,502	766,502	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	5,230,044	5,260,065	5,291,724	30,021	0.6%	31,659	0.6%
70 Foster Care Review Board	Gen	3,086,432	3,086,432	3,086,432	0	0.0%	0	0.0%
	Cash	214,594	214,594	214,594	0	0.0%	0	0.0%
	Fed	521,561	521,561	521,561	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	3,822,587	3,822,587	3,822,587	0	0.0%	0	0.0%
72 Economic Development	Gen	44,800,939	27,742,998	28,019,717	(17,057,941)	-38.1%	276,719	1.0%
	Cash	240,775,393	111,133,325	66,504,168	(129,642,068)	-53.8%	(44,629,157)	-40.2%
	Fed	75,694,093	75,736,692	75,782,882	42,599	0.1%	46,190	0.1%
	Rev	0	0	0	0	na	0	na
	Total	361,270,425	214,613,015	170,306,767	(146,657,410)	-40.6%	(44,306,248)	-20.6%
73 Landscape Architects	Gen	0	0	0	0	na	0	na
	Cash	30,214	35,618	36,347	5,404	17.9%	729	2.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	30,214	35,618	36,347	5,404	17.9%	729	2.0%
74 Power Review Board	Gen	0	0	0	0	na	0	na
	Cash	765,983	786,844	808,972	20,861	2.7%	22,128	2.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	765,983	786,844	808,972	20,861	2.7%	22,128	2.8%
75 Investment Council	Gen	0	0	0	0	na	0	na
	Cash	3,389,706	3,839,706	3,919,706	450,000	13.3%	80,000	2.1%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	3,389,706	3,839,706	3,919,706	450,000	13.3%	80,000	2.1%
76 Indian Affairs	Gen	295,530	295,530	295,530	0	0.0%	0	0.0%
	Cash	40,000	60,000	60,000	20,000	50.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	335,530	355,530	355,530	20,000	6.0%	0	0.0%
77 Industrial Relations	Gen	333,982	335,028	335,414	1,046	0.3%	386	0.1%
	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	333,982	335,028	335,414	1,046	0.3%	386	0.1%

	Fund	Approp FY2024-25	Approp FY2025-26	Approp FY2026-27	FY26 vs Prior Year		FY27 vs Prior Year	
					\$ Chng	% Chng	\$ Chng	% Chng
78 Crime Commission	Gen	18,047,392	15,756,850	15,917,281	(2,290,542)	-12.7%	160,431	1.0%
	Cash	1,839,374	1,816,790	1,854,343	(22,584)	-1.2%	37,553	2.1%
	Fed	20,324,239	20,358,170	20,394,181	33,931	0.2%	36,011	0.2%
	Rev	0	0	0	0	na	0	na
	Total	40,211,005	37,931,810	38,165,805	(2,279,195)	-5.7%	233,995	0.6%
81 Blind and Visually Impaired	Gen	2,788,092	2,984,908	3,193,145	196,816	7.1%	208,237	7.0%
	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	7,449,081	7,645,897	7,854,134	196,816	2.6%	208,237	2.7%
82 Deaf and Hard of Hearing	Gen	1,211,665	1,257,607	1,306,251	45,942	3.8%	48,644	3.9%
	Cash	36,600	36,600	36,600	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,248,265	1,294,207	1,342,851	45,942	3.7%	48,644	3.8%
83 Community Colleges	Gen	114,116,711	114,116,711	114,116,711	0	0.0%	0	0.0%
	Cash	253,322,713	265,988,849	279,288,291	12,666,136	5.0%	13,299,442	5.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	367,439,424	380,105,560	393,405,002	12,666,136	3.4%	13,299,442	3.5%
84 Environment and Energy	Gen	6,783,302	5,727,187	5,869,203	(1,056,115)	-15.6%	142,016	2.5%
	Cash	43,186,124	41,246,301	41,709,725	(1,939,823)	-4.5%	463,424	1.1%
	Fed	48,881,694	81,543,547	82,021,967	32,661,853	66.8%	478,420	0.6%
	Rev	0	0	0	0	na	0	na
	Total	98,851,120	128,517,035	129,600,895	29,665,915	30.0%	1,083,860	0.8%
85 Retirement Board	Gen	66,700,303	69,021,344	69,512,000	2,321,041	3.5%	490,656	0.7%
	Cash	8,876,139	8,876,139	8,876,139	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	75,576,442	77,897,483	78,388,139	2,321,041	3.1%	490,656	0.6%
86 Dry Bean Board	Gen	0	0	0	0	na	0	na
	Cash	666,752	671,339	676,191	4,587	0.7%	4,852	0.7%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	666,752	671,339	676,191	4,587	0.7%	4,852	0.7%
87 Accountability & Disclosure	Gen	673,169	547,397	573,097	(125,772)	-18.7%	25,700	4.7%
	Cash	302,827	463,734	475,305	160,907	53.1%	11,571	2.5%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	975,996	1,011,131	1,048,402	35,135	3.6%	37,271	3.7%

	Fund	Approp FY2024-25	Approp FY2025-26	Approp FY2026-27	FY26 vs Prior Year		FY27 vs Prior Year	
					\$ Chng	% Chng	\$ Chng	% Chng
88 Nebraska Corn Board	Gen	0	0	0	0	na	0	na
	Cash	10,020,075	19,822,990	19,846,992	9,802,915	97.8%	24,002	0.1%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	10,020,075	19,822,990	19,846,992	9,802,915	97.8%	24,002	0.1%
89 Nebraska Hemp Commission	Gen	0	0	0	0	na	0	na
	Cash	10,000	0	0	(10,000)	-100.0%	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	10,000	0	0	(10,000)	-100.0%	0	na
90 African American Affairs	Gen	287,760	287,760	287,760	0	0.0%	0	0.0%
	Cash	25,000	25,000	25,000	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	312,760	312,760	312,760	0	0.0%	0	0.0%
91 Nebraska Tourism Commission	Gen	0	0	0	0	na	0	na
	Cash	9,083,744	9,083,744	9,083,744	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	9,083,744	9,083,744	9,083,744	0	0.0%	0	0.0%
92 Grain Sorghum Board	Gen	0	0	0	0	na	0	na
	Cash	318,687	322,412	326,313	3,725	1.2%	3,901	1.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	318,687	322,412	326,313	3,725	1.2%	3,901	1.2%
93 Tax Equalization & Review (TERC)	Gen	1,481,966	1,449,967	1,480,545	(31,999)	-2.2%	30,578	2.1%
	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	1,568,755	1,536,756	1,567,334	(31,999)	-2.0%	30,578	2.0%
94 Public Advocacy	Gen	0	0	0	0	na	0	na
	Cash	5,533,837	5,601,097	5,601,097	67,260	1.2%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,533,837	5,601,097	5,601,097	67,260	1.2%	0	0.0%
95 Dry Pea and Lentil Commission	Gen	0	0	0	0	na	0	na
	Cash	144,211	337,466	338,762	193,255	134.0%	1,296	0.4%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	144,211	337,466	338,762	193,255	134.0%	1,296	0.4%

	Fund	Approp	Approp	Approp	FY26 vs Prior Year		FY27 vs Prior Year	
		FY2024-25	FY2025-26	FY2026-27	\$ Chng	% Chng	\$ Chng	% Chng
97 Asian Affairs Commission	Gen	143,880	291,316	298,037	147,436	102.5%	6,721	2.3%
	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	143,880	291,316	298,037	147,436	102.5%	6,721	2.3%
99 Capital Construction	Gen	21,303,928	21,303,928	21,303,928	0	0.0%	0	0.0%
	Cash	86,673,930	59,887,930	50,784,930	(26,786,000)	-30.9%	(9,103,000)	-15.2%
	Fed	3,170,505	4,179,320	0	1,008,815	31.8%	(4,179,320)	-100.0%
	Rev	151,881,800	152,166,191	18,870,000	284,391	0.2%	(133,296,191)	-87.6%
	Total	263,030,163	237,537,369	90,958,858	(25,492,794)	-9.7%	(146,578,511)	-61.7%
STATE TOTALS	Gen	5,413,727,981	5,531,870,123	5,609,523,418	118,142,142	2.2%	77,653,295	1.4%
	Cash	5,617,240,326	5,762,340,160	5,786,765,158	145,099,834	2.6%	24,424,998	0.4%
	Fed	6,205,954,926	6,910,419,595	6,841,026,055	704,464,669	11.4%	(69,393,540)	-1.0%
	Rev	1,369,522,523	1,365,560,892	1,235,560,804	(3,961,631)	-0.3%	(130,000,088)	-9.5%
	Total	18,606,445,756	19,570,190,770	19,472,875,435	963,745,014	5.2%	(97,315,335)	-0.5%

STATUTORY CHANGES REQUIRED

New Bill Introduction, Rule 5

Rule 5 of the “Rules of the Nebraska Unicameral Legislature” authorizes the Appropriations Committee to introduce new bills in conjunction with the issuance of their Preliminary Report. The intent of the rule is to give the Committee the opportunity to review budget requests, develop an initial recommendation and then proceed to hearing on proposed funding levels while other standing Committees can hear the new bills that enable the recommendation.

THE SPECIFICS OF THE COMMITTEE PRELIMINARY BUDGET DO NOT REQUIRE INTRODUCTION OF NEW BILLS. Any statutory changes required to carry out the Appropriations Committee Preliminary Budget could be accomplished with bills already introduced as noted below.

Appropriations Committee Preliminary Budget

None

Governor Recommendation

The following were listed in the Governor’s budget document.

- LB 9 (Hughes) – Change provisions relating to cigarette taxes and the Tobacco Products Tax Act and provide for regulation of products containing nicotine analogues
- LB 114 (Moser) – Change provisions relating to Department of Motor Vehicles fees
- LB 169 (Brandt) – Eliminate certain sales and use tax exemptions and impose sales and use tax on certain services
- LB 170 (Brandt) – Eliminate the sales tax exemptions for candy and soft drinks
- LB 210 (Riepe) – Provide for fees and assessments for participation and use of the prescription drug monitoring program and the designated health information exchange
- LB 245 (DeKay) – Change provisions of the Nebraska Pure Food Act
- LB 394 (DeKay) – Change provisions of the Weights and Measures Act
- LB 434 (Wordekemper) – Change fees for fireworks display permits, fireworks sales licenses, fire alarm inspector certification, late submittal of remodel or construction plans, fire safety inspections, fire protection system contractor certificates, heating oil tank registration, and underground storage tank installation permits and registration
- LB 526 (Jacobson) – Provide for an excise tax on cryptocurrency mining and allow public power districts to require payments or letters of credit from cryptocurrency mining operations for certain infrastructure upgrades
- LB 527 (Jacobson) – Adopt the Medicaid Access and Quality Act, redefine health benefit plan under the Nebraska Life and Health Insurance Guaranty Association Act, and change provisions relating to taxes on health maintenance organizations, prepaid limited health service organizations, and insurance companies
- LB 645 (Ballard) – Change provisions relating to the School Retirement Fund
- LB 650 (von Gillern) – Eliminate certain sales tax exemptions, change income tax provisions relating to nonresident income and certain tax credits, and provide and change certain sunset dates relating to tax incentives

Mainline Appropriations Bills

The following bills are the standard appropriations bills as introduced by the Governor that authorize the bulk of state government expenditures. They are listed here for information only.

LB 260 Provide for deficit appropriations (Speaker Arch, at the request of the Governor)

LB 261 Appropriate funds for state government expenses (Speaker Arch, at the request of the Governor)

LB 262 Appropriations for legislative salaries (Speaker Arch, at the request of the Governor)

LB 263 Appropriate funds, salaries of constitutional officers (Speaker Arch, at the request of the Governor)

LB 264 Provide, change, and eliminate fund transfers (Speaker Arch, at the request of the Governor)