

STATE OF NEBRASKA
FY2023-24 / FY2024-25
BIENNIAL BUDGET

As Enacted in the
108th Legislature-First Session

August 2023

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Introduction

This report contains a summary of the initial appropriations and budget actions for the FY2023-24 and FY2024-25 biennium as enacted during the 2023 Legislative Session. These are not the final appropriations as both fiscal years numbers can be changed during the 2024 Legislative Session, and FY2024-25 can further be changed during the 2025 Legislative Session. The following is a brief description of what can be found in the various sections of this report.

General Fund Financial Status The state’s General Fund financial status is displayed here, both the projected status at the end of 2023 Session in June (referred to as Sine Die) as well as the current status incorporating changes that have occurred since that time.

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

General Fund Appropriations This section provides detailed information on General Fund appropriations as enacted during the 2023 Legislative Session including state totals, agency totals, historical appropriations, various breakdowns by state agency operations and state aid to individuals and local governments, and state aid listed by individual aid programs. This section also includes an extensive listing of the major changes in the budget as well as narrative descriptions of some of the major spending areas, both agency operations and state aid programs. A listing of General Fund “A” bills and vetoes and overrides is also included.

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

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

FY2022-23 Deficit Appropriations This section provides a detailed listing of all FY2022-23 deficiency appropriations. Also included is a chronology of FY2022-23 appropriations from when first enacted in the 2021 Session, changed during 2022 Session, and the final appropriations after the 2023 Session.

Bills included in Enacted Budget This section provides a table of bills included in the mainline budget bills (LB 814, LB 815, LB 816, and LB 818). Bills included in the enacted budget outside of the mainline budget bills, i.e. legislation with an “A bill” or an impact on General Fund revenue, are listed in detail on page 89 for “A” bills and page 27 for revenue bills. A summary, including General Fund impact, is also on page 4.

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

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

Highlights

This report contains a summary of the FY2023-24 and FY2024-25 biennial budget as enacted in the 2023 legislative session. Details as to specific funding items, revenues, and balances are contained in the following sections. However, there are several highlights to address at the start.

General Fund Financial Status

At Sine Die of the 2023 legislative session, the enacted budget resulted in an unobligated ending balance at the end of the FY24/FY25 biennium \$275.8 million above the minimum 3% reserve. This projected status is based on the April 2023 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) plus revenue bills and the budget as enacted by the 2023 Legislature.

Since that time, FY2022-23 has been completed with actual revenues and expenditures now known. The projected General Fund financial status for the current biennium increases with the projected ending balance going from \$275.8 **above** the minimum reserve to \$339.7 million **above** the minimum reserve. This increase is largely due to a \$90 million estimated lapse of General Fund appropriations at the end of the recently completed FY22/FY23 biennium. Because of the timing of encumbrances, an actual number will not be known until the first part of September.

General Fund Revenues

At the end of the 2023 legislative session, revenue estimates for FY2022-23, FY2023-24, and FY2024-25 were the April 2023 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Rate and base adjusted revenue growth implied by the forecasts for the FY24/25 biennium average 3.8% (4.0% in FY2023-24 and 3.7% in FY2024-25). When including the 3.9% growth in the FY2022-23 forecast, there is an average growth of 3.9% over the three years that affect the financial status for the upcoming biennium.

Since that point, actual receipts for FY2022-23 were \$6.368 billion which was \$3 million above the forecast used at Sine Die of the 2023 Session.

Notwithstanding the FY23 actual results, the current status is still based on the existing April 2023 revenue forecasts for FY2023-24 and FY2024-25. NEFAB is statutorily scheduled to meet again in October of 2023.

Calculated rate and base adjusted revenue growth for FY22-23 actual revenue is 1.8% compared to the Sine Die estimate of 3.9%. The main reason that the tax rate and base adjusted growth rate declined from the rate calculated pursuant to the April forecast is that the amount of the adjustment made for the LB1107 income tax credit for property taxes paid was updated from the statutorily authorized amount (\$598 million) to the actual amounts claimed for tax year 2022 (about \$480 million). This adjustment lowered the tax rate and base adjusted growth rate for FY2022-23. The adjustment included for FY2023-24 for purposes of calculating rate and base adjusted growth is the statutorily authorized credit amount, which explains why the resulting growth rate for FY2023-24 increased from 4.0% (calculated at April forecast) to 6.1% (calculated at actual receipts).

<u>Est. Revenue Growth (rate/base adjusted)</u>	<u>FY22-23</u>	<u>FY23-24</u>	<u>FY24-25</u>	<u>FY25-26</u>	<u>FY26-27</u>
Sine Die 2023 Session	3.9%	4.0%	3.7%	3.5%	4.7%
With FY23 actual, no change in other forecasts	1.8%	6.1%	3.7%	3.5%	4.7%

General Fund Spending Growth

Budget growth in the enacted budget is 4.3% in FY24 and 0.3% in FY25 for a two year average of 2.3%.

	Enacted Budget		
	<u>FY23-24</u>	<u>FY24-25</u>	<u>2 Yr Avg</u>
Operations	9.1%	4.6%	6.8%
State Aid to Individuals	2.4%	1.9%	2.2%
State Aid to Local Govt	0.7%	-7.1%	-3.2%
Construction	-10.9%	0.0%	-5.5%
Annual % Change	4.3%	0.3%	2.3%

Cash Reserve Fund

The Cash Reserve Fund (CRF) unobligated balance at the end of FY2024-25 is projected at \$832 million based on current forecasts, actions taken in prior legislative sessions, and the enacted budget. This is \$856 million less than the \$1.688 billion projected balance at the end of the 2022 legislative session.

Automatic transfers due to receipts above certified forecasts accounts for \$3 million of this increase. The budget included a transfer from the General Fund to the CRF in FY2023-24 of \$440 million and from the CRF to the General Fund of \$1 million in FY2024-25.

The budget included transfers from the Cash Reserve Fund to and from numerous other funds, which amount to a net reduction to the CRF totaling \$119 million in FY2022-23, \$1.133 billion in FY2023-24, and \$25 million in FY2024-25. Additionally, two bills, LB 531 and LB 705 transferred funds from the CRF to other funds. More detail on these transfers is included later in this report.

The projected unobligated balance at the end of the biennium (FY2024-25) is estimated to be approximately 13.0% of revenues and 15.5% of expenditures.

Legislation Enacted

Over the two years of the biennium, legislation enacted utilized a total of \$683 million. This consisted of increased appropriations and revenue reductions.

<u>Total Enacted</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>FY2025-56</u>	<u>FY2026-27</u>
Revenue Reduction	102,170,057	517,511,078	716,733,574	941,962,032
Appropriations increase	19,132,793	43,758,810	40,455,776	42,970,831
Annual Total	121,302,850	561,269,888	757,189,350	984,932,863
2 yr and 4 yr total		682,572,738		2,424,694,951

General Fund Revenue Impact:

Bills with General Fund revenue impacts resulted in a net reduction of \$102.2 million in FY23-24 and \$517.5 million in FY24-25 for a two-year total of \$619.7 million. The annual impact increases to \$716.7 million in FY25-26 and \$942.0 million in FY26-27. The largest of these was LB 754, which reduced individual and corporate income tax rates over a period of tax years. The second largest was LB 243, which increases the Property Tax Credit Act funding and replaces community college areas' property tax levying authority with state aid funded by a General Fund transfer to a newly created cash fund.

2023 Revenue Bills Enacted

	FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 138 Change provisions related to motor vehicles	(4,300,838)	(4,303,088)	(4,303,088)	(4,303,088)
LB 191 Business and Labor omnibus bill	(2,057,769)	(2,057,769)	(2,057,769)	(2,057,769)
LB 243 Change property tax provisions	0	(178,934,886)	(196,573,382)	(177,582,840)
LB 376 Change provisions related to alcohol licenses	10,800	2,415	2,415	2,415
LB 514 Change election provisions	(137,750)	(137,750)	(137,750)	(137,750)
LB 562 Adopt E-15 Access Standard Act	(767,000)	(1,867,000)	(3,352,000)	(2,658,000)
LB 727 Change tax provisions	(7,316,500)	(13,618,000)	(15,494,000)	(28,724,000)
LB 753 Opportunity Scholarships Act	0	(25,000,000)	(25,000,000)	(25,000,000)
LB 754 Change income tax provisions	(87,601,000)	(291,595,000)	(469,818,000)	(701,501,000)
Total - Revenue Bills	(102,170,057)	(517,511,078)	(716,733,574)	(941,962,032)

General Fund Appropriations Impact:

Bills with General Fund appropriations amounted to \$19.1 million in FY23-24 and \$43.8 million in FY24-25 for a two year total of \$62.9 million. The largest bill is LB 227, which adopts the Behavior Analyst Practice Act and numerous other health care provisions and costs \$10.6 million in FY23-24 and \$12.0 million in FY24-25. The second largest was LB 583, which changes provisions related to special education and foundation aid, and while the changes caused a reduction in education aid under the TEEOSA formula in FY23-24, there is an increase of just over \$20 million in FY24-25.

2023 Appropriations Bills Enacted

	FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 50 Change criminal justice provisions	3,576,213	2,903,207	3,142,098	3,142,098
LB 92 Banking omnibus bill	26,930	133,950	133,950	133,950
LB 157 Change provisions related to public guardians	0	250,000	250,000	0
LB 227 Adopt the Behavior Analyst Practice Act	10,635,764	11,966,007	8,682,257	8,700,119
LB 243 Change property tax provisions	704,552	570,705	570,705	570,705
LB 254 Change provisions related to Legislature	432,000	45,000	45,000	45,000
LB 276 Cert Community Behavioral Health Clinic Act	0	0	2,566,707	4,846,490
LB 298 NDE provisions related to dyslexia/dress code	129,285	128,128	128,128	128,128
LB 514 Change provisions related to elections	1,210,850	615,764	615,764	615,764
LB 531 Change Economic Recovery Act	10,000,000	0	0	0
LB 562 Adopt E-15 Access Standard Act	247,172	217,394	217,394	217,394
LB 565 Natural Resources omnibus bill	250,000	250,000	0	0
LB 583 Change special education and foundation aid	(12,701,270)	20,336,878	17,760,933	18,228,343
LB 683 Transportation omnibus	426,150	404,100	404,100	404,100
LB 705 Change provisions relating to lottery	1,158,981	1,639,458	1,639,458	1,639,458
LB 727 Change tax provisions	560,996	282,610	282,610	282,610
LB 753 Opportunity Scholarships Act	248,031	42,442	43,505	43,505
LB 754 Change income tax rates	30,876	43,225	43,225	43,225
LB 799 Change judges' salaries & number of judges	2,196,263	3,929,942	3,929,942	3,929,942
A Bills	19,132,793	43,758,810	40,455,776	42,970,831

GENERAL FUND FINANCIAL STATUS

General Fund Financial Status

End of 2023 Session (Sine Die June 1, 2023)

	Current Year FY2022-23	Upcoming Biennium FY2023-24 FY2024-25		Est for Following Biennium FY2025-26 FY2026-27	
1 BEGINNING BALANCE					
2 Beginning Cash Balance	2,494,107,852	1,303,691,852	548,044,834	605,973,735	494,558,489
3 Cash Reserve transfers-automatic	(1,287,998,995)	0	0	0	0
4 Carryover obligations from FY21	(550,340,572)	0	0	0	0
5 Allocation for potential deficits	0	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	655,768,285	1,298,691,852	543,044,834	600,973,735	489,558,489
7 REVENUES & TRANSFERS					
8 Net Receipts	6,365,000,000	6,500,000,000	6,610,000,000	6,751,650,000	6,954,199,500
9 General Fund transfers-out (current law)	(517,853,459)	(337,010,000)	(332,010,000)	(322,010,000)	(322,010,000)
10 General Fund transfers-in (current law) in forecast	0	0	0	0	0
11 Cash Reserve transfers	(50,000,000)	(440,000,000)	1,000,000	0	0
12 2023 General Fund transfers-out	0	(1,062,750,000)	(367,500,000)	(335,000,000)	(335,000,000)
13 2023 General Fund transfers-in	0	39,295,957	39,295,957	0	0
14 2023 Revenue Bills	10,000,000	(100,728,557)	(517,511,078)	(716,733,574)	(941,962,032)
15 General Fund Net Revenues	5,807,146,541	4,598,807,400	5,433,274,879	5,377,906,426	5,355,227,468
16 APPROPRIATIONS					
17 Expenditures / Appropriations (2022 Session)	5,125,672,253	5,125,672,253	5,125,672,253	5,125,672,253	5,125,672,253
18 2023 Committee Recommendation	32,134,738	219,255,591	235,672,860	235,672,860	235,672,860
19 Projected budget increase, following biennium	0	0	0	107,927,605	217,313,058
20 2023 State Claims	1,415,983	0	0	0	0
21 Floor amendments	0	(3,545,886)	(8,234,888)	866,235	866,235
22 Governor Vetoes	0	(11,389,794)	(27,062,399)	(27,062,399)	(27,062,399)
23 Veto Overrides	0	309,461	539,242	539,242	539,242
24 2023 "A" Bills	0	19,152,793	43,758,910	40,705,876	43,220,931
25 General Fund Appropriations	5,159,222,974	5,349,454,418	5,370,345,978	5,484,321,672	5,596,222,181
26 ENDING BALANCE					
27 \$ Ending balance (per Financial Status)	1,303,691,852	548,044,834	605,973,735	494,558,489	248,563,776
28 \$ Ending balance (at Min. Reserve 3.0%)			330,168,179		330,265,271
29 Excess (shortfall) from Minimum Reserve			275,805,556		(81,701,495)
30 Biennial Reserve (%)			5.6%		2.2%
<u>General Fund Appropriations</u>					
31 Annual % Change - Appropriations (w/o deficits)	6.4%	4.3%	0.3%	2.0%	2.0%
32 Two Year Average	3.5%	--	2.3%	--	2.0%
33 Est. Revenue Growth (rate/base adjusted)	3.9%	4.0%	3.7%	3.5%	4.7%
34 Two Year Average	11.4%	--	3.8%	--	4.1%
35 Five Year Average	10.0%	--	8.8%	--	4.0%
36 Unadjusted % change over prior year	0.3%	2.1%	1.7%	2.1%	3.0%
37 On-Going Revenues vs Appropriations	731,474,289	(306,120,444)	70,929,766	(91,366,292)	(223,430,704)

Current General Fund Financial Status (August 2023)

Additional information pertinent to the financial status has been received since the Tax Rate Review Committee report was published on July 17, 2023, and as such, this additional information has been incorporated into the General Fund financial status. These changes are minor corrections and do not have a significant impact on the overall status, but for accuracy are depicted in this report.

	Actual FY2022-23	Upcoming Biennium		Est for Following Biennium	
		FY2023-24	FY2024-25	FY2025-26	FY2026-27
1 BEGINNING BALANCE					
2 Beginning Cash Balance	2,494,107,852	1,853,785,088	627,901,461	685,830,462	574,665,317
3 Cash Reserve transfers-automatic	(1,287,998,995)	(2,982,492)	0	0	0
4 Carryover obligations from FY21	0	(555,832,617)	0	0	0
4a Est lapse FY23 carryover obligations	0	90,000,000	0	0	0
5 Allocation for potential deficits	0	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	1,206,108,857	1,379,969,979	622,901,461	680,830,462	569,665,317
7 REVENUES & TRANSFERS					
8 Net Receipts	6,367,982,492	6,437,125,900	6,378,284,765	6,322,043,808	6,323,294,308
9 General Fund transfers-out (current law)	(518,053,459)	(1,399,760,000)	(946,009,886)	(944,137,382)	(968,066,840)
10 General Fund transfers-in (current law)	in forecast	in forecast	in forecast	0	0
11 Cash Reserve transfers	(50,000,000)	(440,000,000)	1,000,000	0	0
12 Accounting Adjustment	1,937,066	0	0	0	0
13 General Fund Net Revenues	5,801,866,099	4,597,365,900	5,433,274,879	5,377,906,426	5,355,227,468
14 APPROPRIATIONS					
15 Expenditures / Appropriations	5,154,189,868	5,125,672,253	5,125,672,253	5,125,672,253	5,125,672,253
16 Mainline Budget Adjustments (2023 session)	0	204,629,372	200,914,815	210,015,938	210,015,938
17 Projected budget increase, following biennium	0	0	0	107,927,605	217,313,058
18 2023 "A" Bills	0	19,132,793	43,758,810	40,455,776	42,970,831
19 General Fund Appropriations	5,154,189,868	5,349,434,418	5,370,345,878	5,484,071,572	5,595,972,080
20 ENDING BALANCE					
21 \$ Ending balance (per Financial Status)	1,853,785,088	627,901,461	685,830,462	574,665,317	328,920,705
22 \$ Ending balance (at Min. Reserve 3.0%)			346,061,458		332,591,195
23 Excess (shortfall) from Minimum Reserve			339,769,005		(3,670,490)
24 Biennial Reserve (%)			6.1%		3.0%
General Fund Appropriations					
25 Annual % Change - Appropriations (w/o deficits)	6.4%	4.3%	0.3%	2.0%	2.0%
26 Two Year Average	3.5%	--	2.3%	--	2.0%
27 Est. Revenue Growth (rate/base adjusted)	1.8%	6.1%	3.7%	3.5%	4.7%
28 Two Year Average	10.3%	--	4.9%	--	4.1%
29 Five Year Average	9.5%	--	8.8%	--	4.0%
30 Unadjusted % change over prior year	0.3%	1.1%	-0.9%	-0.9%	0.0%
31 On-Going Revenues vs Appropriations	726,193,847	(307,561,944)	70,929,766	(91,366,292)	(223,430,704)

CASH RESERVE FUND	FY2022-23	FY2023-24	FY2024-25	Estimated	Estimated
				FY2025-26	FY2026-27
Beginning Balance	927,522,595	1,547,851,590	858,275,257	831,816,457	781,816,457
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	0	0	0
To/from Gen Fund current law	50,000,000	0	0	0	0
To/from Gen Fund (LB531-2023 & LB818-2023)	(10,000,000)	440,000,000	(1,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(182,623,825)	(25,458,800)	0	0
To University Next project (LB1107-2020)	0	0	0	(50,000,000)	(50,000,000)
To Perkins County Canal Fund	(53,500,000)	(574,500,000)	0	0	0
To Jobs & Econ Develop Initiative	(80,000,000)	0	0	0	0
To Nebr Rural Projects Act	(50,000,000)	0	0	0	0
To Trail Develop/Improve Fund	(8,300,000)	0	0	0	0
To Rural Workforce Housing fund	(30,000,000)	0	0	0	0
To Surface Water Irrigation Fund	(50,000,000)	0	0	0	0
To Intern Nebraska Cash Fund	(20,000,000)	0	0	0	0
To Site & Building Fund	(20,000,000)	(2,000,000)	0	0	0
To Military Base Development fund	(30,000,000)	0	0	0	0
To Middle Income Housing fund	(20,000,000)	0	0	0	0
To Roads Operations Cash Fund	(100,000,000)	0	0	0	0
To State Indemnification Revolving Fund	(18,750,000)	0	0	0	0
From Gov Emergency Fund	0	2,000,000	0	0	0
To Econ Recovery Contingency	0	(240,000,000)	0	0	0
To Shovel Ready Capital Recovery Fund	0	(70,000,000)	0	0	0
To Critical Infrastructure Facilities Fund	0	(10,000,000)	0	0	0
To Economic Development Cash Fund	0	(20,000,000)	0	0	0
To Public Safety Fund	0	(1,115,000)	0	0	0
To Accounting Division Revolving Fund	0	(1,100,000)	0	0	0
To Health and Human Services Cash	0	(11,320,000)	0	0	0
To Risk Loss Trust (State Colleges)	0	(3,000,000)	0	0	0
To Youth Outdoor Education Fund	0	(10,000,000)	0	0	0
To Public Safety Comm Systems Revolving Fund	0	(5,000,000)	0	0	0
To Materiel Division Revolving Fund	0	(2,500,000)	0	0	0
To State Building Revolving Fund	0	(1,400,000)	0	0	0
To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	0	0	0	0
To School Safety and Security Fund (LB705-2023)	(10,000,000)	0	0	0	0
Projected Unobligated Ending Balance	1,547,851,590	858,275,257	831,816,457	781,816,457	731,816,457
Projected Balance - End of 2023 Session	1,547,851,590	855,292,765	828,833,965	778,833,965	728,833,965
Difference	0	2,982,492	2,982,492	2,982,492	2,982,492

Changes in the Financial Status since Sine Die 2023

(millions of dollars)	FY24/FY25 Biennium	FY26/FY27 Biennium
1. Variance: Sine Die 2023 ----->	275,805,556	(81,701,495)
2. Carryover obligations from FY22	(618,766)	(618,766)
3. FY23 Actual vs Est General Fund Net Receipts	(7,017,508)	(7,017,508)
4. FY23 Actual vs Est Transfers-In	0	0
5. FY23 Actual vs Est Transfers-Out	0	0
6. FY23 Actual vs Est CRF transfers-automatic	(2,982,492)	(2,982,492)
7. FY23 Actual vs Est Accounting adjustment	1,937,094	1,937,094
8. Assumed lapse, FY23 unexpended	90,000,000	90,000,000
9. Adjust LB 565 fiscal impact due to operative date/intent	200,000	700,000
10. Adjust LB 727 fiscal impact due to operative date	(1,641,500)	(1,641,500)
11. Adjust LB 50 fiscal impact due to typo	(20,000)	(20,000)
12. Adjust LB 562 fiscal impact due to typo	(100)	100
13. Recalculate minimum reserve	(15,893,279)	(2,325,924)
14. Total \$ Change Since Sine Die	63,963,449	78,031,005
15. Current Financial Status ----->	339,769,005	(3,670,490)

Accounting Adjustments:

Most of the "accounting adjustments" are transfers-out that are authorized in statute but not in specific amounts such as legislatively enacted transfers or occur on a deficit basis like the Dept. of Revenue tax enforcement transfer per tax amnesty legislation.

Transfer-Out Fund 21540 & 21541 Dept. of Revenue enforcement	(750,000)
Transfer-Out to Mutual Finance Assistance Fund, cash flow	(4,710,000)
Transfer-Out State Patrol drug purchases	(49,300)
All other accounting adjustments	7,446,394
Total Accounting adjustment	1,937,094

Lapse of Unexpended FY2022-23 Funds

At the end of this past biennium (FY22 & FY23) there was not a general reappropriation of all unexpended General Fund so unexpended appropriations not otherwise reappropriated or encumbered will expire or "lapse". Agencies have until the end of August to certify encumbrances so the actual amount of lapse will not be known until then. At the present time, the financial status includes an estimated \$90 million of lapsed appropriation authority. This is a relatively conservative number after a review of unexpended balances by individual budget program. A significant amount is a presumed lapse of some unexpended DHHS aid funds. While a large amount, this consists of unused funds over the past fiscal year and is about 0.9% of the amount appropriated for FY22-23.

Estimated Financial Status - FY26/FY27 Following Biennium

Pursuant to Legislative Rule 8, section 7, the Appropriations Committee and Revenue Committee met on April 20, 2023, and voted to approve three percent (unadjusted) revenue growth in each year of the FY26 and FY27 biennium, and 2% budget growth in each year of the FY26 and FY27 biennium. These increases were based on the net revenue receipts and appropriations estimates presented for the base year, FY2024-25, at the time of the meeting, which were the February 2023 NEFAB revenue forecast for FY2024-25 and the Appropriations Committee budget recommendation for the second year of the biennium.

Revenue

The estimated net revenue receipts approved at the time were \$6,751,650,000 for FY2025-26 and \$6,954,199,500 for FY2026-27. At this point in time, net receipts for FY2025-26 and FY2026-27 are adjusted only for 2023 legislation enacted as shown in Table 1.

Table 1 Revenue Impact of 2023 Legislation

	NEFAB FY2023-24	NEFAB FY2024-25	LFO Prelim FY2025-26	LFO Prelim FY2026-27
<u>Forecast - April 2023</u>				
Sales and Use Tax	2,500,000,000	2,600,000,000	2,655,650,000	2,735,319,500
Individual Income Tax	3,150,000,000	3,225,000,000	3,294,000,000	3,392,820,000
Corporate Income Tax	575,000,000	525,000,000	536,000,000	552,080,000
Miscellaneous receipts	275,000,000	260,000,000	266,000,000	273,980,000
Total General Fund Revenues	6,500,000,000	6,610,000,000	6,751,650,000	6,954,199,500
<u>2023 Session Legislation</u>				
Sales and Use Tax	(5,014,000)	(9,382,000)	(10,028,400)	(23,095,360)
Individual Income Tax	(85,120,900)	(239,349,850)	(369,994,100)	(536,314,240)
Corporate Income Tax	(6,722,100)	(18,681,150)	(46,072,500)	(68,074,400)
Miscellaneous receipts	33,982,900	35,697,765	(3,511,192)	(3,421,192)
Total 2023 Session Legislation	(62,874,100)	(231,715,235)	(429,606,192)	(630,905,192)
<u>Total GF Revenues - July 2023 Certification</u>				
Sales and Use Tax	2,494,986,000	2,590,618,000	2,645,621,600	2,712,224,140
Individual Income Tax	3,064,879,100	2,985,650,150	2,924,005,900	2,856,505,760
Corporate Income Tax	568,277,900	506,318,850	489,927,500	484,005,600
Miscellaneous receipts	308,982,900	295,697,765	262,488,808	270,558,808
Total Adjusted General Fund Revenues	6,437,125,900	6,378,284,765	6,322,043,808	6,323,294,308

Appropriations

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

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

Table 2 Projected Budget Increases-Following Biennium

	Annual % Change			Projected Increases	
	FY25-26	FY26-27	2 Yr Avg	FY2025-26	FY2026-27
<u>AID TO LOCAL GOVT</u>					
Aid to K-12 Schools (TEEOSA GF only)	1.74%	2.34%	2.04%	16,125,608	38,141,035
Special Education	--	--	--	0	0
Community Colleges	2.00%	2.00%	2.00%	2,282,334	4,610,315
Homestead Exemption	3.00%	3.00%	3.00%	4,008,000	8,136,240
Governors Emergency program	--	--	--	0	0
All Other (Aid-Local)	--	--	--	0	0
<u>AID TO INDIVIDUALS</u>					
Medicaid	2.00%	2.00%	2.00%	19,505,467	39,401,042
Public Assistance	0.00%	1.00%	0.50%	0	836,187
Child Welfare Aid	2.00%	2.00%	2.00%	3,954,262	7,987,610
Developmental Disability aid	2.00%	2.00%	2.00%	3,951,344	7,981,714
Behavioral Health aid	2.00%	2.00%	2.00%	1,707,644	3,449,441
Children's Health Insurance (SCHIP)	2.37%	2.37%	2.37%	634,233	1,281,151
Aging Programs	--	--	--	0	0
Nebraska Career Scholarships	--	--	--	0	0
Business Innovation Act	--	--	--	0	0
Economic Recovery Act (LB1024-2022)	--	--	--	0	0
All Other (Aid-Ind)	--	--	--	0	0
<u>AGENCY OPERATIONS</u>					
Employee Salaries (agencies)	2.40%	2.39%	2.40%	17,936,578	36,231,887
Employee Health Insurance (agencies)	2.00%	4.00%	3.00%	2,220,227	6,749,489
University/Colleges increased funding	1.44%	1.59%	1.52%	10,594,780	22,427,625
Operations increase (all agencies)	2.00%	2.00%	2.00%	3,464,302	6,997,891
Staffing / population costs / medical (Corrections)	--	--	specific	3,722,530	7,445,060
Retirement (Schools, Patrol, Judges)	--	--	specific	(66,831)	2,100,000
All Other (Oper)	2.00%	2.00%	2.00%	3,746,231	9,395,474
<u>CONSTRUCTION</u>					
	66.38%	0.00%	33.19%	14,140,896	14,140,896
<u>TOTAL GENERAL FUND (Biennial Basis)</u>	2.01%	2.00%	2.01%	107,927,605	217,313,058

Cash Reserve Fund

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

Table 3 - Cash Reserve Fund Cash Flow

CASH RESERVE FUND	FY2022-23	FY2023-24	FY2024-25	Estimated	Estimated
				FY2025-26	FY2026-27
Beginning Balance	927,522,595	1,547,851,590	858,275,257	831,816,457	781,816,457
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	0	0	0
To/from Gen Fund current law	50,000,000	0	0	0	0
To/from Gen Fund (LB531-2023 & LB818-2023)	(10,000,000)	440,000,000	(1,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(182,623,825)	(25,458,800)	0	0
To University Next project (LB1107-2020)	0	0	0	(50,000,000)	(50,000,000)
To Perkins County Canal Fund	(53,500,000)	(574,500,000)	0	0	0
To Jobs & Econ Develop Initiative	(80,000,000)	0	0	0	0
To Nebr Rural Projects Act	(50,000,000)	0	0	0	0
To Trail Develop/Improve Fund	(8,300,000)	0	0	0	0
To Rural Workforce Housing fund	(30,000,000)	0	0	0	0
To Surface Water Irrigation Fund	(50,000,000)	0	0	0	0
To Intern Nebraska Cash Fund	(20,000,000)	0	0	0	0
To Site & Building Fund	(20,000,000)	(2,000,000)	0	0	0
To Military Base Development fund	(30,000,000)	0	0	0	0
To Middle Income Housing fund	(20,000,000)	0	0	0	0
To Roads Operations Cash Fund	(100,000,000)	0	0	0	0
To State Indemnification Revolving Fund	(18,750,000)	0	0	0	0
From Gov Emergency Fund	0	2,000,000	0	0	0
To Econ Recovery Contingency	0	(240,000,000)	0	0	0
To Shovel Ready Capital Recovery Fund	0	(70,000,000)	0	0	0
To Critical Infrastructure Facilities Fund	0	(10,000,000)	0	0	0
To Economic Development Cash Fund	0	(20,000,000)	0	0	0
To Public Safety Fund	0	(1,115,000)	0	0	0
To Accounting Division Revolving Fund	0	(1,100,000)	0	0	0
To Health and Human Services Cash	0	(11,320,000)	0	0	0
To Risk Loss Trust (State Colleges)	0	(3,000,000)	0	0	0
To Youth Outdoor Education Fund	0	(10,000,000)	0	0	0
To Public Safety Comm Systems Revolving Fund	0	(5,000,000)	0	0	0
To Materiel Division Revolving Fund	0	(2,500,000)	0	0	0
To State Building Revolving Fund	0	(1,400,000)	0	0	0
To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	0	0	0	0
To School Safety and Security Fund (LB705-2023)	(10,000,000)	0	0	0	0
Projected Unobligated Ending Balance	1,547,851,590	858,275,257	831,816,457	781,816,457	731,816,457
Projected Balance - End of 2023 Session	1,547,851,590	855,292,765	828,833,965	778,833,965	728,833,965
Difference	0	2,982,492	2,982,492	2,982,492	2,982,492

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.

Actual receipts for FY21-22 (\$6.348 billion) were \$1.469 billion above the certified forecast of \$4.88 billion. The Legislature amended the calculation of the LB 1107 income tax credit to a fixed amount in LB 873 in 2022, but did not amend the provision relating to the transfer to the Cash Reserve Fund. As a result, the amount net receipts exceed 103.5% of the previous year's net receipts, rather than increasing the amount of the income tax credit for property taxes paid to schools is retained in the General Fund. In FY22-23, the CRF transfer based on actual FY21-22 receipts was \$1.287 billion, or the \$1.469 billion above certified revenues less the \$181 million retained in the General Fund.

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

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 enacted budget included two transfers to the General Fund from the Cash Reserve Fund. These include \$440 million in FY23-24 due to the revenue forecast being recertified following the April forecast after a reduction in the FY22-23 forecast, which resulted in there no longer being an estimated automatic transfer from the General Fund to the CRF, and \$1 million in FY24-25 for the Precision Agriculture grant program pursuant to LB 361.

In addition, LB 531, enacted in 2023, included a CRF transfer to the General Fund in FY22-23 of \$10 million for the Economic Recovery Act.

Transfers To & From Other Funds

In addition to the transfers to the General Fund, the proposed budget includes several new transfers to and from the Cash Reserve Fund.

Roads Operations Cash Fund

In FY22-23, FY23-24, and FY24-25, the enacted budget includes appropriation of \$505 million of cash funds to the department and a one-time transfer of \$100 million from the Cash Reserve Fund to the Roads Operations Cash Fund. The transfer of state funds serves as matching funds for the federal funds, which are required as a 25% match of total funding.

State Indemnification Fund

The enacted budget includes a transfer of \$18.75 million to the State Indemnification Fund to pay a state settlement.

Nebraska Capital Construction Fund (NCCF)

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

transferred to the NCCF. The amounts transferred in FY23-24 and FY24-25 are for several reaffirmations and new construction projects, which are discussed in detail in the Capital Construction section of this report.

Economic Development Cash Fund

LB 616 provides a grant to a community college serving a city of the metropolitan class to meet demand for microchip fabrication and microelectronics manufacturing in the state in conjunction with the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act. The enacted budget includes a \$20,000,000 transfer from the Cash Reserve Fund to the newly created Economic Development Cash Fund and an appropriation of \$5,000,000 in FY23-24 and \$15,000,000 in FY24-25.

Economic Recovery Act

Created by LB1024 in 2022, the Economic Recovery Program in the Department of Economic Development is the primary vehicle for distributing grants related to the American Rescue Plan Act (ARPA) of 2021 to Qualified Census tracts and the other provisions of LB1024. Due to concerns with the timeline for expending ARPA funds the ARPA appropriation for this program is being reduced by \$179,200,000 with a commensurate increase to the Department of Natural Resources Program 319 to be used for water supply for a city of the primary class. The enacted budget transfers \$240,000,000 from the Cash Reserve Fund and \$30,000,000 from the General Fund to the Economic Recovery Contingency Fund to fulfill the obligations of the Economic Recovery Act and accommodate an increase in aid for an airport business park. The new Cash Fund appropriation for this program is \$150,000,000 in FY23-24 and \$120,000,000 in FY24-25.

Site and Building Development Fund

The enacted budget approved a transfer of \$2,000,000 in FY23-24 from the Cash Reserve Fund to the Site and Building Development Fund for the purpose of issuing a grant to a city of the first class to provide improvements to a site that previously housed college facilities. Such facility rehabilitation will be used for supporting youth exiting the foster care system by providing housing, employment, and programming. This transfer relates to the provisions of LB 573.

Shovel-Ready Capital Recovery and Investment Fund

LB608 re-opens the Shovel Ready grant applications, transfers \$70,000,000 from the Cash Reserve Fund to the Shovel-Ready Capital Recovery and Investment Fund, and earmarks \$30,000,000 of the funds transferred to construct an athletic complex for certain postsecondary institutions pursuant to LB444. The Shovel-Ready Capital Recovery and Investment Act was created by LB566 (2021) with a transfer of \$15,000,000 from the General Fund with additional funding in the mid-biennium budget adjustment with \$100,000,000 of American Rescue Plan Act dollars. The act funds qualifying non-profits with intent to distribute grants evenly across the three Congressional districts of Nebraska.

Youth Outdoor Education Fund

The enacted budget includes a \$10 million transfer in FY23-24 from the Cash Reserve Fund to the Youth Outdoor Education Fund, pursuant to LB 281, for a grant to a nonprofit for the purposes of youth outdoor education facilities.

Perkins County Canal Project

In January of 2022 former Governor Pete Ricketts included in the Governor's mid-biennium budget recommendation the Perkins County Canal project, a total of \$503,000,000 funded with American Rescue Plan Act and Cash Reserve Fund transfers. The Legislature's mid-biennium budget adjustment approved a transfer of \$53,500,000 from the Cash Reserve Fund to the Perkins Canal Project Fund with direction to contract for an independent study.

For their FY23-24 budget request, the Department of Natural Resources initially requested \$449,500,000 from the Cash Reserve Fund for the project with the request amended by the Governor's budget request to be \$574,500,000 to fund the construction of a 1,000 cubic-feet/second (CFS) canal as opposed to the initial proposal of a 500 CFS canal.

The Perkins County Canal is a provision within the interstate compact agreed to by the states of Nebraska and Colorado and ratified by the U.S. Congress in 1923. The Perkins County Canal as outlined in the Compact would have a 12/17/1921 priority date and may divert up to 500 CFS of water that is present in the Lower Section of the South Platte River during the non-irrigation season and may divert all flows that would otherwise cross the Colorado-Nebraska state line in excess of the 120 CFS right during the irrigation season.

The enacted budget includes a transfer from the Cash Reserve Fund of \$574,500,000 and increases the appropriation from the Perkins County Canal Project Fund from \$53,500,000 to \$62,800,000 annually. As a result of the new and prior transfer, fund balance will be approximately \$630,000,000.

Critical Infrastructure Facilities Fund

The enacted budget includes a \$10 million transfer to the Critical Infrastructure Facilities Fund pursuant to LB 769 for a grant for costs of constructing a wastewater system.

Public Safety Fund

The enacted budget includes a transfer of \$1.115 million to the State Patrol Public Safety Fund for additional equipment related to the crime laboratory expansion approved in 2022.

Accounting Division Revolving Fund

The enacted budget includes funding to address an upgrade of the state's accounting system, Enterprise 1, to a 64-Bit system. The current 32-Bit system will no longer be serviced. Without funding future tools and enhancements will not be available to the state. Funding comes from a Cash Reserve Fund transfer to the Accounting Division Revolving Fund.

Health and Human Services Cash Fund

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

Risk Loss Trust

LB 1092 (2022) authorized the Nebraska State College System (NSCS) to establish one or more risk/loss trusts to pay losses, judgments, awards, settlements of claims, etc. The intent was to provide the NSCS with a mechanism to better manage insurance costs. The agency's FY23-25 request was to fund the trust with a one-time transfer from the General fund. Claim deductibles would be paid from the trust, which would gradually be replenished through internal assessments to the campuses. Using the trust this way could have the added benefit of eventually reducing premium costs. The enacted budget includes a one-time transfer of \$3,000,000 from the Cash Reserve Fund to the trust, to occur in FY23-24.

Public Safety Communication Systems Revolving Fund

Included in this funding is \$5 million of Revolving Funds to address the provisions of LB 511. Five million will be transferred from the Cash Reserve Fund to the Nebraska Public Safety Communication System Revolving Fund and be distributed as grants to pay for portable and mobile radios, programming, and installation of radios and equipment for volunteer departments. The Chief Information Officer shall not charge any subscription,

programming, or training fees for any volunteer department connected to the Statewide Radio System after receiving a grant from the program.

Materiel Division Revolving Fund

The enacted budget includes the provisions of LB 684, which requires the Department of Administrative Services to contract for a review of services provided by certain state agencies. The Committee included a transfer of \$2.5 million from the Cash Reserve Fund to the Materiel Division Revolving Fund for such purpose.

State Building Revolving Fund

The enacted budget includes a Cash Reserve Fund transfer of \$1.4 million in FY23-24 to the State Building Revolving Fund, along with a corresponding revolving fund appropriation increase for the estimated cost of OPPD moving the power lines which supply the Eastern Nebraska Veterans Home.

Governor's Emergency Cash Fund

The enacted budget also includes a transfer of remaining unspent funds in the Governor's Emergency Cash Fund. Eighty-three million in funds were originally transferred from the Cash Reserve Fund to the Governor's Emergency Cash Fund in 2020 for COVID-19 relief prior to receipt of federal funds for such purpose. After federal aid was received, \$60 million was transferred back to the Cash Reserve Fund. Remaining obligations have been met, and the \$2 million transfer back to the Cash Reserve Fund is included in the enacted budget.

Revitalize Rural Nebraska Fund

LB 531, enacted in 2023, included a \$1 million transfer in FY22-23 from the CRF to the Revitalize Rural Nebraska Fund for the purpose of competitive grants to cities of the first or second class or villages for demolition of delapidated commercial property. Grants will be awarded by the Department by Environment and Energy and subject to certain requirements.

School Safety and Security Fund

LB 705, enacted in 2023, included a \$10 million transfer in FY22-23 from the CRF to the School Safety and Security Fund for the purpose of grants to school districts and educational service units on behalf of nonpublic schools for security-related infrastructure projects, including, but not limited to, surveillance equipment, door-locking systems, and double-entry doors for school buildings. Grants will be awarded by the State Department of Education and subject to certain requirements.

Table 4 Cash Reserve Fund – Historical Balances

	Beginning Balance	Direct Deposit and Interest	Automatic Transfers (1)	Legislative Transfers (2)		Cash Flow	Ending Balance	EB as % of revenues	EB as % of expend
				Gen Fund	Other Funds				
FY1991-92	31,937,043	0	na	(5,000,000)	0	0	26,937,043	1.8%	1.7%
FY1992-93	26,937,043	0	na	(9,500,000)	0	0	17,437,043	1.1%	1.1%
FY1993-94	17,437,043	0	3,063,462	7,250,000	0	0	27,750,505	1.7%	1.7%
FY1994-95	27,750,505	0	(8,518,701)	7,250,000	(6,000,000)	0	20,481,804	1.2%	1.2%
FY1995-96	20,481,804	0	(20,481,804)	18,189,565	0	0	18,189,565	1.0%	1.0%
FY1996-97	18,189,565	0	19,740,786	3,032,333	0	0	40,962,684	2.0%	2.2%
FY1997-98	40,962,684	0	91,621,018	0	0	0	132,583,702	6.3%	6.9%
FY1998-99	132,583,702	0	111,616,422	(96,500,000)	(2,000,000)	0	145,700,124	6.9%	6.5%
FY1999-00	145,700,124	0	20,959,305	3,500,000	(28,000,000)	0	142,159,429	5.9%	6.1%
FY2000-01	142,159,429	0	77,576,670	(24,500,000)	(25,000,000)	0	170,236,099	6.9%	6.9%
FY2001-02	170,236,099	0	0	(59,800,000)	(370,000)	0	110,066,099	4.7%	4.2%
FY2002-03	110,066,099	66,476,446	0	(87,400,000)	0	(30,000,000)	59,142,545	2.4%	2.3%
FY2003-04	59,142,545	59,463,461	0	(61,191,862)	(385,807)	30,000,000	87,028,337	3.2%	3.4%
FY2004-05	87,028,337	8,170,556	108,727,007	(26,000,000)	(758,180)	0	177,167,720	5.8%	6.5%
FY2005-06	177,167,720	0	261,715,297	0	(165,266,227)	0	273,616,790	8.2%	9.4%
FY2006-07	273,616,790	0	259,929,524	(15,674,107)	(1,784,416)	0	516,087,791	15.1%	16.5%
FY2007-08	516,087,791	0	191,436,773	(60,177,767)	(101,801,000)	0	545,545,797	15.6%	16.8%
FY2008-09	545,545,797	0	116,976,571	(54,990,505)	(29,340,000)	0	578,191,863	17.2%	17.4%
FY2009-10	578,191,863	0	0	(105,000,000)	(5,990,237)	0	467,201,626	14.6%	14.1%
FY2010-11	467,201,626	0	0	(154,000,000)	0	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	(4,461,676)	428,878,372	11.6%	12.4%
FY2012-13	428,878,372	0	104,789,781	(78,000,000)	(76,008,427)	4,461,676	384,121,402	9.5%	10.7%
FY2013-14	384,121,402	0	285,292,610	49,400,000	251,294	0	719,065,306	17.5%	18.7%
FY2014-15	719,065,306	0	96,721,232	(67,701,112)	(20,250,000)	0	727,835,426	16.9%	18.1%
FY2015-16	727,835,426	0	84,599,532	0	(81,779,850)	0	730,655,108	17.0%	17.4%
FY2016-17	730,655,108	0	0	0	(50,000,000)	0	680,655,108	16.0%	15.7%
FY2017-18	680,655,108	265,729	0	(225,000,000)	(115,930,772)	0	339,990,065	7.4%	7.8%
FY2018-19	339,990,065	0	61,995,773	(48,000,000)	(20,436,714)	0	333,549,124	6.8%	7.6%
FY2019-20	333,549,124	0	176,378,178	0	(83,619,600)	0	426,307,702	8.6%	9.2%
FY2020-21	426,307,702	0	10,655,528	0	30,000,000	0	466,963,230	7.8%	10.3%
FY2021-22	466,963,230	0	535,259,365	50,000,000	(124,700,000)	0	927,522,595	14.6%	19.9%
FY2022-23	927,522,595	0	1,287,998,995	40,000,000	(707,670,000)	0	1,547,851,590	24.3%	30.0%
FY2023-24 Est	1,547,851,590	0	2,982,492	440,000,000	(1,132,558,825)	0	858,275,257	13.3%	16.0%
FY2024-25 Est	858,275,257	0	0	(1,000,000)	(25,458,800)	0	831,816,457	13.0%	15.5%
FY2025-26 Est	831,816,457	0	0	0	(50,000,000)	0	781,816,457	12.4%	14.3%
FY2026-27 Est	781,816,457	0	0	0	(50,000,000)	0	731,816,457	11.6%	13.1%
Cumulative	0	181,935,763	4,026,190,908	(597,313,455)	(2,878,996,759)	0	731,816,457		

GENERAL FUND REVENUES

General Fund Revenue Forecasts

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

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

At the April 2023 meeting, the NEFAB lowered the forecast for FY2022-23 from \$6.445 billion to \$6.365 billion, and the forecast for FY2022-23 was recertified. Actual receipts for FY2022-23 were \$6.368 billion, which exceeded the certified forecast by \$3 million. The excess above the certified forecast is transferred to the Cash Reserve Fund in FY2023-24. The NEFAB also raised the FY2023-24 forecast from \$6.475 billion to \$6.5 billion and the FY2024-25 forecast from \$6.555 billion to \$6.610 billion. Table 5 shows General Fund revenue, including revenue from 2023 enacted legislation.

Table 5 General Fund Revenue Forecasts

	Actual FY2022-23	NEFAB FY2023-24	NEFAB FY2024-25	FY2025-26	FY2026-27
Actual/Forecast					
Sales and Use Tax	2,335,899,936	2,494,986,000	2,590,618,000	2,645,621,600	2,712,224,140
Individual Income Tax	3,005,952,059	3,064,879,100	2,985,650,150	2,924,005,900	2,856,505,760
Corporate Income Tax	692,964,729	568,277,900	506,318,850	489,927,500	484,005,600
Miscellaneous receipts	333,165,768	308,982,900	295,697,765	262,488,808	270,558,808
Total General Fund Revenues	6,367,982,492	6,437,125,900	6,378,284,765	6,322,043,808	6,323,294,308
Adjusted Growth					
Sales and Use Tax	4.1%	6.8%	4.0%	2.1%	2.9%
Individual Income Tax	0.5%	7.1%	4.9%	4.5%	5.4%
Corporate Income Tax	-8.1%	4.9%	-1.7%	6.0%	6.4%
Miscellaneous receipts	37.9%	-7.9%	-1.8%	-3.5%	7.8%
Total General Fund Revenues	1.8%	6.1%	3.7%	3.5%	4.7%
Two Yr Average	10.3%	--	4.9%	--	4.1%
Five Yr Average	9.5%	--	8.8%	--	4.0%

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

Large adjustments include the phase-in of lower individual and corporate income tax rates in LB 873 (2022) and LB 754 (2023), deduction of Social Security income and military retirement income, ImagiNE Act and Nebraska

Advantage Act tax incentives, and LB 1107 (2020) income tax credits for property taxes paid. The total of all adjustments, which largely affect individual income taxes, are shown below.

	Actual	NEFAB	NEFAB		
	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Sales	84,387,603	88,961,603	96,053,603	96,700,003	109,766,963
Ind Income	578,524,500	855,589,400	1,128,682,150	1,373,612,600	1,672,629,240
Corp	43,262,121	230,571,221	278,904,271	342,697,621	401,975,021
Misc	(29,575,957)	(29,232,900)	(21,062,765)	2,433,192	15,143,192
TOTAL ADJUSTMENTS	676,598,267	1,145,889,324	1,482,577,259	1,815,443,416	2,199,514,416

Chronology of Revenue Forecasts

Table 6 contains a chronology of the revenue forecasts for FY2022-23 through FY2024-25. The first five columns show the total revenue forecast. The last four columns break down the total dollar change in the forecast whether caused by bills enacted by the Legislature, other items such as federal tax changes, with the remaining amount simply a change in the revenue expectations (base).

Table 6 Chronology of Revenue Forecasts

	Sales/Use	Individual	Corporate	Misc	Total Forecast	Change in Forecast			
						Base	Bills	Other	Total
FY2022-23									
Board Est-Oct 2020	2,095,000	2,655,000	345,000	180,000	5,275,000				
Board Est-Feb 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	195,000	0	(102,000)	93,000
Board Est-April 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	45,000	0	(45,000)	0
Sine Die-2021 Session	2,119,794	2,477,629	310,601	219,333	5,127,358	0	(51,121)	(189,522)	(240,642)
Board Est-October 2021	2,180,000	2,700,000	450,000	225,000	5,555,000	427,642	0	0	427,642
Board Est-February 2022	2,350,000	2,900,000	475,000	235,000	5,960,000	405,000	0	0	405,000
Sine Die-2022 Session	2,343,598	2,795,159	462,300	223,318	5,824,375	0	(135,625)	0	(135,625)
Board Est-October 2022	2,400,000	3,200,000	575,000	270,000	6,445,000	620,625	0	0	620,625
Board Est-February 2023	2,400,000	3,200,000	575,000	270,000	6,445,000	0	0	0	0
Board Est-April 2023	2,350,000	3,050,000	675,000	290,000	6,365,000	(80,000)	0	0	(80,000)
Sine Die 2023 Session	2,350,000	3,050,000	675,000	300,000	6,375,000	0	10,000	0	10,000
Actual Receipts FY2022-23	2,335,900	3,005,952	692,965	333,166	6,367,983	(7,017)	0	0	(7,017)
FY2023-24									
Board Est-October 2022	2,500,000	3,250,000	475,000	250,000	6,475,000				
Board Est-February 2023	2,500,000	3,250,000	475,000	250,000	6,475,000	0	0	0	0
Board Est-April 2023	2,500,000	3,150,000	575,000	275,000	6,500,000	25,000	0	0	25,000
Sine Die 2023 Session	2,494,986	3,065,283	567,874	308,983	6,437,126	0	(62,874)	0	(62,874)
FY2024-25									
Board Est-October 2022	2,600,000	3,275,000	450,000	230,000	6,555,000				
Board Est-February 2023	2,600,000	3,275,000	450,000	230,000	6,555,000	0	0	0	0
Board Est-April 2023	2,600,000	3,225,000	525,000	260,000	6,610,000	55,000	0	0	55,000
Sine Die 2023 Session	2,590,618	2,986,557	505,412	295,698	6,378,285	(0)	(231,715)	0	(231,715)

Historical General Fund Revenues

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

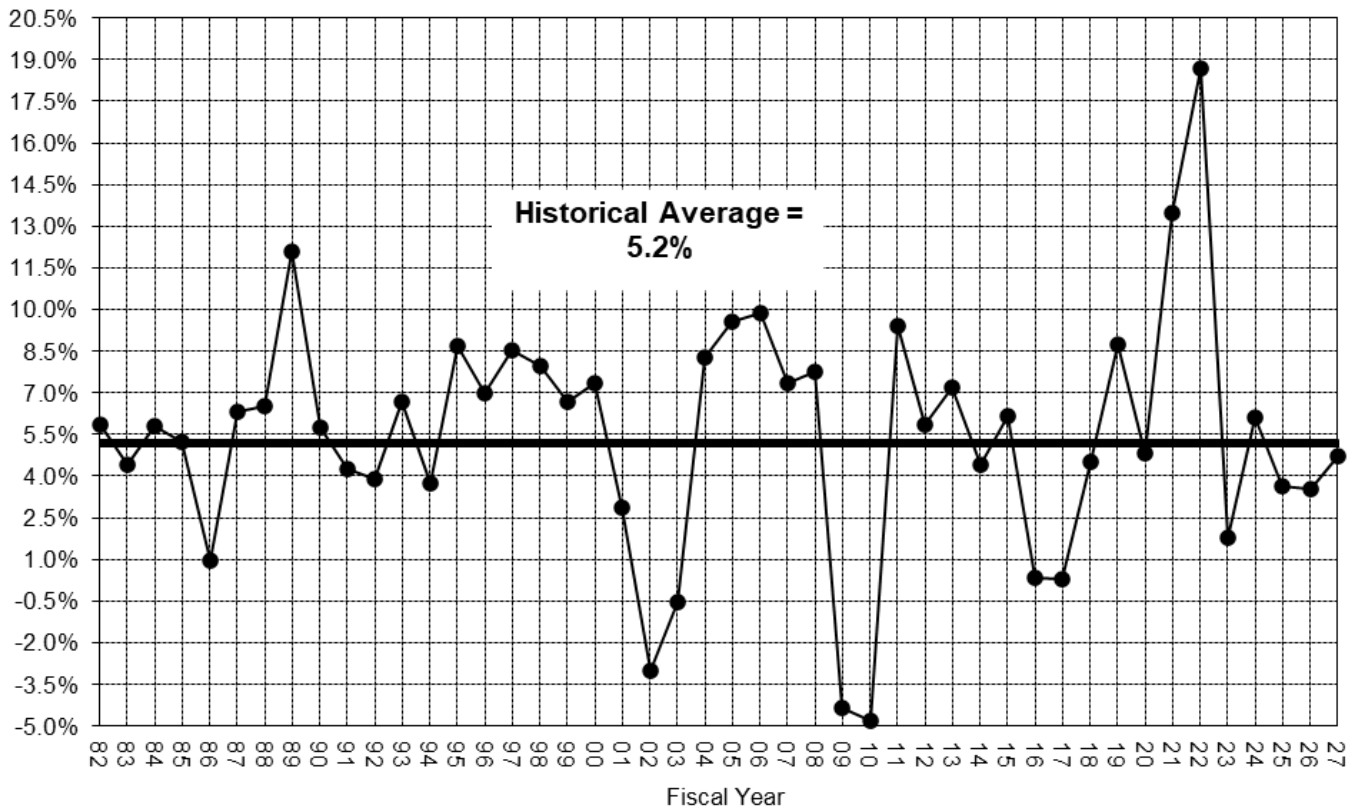
The average growth (adjusted for changes in tax rates and the tax base, legislation, etc.) over the past 42 years is 5.2%. This revenue growth over time reflects the ebb and flow of economic activity and economic cycles. It reflects new businesses created and existing businesses that close as well as new products and services added to the tax base and existing products and services that are eliminated or expire. The key is the **net** impact. The new or expanded businesses, products or services more than offsets those that decline or disappear leaving a net overall increase averaging a 5.2% growth. The unadjusted percent change, which does not account for any legislative changes in the tax base or tax rate, is shown in the second column from the right in Table 7. The last column on the right in Table 7, Adj. Growth, is the rate and base adjusted growth rate, which does account for these changes and is intended to show the economic changes in revenue.

Table 7 Actual and Projected General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Misc. Taxes/Fees	Total Net Receipts	Unadj. % Change	Adjusted Growth
FY 1981-82	224,072,706	274,913,728	48,498,195	104,207,906	651,692,535	7.7%	5.9%
FY 1982-83	282,583,222	329,011,963	51,635,208	95,366,383	758,596,776	16.4%	4.4%
FY 1983-84	271,499,058	340,307,418	66,908,824	103,538,474	782,253,774	3.1%	5.8%
FY 1984-85	300,534,120	324,585,970	48,959,234	109,271,881	783,351,205	0.1%	5.2%
FY 1985-86	310,390,975	357,181,477	54,558,727	112,104,988	834,236,167	6.5%	0.9%
FY 1986-87	345,158,484	365,762,015	67,423,552	108,010,490	886,354,541	6.2%	6.3%
FY 1987-88	393,148,700	437,741,927	73,781,732	111,426,183	1,016,098,542	14.6%	6.5%
FY 1988-89	430,078,299	479,731,816	80,624,142	143,012,760	1,133,447,017	11.5%	12.1%
FY 1989-90	444,231,183	501,134,237	71,948,124	135,396,459	1,152,710,003	1.7%	5.8%
FY 1990-91	547,372,735	609,430,580	81,947,961	128,325,622	1,367,076,898	18.6%	4.3%
FY 1991-92	592,441,836	658,634,300	103,617,106	135,716,137	1,490,409,379	9.0%	3.9%
FY 1992-93	586,355,271	690,350,753	102,754,927	145,200,908	1,524,661,859	2.3%	6.7%
FY 1993-94	648,846,708	722,360,866	113,142,771	169,401,912	1,653,752,257	8.5%	3.7%
FY 1994-95	683,852,397	746,717,579	123,923,674	150,995,891	1,705,489,541	3.1%	8.7%
FY 1995-96	711,008,684	846,550,249	126,801,468	152,380,385	1,836,740,786	7.7%	7.0%
FY 1996-97	755,907,807	944,117,130	137,337,967	172,241,113	2,009,604,017	9.4%	8.5%
FY 1997-98	803,805,374	981,643,795	142,150,133	177,852,119	2,105,451,422	4.8%	8.0%
FY 1998-99	744,650,752	1,078,522,994	135,033,658	165,661,901	2,123,869,305	0.9%	6.7%
FY 1999-00	900,427,469	1,180,363,301	140,021,942	183,111,959	2,403,924,670	13.2%	7.4%
FY 2000-01	905,023,176	1,233,363,553	138,040,082	180,435,044	2,456,861,855	2.2%	2.9%
FY 2001-02	918,889,782	1,159,810,647	107,628,074	179,180,246	2,365,508,749	-3.7%	-3.0%
FY 2002-03	1,028,931,065	1,129,421,651	111,597,405	186,449,714	2,456,399,835	3.8%	-0.5%
FY 2003-04	1,114,374,321	1,249,890,025	167,429,431	187,033,230	2,718,727,007	10.7%	8.3%
FY 2004-05	1,231,011,089	1,400,076,680	198,380,442	207,726,086	3,037,194,297	11.7%	9.5%
FY 2005-06	1,263,678,691	1,545,338,061	262,295,456	280,875,316	3,352,187,524	10.4%	9.9%
FY 2006-07	1,303,826,416	1,650,895,394	213,027,010	240,582,953	3,408,331,773	1.7%	7.3%
FY 2007-08	1,321,867,139	1,726,145,405	232,851,654	225,298,373	3,506,162,571	2.9%	7.7%
FY 2008-09	1,326,161,017	1,600,418,236	198,483,786	232,405,148	3,357,468,187	-4.2%	-4.4%
FY 2009-10	1,289,796,877	1,514,830,114	154,332,137	245,720,545	3,204,679,673	-4.6%	-4.8%
FY 2010-11	1,372,784,033	1,735,208,600	154,944,966	236,717,493	3,499,655,092	9.2%	9.4%
FY 2011-12	1,436,909,373	1,822,884,254	234,266,237	201,828,916	3,695,888,780	5.6%	5.9%
FY 2012-13	1,474,942,641	2,101,912,041	275,562,990	199,940,938	4,052,358,610	9.6%	7.2%
FY 2013-14	1,524,793,763	2,060,758,896	306,591,027	225,264,546	4,117,408,232	1.6%	4.4%

FY 2014-15	1,535,419,516	2,205,463,903	346,477,378	217,738,529	4,305,099,326	4.6%	6.2%
FY 2015-16	1,528,023,310	2,221,088,817	307,669,694	251,199,454	4,307,981,275	0.1%	0.3%
FY 2016-17	1,548,388,848	2,224,840,053	264,439,713	228,103,331	4,265,771,945	-1.0%	0.3%
FY 2017-18	1,602,737,358	2,360,595,935	313,689,521	289,972,959	4,566,995,773	7.1%	4.5%
FY 2018-19	1,658,107,133	2,545,680,039	423,737,571	268,853,778	4,896,378,521	7.2%	8.7%
FY 2019-20	1,848,235,959	2,445,647,485	391,163,752	254,715,415	4,939,762,611	0.9%	4.8%
FY 2020-21	2,009,748,270	3,130,599,324	571,220,324	247,474,510	5,959,042,428	20.6%	13.5%
FY 2021-22	2,133,152,081	3,243,237,593	715,152,736	257,452,292	6,348,994,702	6.5%	18.7%
FY 2022-23	2,335,899,936	3,005,952,059	692,964,729	333,165,768	6,367,982,492	0.3%	1.8%
FY 2023-24 NEFAB	2,494,986,000	3,064,879,100	568,277,900	308,982,900	6,437,125,900	1.1%	6.1%
FY 2024-25 NEFAB	2,590,618,000	2,985,650,150	506,318,850	295,697,765	6,378,284,765	-0.9%	3.7%
FY 2025-26 Prelim	2,645,621,600	2,924,005,900	489,927,500	262,488,808	6,322,043,808	-0.9%	3.5%
FY 2026-27 Prelim	2,712,224,140	2,856,505,760	484,005,600	270,558,808	6,323,294,308	0.0%	4.7%
Current 5 Year Status	0.4%	7.6%	3.7%	3.5%	4.7%		
Above Average Years (27)	6.0%	9.7%	14.2%	3.9%	8.1%		
Below Average Years (19)	2.3%	2.8%	-2.5%	1.8%	2.0%		
Historical Average	4.4%	6.2%	5.9%	2.0%	5.2%		

General Fund Adjusted Revenue Growth



General Fund Transfers-Out

This area tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation in that they reduce available funds, but are not expended as such and thus are shown under the revenue category (see line 9 on the Financial Status on page 7).

Table 8 - General Fund Transfers Out

	Biennial Budget			Following Biennium	
	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Property Tax Credit Fund	(310,000,000)	(360,000,000)	(395,000,000)	(427,000,000)	(442,000,000)
Water Resources Cash Fund	(3,300,000)	0	0	0	0
Cultural Preservation Endowment Fund (with LB142)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Water Sustainability Fund	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
Nebraska Revolving Loan Fund (per LB1107-2020)	(5,000,000)	0	0	0	0
Hall of Fame Trust Fund (LB 42-2021)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Public Advocacy Cash Fund	(520,000)	(1,000,000)	(1,000,000)	0	0
Municipal Inland Port Authority Act (LB156-2021)	(5,000,000)	(5,000,000)	0	0	0
Shovel-Ready Capital Recovery/Invest Act (LB566-2021)	(15,000,000)	0	0	0	0
Water Recreation Enhancement Fund (STARWARS) (LB 1011-2022)	(100,000,000)	0	0	0	0
NCCF - Fund shifts and new projects (LB 1011-2022)	(40,723,459)	0	0	0	0
Jobs & Econ Development Initiative (STARWARS) (LB 1011-2022)	(20,000,000)	0	0	0	0
Governors Emergency Fund (LB 1011-2022)	(5,000,000)	0	0	0	0
Nebr Environmental Response Act (LB 1102-2022)	(300,000)	0	0	0	0
Community College State Dependents Fund	(1,000,000)	(1,000,000)	(1,500,000)	0	0
Economic Recovery Act	0	(10,000,000)	(40,000,000)	0	0
Education Future Fund	0	(1,000,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
DEE LEAD Cash Fund	0	(10,000,000)	0	0	0
Nuclear & Hydrogen Deve. Fund (LB 565-2023)	(200,000)	0	0	0	0
Workers' Compensation Court Cash	0	(750,000)	0	0	0
Community College Future Fund (LB 243-2023)	0	0	(246,499,886)	(255,127,382)	(264,056,840)
<i>General Fund Transfers-Out</i>	<i>(518,053,459)</i>	<i>(1,399,760,000)</i>	<i>(946,009,886)</i>	<i>(944,137,382)</i>	<i>(968,066,840)</i>

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. LB 958 provided that the credit amount should be increased by \$20 million to a total of \$224 million as a hold harmless for residential and commercial & industrial property. In the 2019 session, the credit amount was increased in the mainline budget bill to \$275 million per year starting in FY19-20. In FY21-22, the credit was \$300 million, and in FY22-23, the credit was \$313 million.

The enacted budget includes an additional \$50 million in FY23-24 and \$85 million in FY24-25 and included the corresponding amount of General Funds transferred to the Property Tax Credit Cash Fund. LB 243 (2023) also increases the minimum amount of relief under the act for upcoming years, to \$430 million in FY25-26 and to \$445 million in 26-27.

The General Fund transfer amounts shown here are all \$3 million less than the credit amount. 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.

In addition, the enacted budget includes an appropriation of \$12.5 million in FY23-24 and \$15 million in FY24-25 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. Through June 30, 2023, about \$5.7 million has been credited to the fund so far as the first three temporary casinos have been licensed in the state this fiscal year. The General Fund transfer amount does not take into account the additional credit appropriation due to casino gaming tax.

Nebraska Cultural Preservation Endowment Fund

The Cultural Preservation Endowment Fund was originally 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 FY21-22, 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.

Hall of Fame Trust Fund

The enacted budget includes the transfer of \$10,000 from the General Fund to the Hall of Fame Trust Fund, but amends the statutory language to clarify that 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. 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.

Education Future Fund

The enacted budget includes the provisions of LB 681, which creates the Education Future Fund and transfers \$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. LB 705 (2023) also amended provisions related to the EFF to include two additional uses of the fund.

The Education Future Fund will prioritize the following:

- To fully fund equalization aid under the Tax Equity & Educational Opportunities Support Act (TEEOSA);
- To fund reimbursements related to special education under section 79-1142;
- To fund foundation aid under TEEOSA;

- To increase funding for school districts in a way that results in direct property tax relief, which means a dollar-for-dollar replacement of property taxes by a state funding source;
- To provide funding for a grant program created by the Legislature to address teacher turnover rates & keep existing teachers in classrooms;
- To provide funding to increase career & technical educational (CTE) classroom opportunities for students. The funding must provide students with the academic & technical skills, knowledge, and training necessary to succeed in future careers;
- To provide funding to provide students the opportunity to have a mentor who will continuously engage with the student directly to aid in the student's professional growth and give ongoing support and encouragement to the student;
- To provide funding for extraordinary increases in special education expenditures to allow school districts with large, unexpected special education expenditures to more easily meet the needs of all students; and
- To provide funding to help recruit teachers throughout the state by utilizing apprenticeships through a teacher apprenticeship program and an alternative certification process.

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

EDUCATION FUTURE FUND DISTRIBUTIONS					
Bill #		FY23-24	FY24-25	FY25-26	FY26-27
LB 818	Transfers In:	1,000,000,000	250,000,000	250,000,000	250,000,000
	Appropriations:				
LB 705	Extraordinary Increases in Special Education	2,500,000	2,500,000	2,500,000	2,500,000
LB 705	Nebraska Teacher Apprenticeship Program	1,000,000	1,000,000	1,000,000	1,000,000
LB 705	Nebraska Teacher Recruitment & Retention Act	5,000,000	5,000,000	5,000,000	5,000,000
LB 583	Special Education - 80%	199,041,052	206,007,489	213,217,751	220,680,372
LB 583	23% of Foundation Aid	112,353,248	113,145,292	113,998,046	114,915,590
LB 814	Increase Career & Technical Education	5,316,000	5,316,000	5,316,000	5,316,000
	Total Appropriations:	325,210,300	332,968,781	341,031,797	349,411,962
	Remaining in Fund:	674,789,700	591,820,919	500,789,122	401,377,160

Lead Cash Fund

The enacted budget includes a transfer of \$10 million from the General Fund to the Lead Cash Fund and commensurate appropriation of cash funds for year FY23-24. Funds are to be used for lead service line replacement, pursuant to the provisions of LB 613.

Public Advocacy Cash Fund

The Public Advocacy Commission was created in 1995 to provide indigent defense services. Such services include providing effective representation to indigent defendants in first degree murder cases, other serious violent felony cases, and certain felony drug cases. The Commission on Public Advocacy has historically been a cash funded agency that generates revenue from the indigent defense fee of three dollars. The revenue from the court cases filed have decreased over several years, to the point that funding its operations expenses was

increasingly difficult. The fee has not increased for many years. The previous biennium budget transferred funds from the General Fund to the Public Advocacy Cash Fund in the previous biennium, in the amount of \$520,000 per fiscal year. The enacted budget includes a transfer from the General Fund in the budget proposal for FY23-24 and FY 24-25 as well, in the amount of \$1 million per year.

Workers Compensation Court Cash Fund

The enacted budget includes a one-time transfer of \$750,000 from the General Fund to the Court's cash fund in FY23-24. This will serve to cover a budget deficit projected to occur early in calendar year 2024. Currently, the WCC cash fund receives an amount equaling one third of assessments against self-insured agencies each Spring, which are used to pay all WCC expenses for the coming year (the remaining two-thirds goes to the General fund). The allocation of these assessments is changed in LB 191 (2023) to credit 100% to the WCC cash fund. However, the timing of when such assessments are credited to the fund necessitates additional funding earlier in the fiscal year for cash flow of expenses. The enacted budget includes a requirement for the agency to file a report by December 31, 2023. The report will include data for the most recently completed four fiscal years, and a projection for the upcoming two fiscal years, for topics such as staffing patterns, claims addressed, operational expenditures, and plans for any reduction in workforce commensurate with diminishing of claims volume over time.

Economic Recovery Act

LB 1024 (2022) included intent to transfer \$10 million from the General Fund in FY23-24 and FY24-25. The enacted budget includes these transfers and includes an additional \$30 million in FY24-25 from the General Fund into the Economic Recovery Contingency Fund to increase funding from a maximum of \$60 million to a maximum of \$90 million for the airport project pursuant to the act.

Community College State Dependents Fund

Created in the mid-biennium adjustments in 2022 (LB 1012), this fund is used for community college tuition reimbursements for dependents of state employees. Funding was initially \$500,000 in FY21-22 and \$1 million in FY22-23. In the biennial budget recommendation, the enacted budget includes a transfer from the General Fund of \$1 million in FY23-24 and \$1.5 million in FY24-25 to expand the program.

Municipal Inland Port Authority Act

Enacted in 2021 (LB 156), the Municipal Inland Port Authority Act included intent to transfer \$5 million per year from the General Fund to the Site and Building Development Fund in FY22-23 and FY23-24. The funds are for use to fund large shovel-ready commercial and industrial sites developed under the Municipal Inland Port Authority Act.

Community College Future Fund

LB 243 limits the ability of community college areas to levy property taxes for FY 2024-25 and after. The state would distribute funds to community college areas to offset the funds lost by community college areas with the elimination of their levy authority under subdivisions (2) (a) and (c) of section 85-1517 with community colleges retaining the levy authority under (b). The funds would be distributed to community college areas by the government of the State of Nebraska in the following manner:

- FY 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 would be calculated by the Coordinating Commission for Postsecondary Education (Commission). The Commission would also annually certify the total amount to be distributed, as described above, to all community college areas, to the State Treasurer. The State Treasurer would then transfer 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 would then make distributions to the community college areas in ten equal payments distributed monthly beginning in September and continuing through June.

Beginning in FY 2024-25, if the state would fail to provide the full funding calculated for it to distribute in this aspect of the amendment, a community college area could, if approved by a majority vote of the community college board of governors, levy an amount for the fiscal year under subdivision (2) (a) of section 85-1517 sufficient to generate revenue equal to the amount that would have been provided to the community college area as calculated by the Commission to be fully funded minus the amount that was actually provided to the community college area.

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.

Historically there have been transfers from three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. The enacted budget includes transfers-in of \$39.3 million each year.

Table 9 General Fund Transfers In

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

General Fund Revenue Legislation – 2023 Session

Table 10 General Fund Revenue Bills Enacted – 2023 Session

2023 Session Bills	FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 138 Change provisions related to motor vehicles	(4,300,838)	(4,303,088)	(4,303,088)	(4,303,088)
LB 191 Business and Labor omnibus bill	(2,057,769)	(2,057,769)	(2,057,769)	(2,057,769)
LB 243 Change property tax provisions	0	67,565,000	90,554,000	133,474,000
LB 376 Change provisions related to alcohol licenses	10,800	2,415	2,415	2,415
LB 514 Change election provisions	(137,750)	(137,750)	(137,750)	(137,750)
LB 562 Adopt E-15 Access Standard Act	(767,000)	(1,867,000)	(3,352,000)	(2,658,000)
LB 727 Change tax provisions	(7,316,500)	(13,618,000)	(15,494,000)	(28,724,000)
LB 753 Opportunity Scholarships Act	0	(25,000,000)	(25,000,000)	(25,000,000)
LB 754 Change income tax provisions	(87,601,000)	(291,595,000)	(469,818,000)	(701,501,000)
Total-Revenue Legislation by Bill	(102,170,057)	(271,011,192)	(429,606,192)	(630,905,192)
Cash Fund Transfers In - Budget bills	39,295,957	39,295,957	0	0
Total Revenue Bills to Add to Net Receipts	(62,874,100)	(231,715,235)	(429,606,192)	(630,905,192)
LB 243 Change property tax provisions	0	(246,499,886)	(287,127,382)	(311,056,840)
Subtotal - GF Transfers Out	0	(246,499,886)	(287,127,382)	(311,056,840)
Total - All Revenue Legislation	(62,874,100)	(478,215,121)	(716,733,574)	(941,962,032)

LB 138

LB138 proposes annual updates to incorporate new or revised federal regulations into state law to match with federal law and regulations for both the Nebraska State Patrol and the Department of Motor Vehicles (DMV). The federal requirements adopted and incorporated by reference in the bill are those that were in existence and operative on January 1, 2023. LB138 makes changes to both the commercial drivers’ license examination waiver language and the length of time commercial learners’ permits are valid. In addition, the bill adjusts civil penalties for motor carrier violations. AM1975 changes the existing Nebraska state helmet law as of January 1, 2024. The law modification would apply to both Nebraska residents and non-residents riders over the age of 21, who have completed a Motorcycle Safety Foundation or similar approved basic rider course approved by the person’s state of residence.

LB 138 requires the DMV by November 1, 2023, to develop and issue non-REAL ID compliant operators’ licenses, state identification cards, CLP-commercial learners’ permits, and commercial drivers’ licenses for individuals assigned a parolee immigration status by the U.S. Department of Homeland Security. These cards and permits will not be in compliance with the federal REAL ID Act nor acceptable for official federal purposes.

The bill changes the allocation of drivers’ license fees, commercial drivers’ license fees, 24/7 sobriety program permits, state identification cards, and replacement ignition interlock permit fees from the State General Fund to the DMV Cash Fund.

The bill allows the Nebraska Department of Transportation (NDOT) to pay for the administrative expenses of the Division of Aeronautics of the NDOT, such as salaries and benefits, from the Highway Cash Fund. AM1218 changes the required county contribution for bridge replacements from furnishing up to 50% down, to 20% or less. AM1218 would increase the estimated threshold cost for a sealed-bid process contract from \$150,000 to \$250,000, and allow annual adjustments to this amount on October 1st, indexed for inflation. Finally, AM1218 amends duties under the Nebraska Public Transportation Act, requiring the NDOT to develop and administer a rail transit safety oversight program to oversee rail transit systems operated by the state, an interstate agency, or any political subdivision.

LB 191

AM 1514 amends Sec. 48-145 to direct 100% of assessments charged to self-insured employers to the Workers Compensation Court Cash Fund. The assessments are comprised of a formula applied to prospective loss costs of self-insured employers. Currently, one-third of the calculated amount goes to the Workers Compensation Court Cash Fund, and two-thirds goes to the General Fund. AM 1514 directs all of the assessments to the Workers Compensation Court Cash Fund, resulting in a \$2,034,869 decrease in General Fund revenue, and a commensurate cash fund revenue increase of \$2,034,869 increase.

Additional provisions also included in LB 191:

- LB 267 adopts the Critical Infrastructure Utility Worker Protection Act, which provides for prioritization of resources for protection of critical infrastructure utility workers during any civil defense emergency.
- LB 460 relates to mental health injuries or mental illnesses for Nebraska's first responders pursuant to the Nebraska Workers Compensation Act. The bill provides for reimbursement by the Department of Health and Human Services (DHHS) for the cost of mental health examinations and resilience training to the extent not reimbursed by the first responder's employer. The reimbursement rate for mental health examinations would be established by the Critical Incident Stress Management Program. Presently, rates are only set for resilience training.
- LB 639 amends provisions of the Nebraska Workers' Compensation Act relating to rules and regulations, case progression standards, summons, and distributions of copies of certain materials.
- LB 671 amends the Nebraska Training and Support Cast Fund to increase the purposes for which the fund can be used to also be used for the retention of existing employees of Nebraska businesses.
- LB 666 amends provisions to Employment Security Law, allowing employers the ability to choose their preferred method of document delivery. It also extends the deadline for employers to submit voluntary contributions to the Nebraska Department of Labor from January 10th to February 20th.
- LB 427 amends The Nebraska Contractor Registration Act by striking the definition of "nonresident contractor" from the Contractor Registration Act. Out-of-state contractors will no longer be required to pay a one-time \$25 fee when initially registering or be required to submit a \$25 fee for each contract they receive of at least \$10,000. Under current statute, those fees are credited to the General Fund, and the reduction in General Fund revenues is estimated at (\$22,900) per year.
- LB 249 amends the Rural Workforce Housing Investment Act to allow housing projects that receive federal or state low-income housing tax credits, community development block grants, HOME funds, funds from the National Housing Trust Fund, or funds from the Affordable Housing Trust Fund to qualify for Rural Workforce Housing Investment Act grants. It also expands the scope of eligible activities to include extension of sewer or water service in support of workforce housing.

LB 243

LB 243 amends the Property Tax Credit Act to increase minimum amounts as follows:

- For tax year 2023: \$360 million

- For tax year 2024: \$395 million
- For tax year 2025: \$430 million
- For tax year 2026: \$445 million
- For tax year 2027: \$460 million
- For tax year 2028: \$475 million
- For tax year 2029, the minimum amount from the prior tax year plus a percentage increase equal to the percentage increase, if any, in the total assessed value of all real property in the state from the prior year to the current year, as determined by the Department of Revenue, plus an additional \$75 million.
- For tax year 2030 and each tax year after, the minimum amount from the prior tax year plus a percentage increase equal to the percentage increase, if any, in the total assessed value of all real property in the state from the prior year to the current year, as determined by the DOR.

The provisions related to the Property Tax Credit Cash Fund have a fiscal impact as follows:

Fiscal Year	Property Tax Credit Fund (Cash Fund)	General Fund Transfer Out
24-25	\$ -	\$ -
25-26	\$32,000,000	\$ (32,000,000)
26-27	\$47,000,000	\$ (47,000,000)
27-28	\$62,000,000	\$ (62,000,000)
28-29	\$77,000,000	\$ (77,000,000)
29-30	\$168,625,000	\$ (168,625,000)
30-31	\$188,456,875	\$ (188,456,875)

LB 243 limits the ability of community college areas to levy property taxes for FY 2024-25 and after. The state would distribute funds to community college areas to offset the funds lost by community college areas with the elimination of their levy authority under subdivisions (2) (a) and (c) of section 85-1517 with community colleges retaining the levy authority under (b). The funds would be distributed to community college as follows:

- 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 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 Coordinating Commission for Postsecondary Education (Commission) will annually certify the total amount to be distributed to all community college areas and to the State Treasurer. Certified amounts will be transferred from the General Fund to the Community College Future Fund in 10 equal monthly transfers, beginning in September and continuing through June, and the Commission will make distributions to the community college areas in ten equal payments distributed monthly beginning in September and continuing through June.

Beginning in FY 2024-25, if the state fails to provide the funding calculated, a community college area could, if approved by a majority vote of the community college board of governors, levy an amount for the fiscal year under subdivision (2) (a) of section 85-1517 sufficient to generate revenue equal to the amount that would have been provided to the community college area as calculated by the Commission to be fully funded minus the amount that was actually provided to the community college area.

The provisions related to the Community College Future Fund have a fiscal impact as follows:

Fiscal Year	Community College Future Fund (Cash Fund)	General Fund Transfer Out
24-25	\$ 246,499,886	\$ (246,499,886)
25-26	\$ 255,127,382	\$ (255,127,382)
26-27	\$ 264,056,840	\$ (264,056,840)
27-28	\$ 273,298,830	\$ (273,298,830)
28-29	\$ 282,864,289	\$ (282,864,289)
29-30	\$ 292,764,539	\$ (292,764,539)
30-31	\$ 303,011,298	\$ (303,011,298)

LB 243 amends the Property Tax Incentive Act to change the total amount of credits for property taxes paid to community colleges. For tax years beginning on or after January 1, 2024, the credit is equal to 100% of the community college taxes paid by the eligible taxpayer during the tax year. The General Fund revenue increase due to the change in the Property Tax Incentive Act is shown in the following table.

Fiscal Year	General Fund Revenue Increase from Property Tax Incentive (CC's)
24-25	\$ 67,565,000
25-26	\$ 90,554,000
26-27	\$ 133,474,000
27-28	\$ 138,146,000
28-29	\$ 142,981,000
29-30	\$ 147,985,000
30-31	\$ 153,164,000

For taxable years beginning 2023 through 2028, the total amount of credits for the taxable years would be the maximum amount of credits allowed in the prior year increased by the allowable growth percentage. Thus, the amount of credits would build from the maximum for taxable year 2023 of \$560,700,000. For taxable year 2029, the total amount of credits for the taxable year would be the maximum amount of credits allowed in the prior year increased by the allowable growth percentage plus an additional \$75 million. For taxable years beginning 2030 and each year after, the total amount of credits for the taxable year would be the maximum amount of credits allowed in the prior year increased by the allowable growth percentage, as shown in the following table.

K-12 School District Tax Credit

<i>FY</i>	<i>Current Statute</i>	<i>AM1743</i>	<i>Difference and Usage</i>
24	\$ 560,700,000	\$ 560,700,000	\$ -
25	\$ 580,324,500	\$ 580,324,500	\$ -
26	\$ 600,635,858	\$ 600,635,858	\$ -
27	\$ 621,658,113	\$ 621,658,113	\$ -
28	\$ 643,416,146	\$ 643,416,146	\$ -
29	\$ 665,935,712	\$ 665,935,712	\$ -
30	\$ 689,243,461	\$ 764,243,461	\$ 67,500,000
31	\$ 713,366,983	\$ 790,991,983	\$ 77,362,500

LB 243 also adopts the School District Property Tax Limitation Act (Act). Under the Act, The Nebraska Department of Education (NDE) is to calculate each school district's property tax request authority on an annual basis as follows:

- a) The school district's property tax request from the prior year would be added to the non-property-tax revenue from the prior year minus any investment income from special building funds from the prior year, and the total would be increased by the school district's base growth percentage.
- b) The amount determined under part a would then be decreased by the amount of total non-property-tax revenue for the current year and adjusted for any known or documented errors in documentation received by NDE from the school district. In determining the total non-property-tax revenue for the current year, any category of non-property-tax revenue for which there is insufficient data as of June 1 to make an accurate determination shall be deemed to be equal to the prior year's amount.

Base growth percentage would mean the sum of:

- 3%
- The annual percentage increase in the student enrollment of the district multiplied by:
 - 1 if the school district's student enrollment has grown by an average of at least 3% and by at least 150 students over the preceding 3 years
 - 0.7 if the school district's student enrollment has grown by an average of at least 3% over the preceding 3 years
 - 0.4 if the school district does not meet the conditions to multiply by 1 or 0.7
- The percentage obtained by first dividing the annual increase in the total number of limited English proficiency students in the district by the student enrollment of the district and then multiplying the quotient by 0.15
- The percentage obtained by first dividing the annual increase in the total number of poverty students in the district by the student enrollment of the school district and then multiplying the quotient by 0.15.

The Act would not apply to the portion of a district's property tax request that is needed to pay the principal and interest on approved bonds. The property tax request could exceed the district's property tax request authority by an amount approved by a 60% majority of legal voters who vote on the issue at a special election. A school district can also increase the base growth percentage used to determine its property tax request authority by a percentage approved by an affirmative vote of at least 70% of the district's school board. The maximum base growth percentage that could be approved in this case would be the base growth percentage that would otherwise be applicable plus an additional:

- 7% for districts with an average daily membership (adm) of no more than 471 students
- 6% for districts with an adm of more than 471 students but no more than 3,044 students
- 5% for districts with an adm of more than 3,044 students but no more than 10,000 students
- 4% for districts with an adm of more than 10,000 students

LB 243 includes limitations on unused property tax authority and provisions related to suspended state aid for a school district that is not in compliance with the limitations under the act.

Finally, LB 243 amends provisions related to the Tax Equalization and Review Commission to add a fourth Commissioner, change term expiration dates of commissioners, and change the salaries of commissioners to be a percentage of the salary set for the Chief Justice and judges of the Supreme Court.

LB 376

LB 376 amends provisions of alcohol licenses to allow for brand registration. Fees for brand registration are credited to the Nebraska Liquor Control Commission (NLCC) Rule and Regulation Cash Fund.

LB 376 also allows for a holder of a farm winery license to sell beer or other alcoholic liquor not produced by the farm winery at retail for consumption on the premises if the holder is also issued the appropriate retail license for those sales at that location. This would result in increased revenue to the General Fund of \$10,800 for FY24. NLCC estimates license renewals and new license fees in FY25, resulting in increased revenue to the General Fund of \$2,415 for FY25.

LB 514

LB 514, as amended, changes provisions related to the Election Act as follows:

- The Secretary of State must provide a website dedicated to voter identification requirements and procedures, a public awareness campaign regarding the voter identification requirements and procedures, and instructions and information to the Department of Health and Human Services, the Department of Motor Vehicles (DMV), and the State Department of Education for distribution to Nebraska residents regarding valid photographic identification.
- The Secretary of State must develop a process to use the information in possession of or available to that office to match and verify the citizenship of registered voters.
- Voters must present valid photographic identification prior to receiving a ballot, and voters who are voting early, pursuant to section 32-938, must include the identification number of the voter's driver's license or state identification card, a photocopy of any other valid photographic identification issued to or related to the voter, or the voter's reasonable impediment certification.
- Fees are prohibited from being charged for issuance of an original, renewal, or duplicate state identification card to a resident of Nebraska who does not have a valid Nebraska driver's license, who is requesting issuance of such card for voting purposes, and who will be at least 18 years old on or before the next election conducted under the Election Act.
- The Department of Health and Human Services is prohibited from charging any fee for a certified copy of a birth record if the applicant does not have a current Nebraska driver's license or state identification card and indicates in the application that the applicant needs a certified copy of the birth record to apply for a state identification card for voting purposes.

Estimated revenue loss to the General Fund related to the prohibition of charging fees for identification cards is based on 19,000 Identification Cards per year, which is the estimated population that annually obtains Identification Cards for a total of \$137,750 per fiscal year.

LB 562

LB562 as amended by AM1248 does the following:

- Creates the E-15 Access Standard Act and sets the operative date for January 1, 2024;
- Requires retail dealers constructing a new motor fuel site or replacing more than 80% of their storage and dispensing infrastructure to advertise and sell E-15 gasoline from at least 50% of all the motor fuel dispensers;
- If the statewide blend rate for 2027 is below 14% then all remaining retail dealers would be required to advertise and sell E-15 gasoline from at least one fuel dispenser, with the following exemptions;
 - A waiver has been issued declaring the site is not compatible with the sale of E-15;
 - Sites that are listed with the State Fire Marshall within one of the following categories:
 - Not constructed of fiberglass installed prior to 1985;
 - Constructed of fiberglass and installed during or prior to 1991 for double-wall storage tanks and prior to 1996 for single-wall tanks;
 - Sites that qualify as a small retail motor fuel site as defined under the Act;

- Allows for exemptions during the process of temporarily maintaining, repairing, installing, or converting storage and dispensing infrastructure.
- Allows for the Governor to issue or renew executive orders temporarily suspending the Act based on E-15 gasoline supply or based upon market price of E-15 being found to cause hardship;
- Requires the Department of Agriculture to publish on its website the number of statements filed pertaining to small retail motor fuel sites and the total number of retail motor fuel sites;
- Requires the Department of Revenue and the Department of Environment and Energy to annually issue a joint report on the statewide ethanol blend rate and describes the report;
- Allows the Department of Agriculture to suspend or revoke permits to retail dealers not in compliance;
- Expands the eligibility for the Nebraska Higher Blend Tax Credit and creates the following tax credit schedule:
 - For 2024 – equal to eight cents times the total number of gallons of E-15 sold by the taxpayer;
 - For 2025 – equal to nine cents times the total number of gallons of E-15 sold by the taxpayer;
 - For 2026 – equal to eight cents times the total number of gallons of E-15 sold by the taxpayer;
 - For 2027 – equal to seven cents times the total number of gallons of E-15 sold by the taxpayer;
 - For 2028 – equal to five cents times the total number of gallons of E-15 sold by the taxpayer;
 - There is a cap on the total tax credits issued of \$5,000,000 per year.

LB 562 also amends provisions of the Beginning Farmer Tax Credit Act as follows:

- Changes the definition of farm and the definition of a qualified beginning farmer to a farmer or livestock producer who has a net worth of not more than \$750,000 and is of legal age to enter into a binding contract or lease;
- Excludes pensions, retirement, or other types of deferred benefits from consideration of net worth by the Beginning Farmer Board;
- Strikes the requirement to be a renting farmer for the eligibility to receive an income tax credit under 77-5209.01;
- Sets an annual credit cap of \$2,000,000 per year.

LB 562 amends provisions of the Nebraska Pure Food Act related to licensing of mobile food establishments.

The estimated General Fund revenue loss related to LB 562 is as follows:

	FY2023-24	FY2024-25	FY2025-26	FY2026-27
HBTC	\$ -	\$ (1,137,000)	\$ (2,661,000)	\$ (2,006,000)
Beginning Farmers	\$ (767,000)	\$ (730,000)	\$ (691,000)	\$ (652,000)
Total	\$ (767,000)	\$ (1,867,000)	\$ (3,352,000)	\$ (2,658,000)

LB 727

LB 727 incorporates the provisions of numerous bills, creates tax credits, and amends tax provisions.

LB 727 creates the Nebraska Biodiesel Tax Credit Act (Act). The Department of Revenue (DOR) could approve up to \$1 million in tax credits in any calendar year under the Act. The fiscal impact of this aspect of the amendment begins FY 24-25 with the ability for the tax credits to be claimed under this Act for taxable years beginning on or after January 1, 2024.

LB 727 adopts the Good Life Transformational Projects Act (Act). Upon establishment of a good life district, any transactions occurring within the district would be subject to a reduced state sales tax rate of 2.75%.

LB 727 changes the definition of nearby retailer in this aspect of the amendment for the Convention Center Facility Financing Assistance Act (Act). This aspect of the amendment would make a change from previous amendments so that the definition of a nearby retailer would include those located, in whole or in part, within 600 yards of an eligible facility the application for which is approved on or after the operative date. It is reasonable to assume another facility under the Act would occur in the future. For facilities currently under the Act, the State has had a General Fund revenue loss totaling \$8,956,851 for the current fiscal year with an average General Fund revenue loss of \$7,108,986 for the five years before this fiscal year, which is lower due to sales tax collections under this Act being lower during the period of the COVID-19 pandemic. It is uncertain as to the timing and location of a new facility under this Act that would add to the current fiscal impact of the Act. Therefore, the fiscal impact is estimated to be a negative, indeterminant impact as a result of this aspect of the bill.

LB 727 adds privately owned concert venues as an eligible facility under the Sports Arena Facility Financing Assistance Act (Act). In addition, cities receiving assistance for the privately owned concert venue could only use state assistance under the Act to pay back amounts expended or borrowed through one or more issues of bonds to be expended by the applicant to acquire, construct, improve, or equip a nearby parking facility or to promote the arts and cultural events (with added set limits) which are open to or made available to the general public.

LB 727 provides, beginning in tax year 2023, any retired individual 60 years of age or older as of the end of the taxable year with at least 20 years of full-time service as a firefighter may reduce their FAGI by the amount of health insurance premiums paid in the tax year, to the extent the premiums were not already deducted in determining the individual's FAGI. Additionally, the bill changes the name of the Law Enforcement Education Act to the First Responder Recruitment and Retention Act (Act). Under this new Act, more individuals, in addition to law enforcement officers, would now be eligible for a 100% waiver of tuition to any state university, state college, or community college for up to five years. Additional individuals that could qualify under the Act would include: (1) Legal dependents of law enforcement officers; (2) Professional firefighters; and (3) Legal dependents of professional firefighters. The bill also amends applications processes.

LB 727 authorizes the Nebraska State Highway Commission, new authority beginning July 1, 2023, to act on the recommendation of the Department of Transportation, and authorize the issuance of bonds under the Nebraska Highway Bond Act. AM1905 would make changes so that the State Treasurer would monthly credit, from those portions of the Highway Trust Fund otherwise allocated to the Highway Cash Fund, to the State Highway Capital Improvement Fund an amount equal to the sums of the money credited to the Highway Trust Fund through the proceeds of the sales and use taxes derived from 85% of the amount of the transactions from a sales tax rate of 0.25%, but in no event less than \$70 million annually. This 85% of 0.25% of sales and use tax currently goes to the State Highway Capital Improvement Fund directly. The credit would occur prior to allocating funds from the Highway Trust Fund to the Highway Cash Fund. The credited funds would only be derived from revenue closely related to the use of highways, including, but not limited to, motor vehicle fuel taxes, diesel fuel taxes, compressed fuel tax, and alternative fuel fees related to highway use retained by the state, all motor vehicle registration fees retained by the state other than those fees credited to the State Recreation Road Fund, and other highway-user taxes, fees, and penalties imposed by state law. The remainder of such funds would thereafter be credited to the Highway Cash Fund. Any proceeds from the sale of the bonds would still be deposited into the State Highway Capital Improvement Fund for use pursuant to the Build Nebraska Act. Additionally, the bonds issued would still be special obligations of the state payable from the State Highway Capital Improvement Fund and any other funds specifically pledged by the Commission. The Nebraska Department of Transportation (NDOT) indicates that any fiscal impact to NDOT would be contingent upon whether bonds would be issued and the timing of the projects. Costs of the bond issuance, such as financial advisor, bond counsel and rating agency fees, are anticipated and would vary based on if the bond issuance occurred in one or more series.

LB 727 increases the maximum amount of refundable tax credits in subsection (1) of section 77-27,188 that can be approved to \$2 million from \$1 million under the Nebraska Advantage Rural Development Act starting in calendar year 2023 and after. The bill also changes the fee for applications filed for an agreement with the Tax Commissioner from the current \$500 fee. The application fee would then be the following: \$100 for an investment amount of less than \$25,000; \$250 for an investment amount of at least \$25,000 but less than \$50,000; and \$500 for an investment amount of \$50,000 or more. LB 727 also changes requirements for the refundable credit in the Act so that the credit would be allowed to any taxpayer who has an approved application pursuant to the Act, is engaged in livestock production, and invests at least \$50,000 for livestock modernization or expansion for applications filed before January 1, 2024, or at least \$10,000 for livestock modernization or expansion for applications filed on or after January 1, 2024.

LB 727 provides a nonrefundable income tax credit for taxable years beginning on or after January 1, 2024 for any grocery store retailer or restaurant that donates food to a food pantry, food bank, or food rescue during the taxable year and any agricultural producer that makes a qualifying agricultural food donation to a food bank, food pantry, or food rescue during the taxable year. The DOR could approve \$0 of credits each year. Thus, there is no fiscal impact from this aspect.

LB 727 amends provisions of the Nebraska Job Creation and Mainstreet Revitalization Act (Act). Historically significant real property is redefined to include at-grade or above ground structures. Improvement is redefined to include projects with a total cost which equal or exceed \$5,000. The bill changes the amount of nonrefundable credits being equal to 20% of eligible expenditures up to a maximum credit of \$1 million to the following:

- For historically significant real property located in a county that includes a city of the metropolitan class or a city of the primary class, the credit would be equal to 25% of eligible expenditures.
- For historically significant real property located in any other county, the credit would be equal to 30% of eligible expenditures.
- In all cases, the maximum credit allocated to any one project would be \$2 million.

For calendar years beginning on or after January 1, 2024, the total amount of credits that could be allocated in any calendar year would be limited to \$2 million per year.

LB 727 imposes a tax on electronic nicotine delivery systems, beginning January 1, 2024. The tax revenue increase would be credited to the General Fund.

LB 727 amends section 77-6818, under the ImagiNE Nebraska Act. Subsection (1)(u) would be added to make waste treatment and disposal, under NAICS code 5622, an eligible activity for purposes of incentives under the Act.

LB 727 amends the tax credits under the Nebraska Advantage Research and Development Act (Act). The bill changes the date for when a business firm is allowed to first claim the credit for any tax year beginning or deemed to begin after December 31, 2022 to December 31, 2033. The bill changes provisions related to satisfactory evidence that the taxpayer electronically verified the work eligibility status of newly hired employees employed in Nebraska. That provision currently does not apply to any credit claimed before the 2009 taxable year. Under this aspect of the amendment, the provision would apply for taxable years 2009 through 2022. Subsection (2) of section 77-5808 from the amendment would be added to statute under the Act and would apply for the 2023 taxable year and after. This new language would add that when calculating the research tax credited under the Act, the qualified research expenses claimed in computing the federal credit allowed under section 41 of the Internal Revenue Code of 1986, as amended, would be adjusted to the extent the taxpayer includes, in such qualified research expenses, compensation paid to an employee of such taxpayer hired during or after the first tax year for which the Act credit is claimed by such firm and to the extent such compensation is subject to the Nebraska income tax. Such compensation, for the tax year in which the credit is

being claimed, would be deducted from the taxpayer’s qualified research expenses unless such employee was verified as eligible to work in the United States using the federal E-Verify system within 90 days after the date of hire of such employee or such longer period as may be permitted under the rules of the federal E-Verify system.

LB 727 provides the following sales and use tax exemptions:

- For buyer-based tax exemptions for purchases made by a construction contractor that is appointed as a purchasing agent on qualified materials for construction projects (operative July 1, 2026).
- For baling wire and twine purchased for use in commercial agriculture. The definition of net wrap is changed to be plastic wrap used in the baling of livestock feed or bedding.
- For community-based mental health or substance use services provided by nonprofit organizations certified or contracted by a regional behavioral health authority or the Division of Behavioral Health of the Department of Health and Human Services.

Finally, LB 727 directs all proceeds of sales and use taxes imposed pursuant to section 77-2703 on the sale or lease of aircraft as defined in section 3-101, for transactions occurring on or after July 1, 2023, to a newly created Nebraska Department of Transportation Aeronautics Capital Improvement Fund pursuant to 77-27,132, rather than the General Fund. The Fund would be utilized to build, repair, renovate, rehabilitate, restore, modify, or improve infrastructure at any public-use airport licensed by the Nebraska Department of Transportation Division of Aeronautics. LB 727 also extends the sunset date for the sales tax rate of 0.25% that is credited 85% to the Highway Trust Fund (previously to the State Highway Capital Improvement Fund) and 15% to the Highway Allocation Fund from July 1, 2033 to July 1, 2042.

The impact by provisions resulting in a revenue change to the General Fund is as follows:

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
LB 74-Purchasing Agent Exemption	\$0	\$0	\$0	(\$12,562,000)	(\$14,046,000)
LB 96-Twine Exemption	(\$43,000)	(\$59,000)	(\$60,000)	(\$62,000)	(\$64,000)
LB 100-ImagiNE Waste Treatment	\$0	\$0	(\$230,000)	(\$512,000)	(\$177,000)
LB 118-Livestock Modernization	\$0	(\$2,000,000)	(\$3,000,000)	(\$3,400,000)	(\$4,000,000)
LB 584-Nicotine Tax	\$1,172,500	\$2,898,000	\$2,985,000	\$3,075,000	\$3,167,000
LB 180-Biodiesel Tax Credit	\$0	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
LB 300-Mental Health Provider Exemptions	(\$300,000)	(\$464,000)	(\$477,000)	(\$492,000)	(\$507,000)
LB 384-Aircraft Sales Tax	(\$1,373,000)	(\$1,573,000)	(\$1,652,000)	(\$1,734,000)	(\$1,821,000)
LB 447-First Responder	(\$64,000)	(\$67,000)	(\$71,000)	(\$76,000)	(\$80,000)
LB 491-Nebraska Advantage R & D	(\$1,039,000)	(\$1,094,000)	(\$1,152,000)	(\$1,169,000)	(\$1,187,000)
LB 623-Sports Facility	(\$1,060,000)	(\$1,605,000)	(\$1,669,000)	(\$1,735,000)	(\$1,805,000)
LB 692- Good Life Transformational Projects	(\$1,958,000)	(\$4,841,000)	(\$4,986,000)	(\$5,135,000)	(\$5,290,000)
LB 697-NE Job Creation and Mainstreet Revitalization	(\$1,652,000)	(\$2,813,000)	(\$3,182,000)	(\$2,922,000)	(\$2,000,000)
LB 809-Nebraska Advantage Rural Development	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Total	(\$7,316,500)	(\$13,618,000)	(\$15,494,000)	(\$28,724,000)	(\$29,810,000)

LB 753

LB 753 adopts the Opportunity Scholarships Act (Act), which creates a nonrefundable tax credit for qualifying taxpayers who make contributions to scholarship-granting organizations for education scholarships. Organizations must be charitable organizations, exempt from federal income tax under the Internal Revenue Code (IRC) section 501(c)(3). Organizations would need to provide education scholarships based on a 5-tier priority system. Scholarships are limited to eligible students as defined in the bill.

An individual, partnership, limited liability company, S corporation, or corporation who makes a cash contribution to a certified organization is eligible for a nonrefundable income tax credit equal to the lesser of: (a) the total amount of the contributions made during the tax year; (b) 50% of the income tax liability of the taxpayer for the tax year; or (c) \$100,000. A taxpayer can only claim a credit for the portion of the contribution not claimed as a charitable contribution under the Internal Revenue Code. Any unused credit can be carried forward and applied against tax liability for 5 years immediately following the tax year the credit is first allowed, but cannot be carried back. Married filing separate taxpayers that could have filed a joint return can only claim one-half of the tax credit each. An estate or trust that makes a cash contribution to a certified organization is eligible for a nonrefundable income tax credit equal to the lesser of: (a) the total amount of the contributions made during the tax year; (b) 50% of the income tax liability of the taxpayer for the tax year; or (c) \$1,000,000. A taxpayer can only claim a credit for the portion of the contribution not claimed as a charitable contribution under the Internal Revenue Code. Any unused credit can be carried forward and applied against tax liability for 5 years immediately following the tax year the credit is first allowed, but cannot be carried back.

Prior to claiming the credit, the taxpayer must notify the organization of the intent to make a contribution and amount to be claimed as a credit. The organization must notify DOR of the intended tax credit amount. If the amount exceeds the limit specified in the Act, DOR would need to notify the organization within 30 days. The organization is to then promptly notify the taxpayer that the credit is unavailable.

The annual limit on total tax credits would be \$25 million in calendar years 2024, 2025, and 2026. The total annual limit on the total amount of tax credits for calendar year 2027 and each calendar year after would be calculated by taking the annual limit from the prior calendar year and then multiplying the amount by 125% if the intended tax credit amounts in the prior calendar year exceeded 90% of the annual limit applicable to that calendar year or 100% if the intended tax credit amounts in the prior calendar year did not exceed 90% of the annual limit applicable to that calendar year. The annual limit could be increased until it reaches \$100 million. Credits are to be prorated among the notifications received on the day the limit is exceeded. The bill contains the severability clause and is operative for all tax years beginning on or after January 1, 2024.

The estimated reduction to General Fund revenues as a result of this bill is as follows:

- FY 23-24: \$0
- FY 24-25: (\$25,000,000)
- FY 25-26: (\$25,000,000)
- FY 26-27: (\$25,000,000)
- FY 27-28: (\$31,250,000)

LB 754

LB 754 changes individual and corporate income tax rates and amends other tax provisions.

New tax credits are created through the establishment of the Child Care Tax Credit Act. For taxable years beginning or deemed to begin on or after January 1, 2024 a parent or legal guardian would be eligible to receive a refundable income tax credit if the parent's or legal guardian's:

- Child is enrolled in a child care program licensed under the Child Care Licensing Act;

- Child receives care from an approved license-exempt provider enrolled in the child care subsidy program; or
- Total household income is less than or equal to 100% of the federal poverty level.

The amount of the credit would be per child and based on the parent's or legal guardian's total household income as follows:

- \$2,000 per child, if the total household income is no more than \$75,000;
- \$1,000 per child, if the total household income is more than \$75,000 but no more than \$150,000;
- A parent or legal guardian with a total household income of more than \$150,000 is not eligible for the credit.

A parent or legal guardian is to file an application with the Department of Revenue (DOR) to receive the credit. The DOR can approve up to \$15,000,000 in these credits each year.

The second income tax credit under the Child Care Tax Credit Act is a nonrefundable income tax credit that starts for the taxable year of 2024. The credit is equal to 100% or 75% of the taxpayer's qualifying contribution to an eligible child care program made during the taxable year, and a taxpayer shall not receive more than \$100,000 per taxable year. The credit is equal to 100% if the eligible program that receives the contribution (a) has a physical presence in an opportunity zone in Nebraska, or (b) has at least one child enrolled in the child care subsidy program and is actively caring and billing for the child as verified by the Department of Health and Human Services (DHHS). For all other contributions, the credit shall be equal to 75%. A taxpayer would not be eligible for this credit if the taxpayer claimed a charitable contribution deduction for the qualifying contribution on the taxpayer's federal income tax return. A taxpayer is to file an application with the DOR to receive the credit. The DOR can approve up to \$2,500,000 in these credits each year.

The third tax credit for both qualified child care/education providers and eligible staff members is from amending the School Readiness Tax Credit Act. This reinstates a previously available tax credit. Eligible staff members could also apply for a refundable income tax credit starting from taxable year 2024. The credit would be based on the eligible staff member's classification. The classification system is for eligible staff who are employees of or who are self-employed individuals providing services for applicable child care and early childhood education programs listed in the Nebraska Early Childhood Professional Record System. Credit amounts are increased from prior levels, and the number of levels increased from four to five. A nonrefundable credit is available to qualified child care and education providers with children who participate in the child care subsidy program in an amount equal to the average monthly number of qualifying children who attend the eligible program multiplied by the amount based on the quality scale rating of the program. A taxpayer is to file an application with the DOR to receive the credit. The DOR could approve up to \$7,500,000 in tax credits each year under the School Readiness Tax Credit Act.

LB 754 also lowers individual and corporate income tax rates. The rates for the third and fourth individual income tax brackets would be as follows:

- Third Bracket
 - For taxable years beginning on January 1, 2014, and before January 1, 2026: 5.01%
 - For taxable years beginning on January 1, 2026, and before January 1, 2027: 4.55%
 - For taxable years beginning on or after January 1, 2027: 3.99%
- Fourth Bracket
 - For taxable years beginning on January 1, 2014, and before January 1, 2023: 6.84%
 - For taxable years beginning on January 1, 2023, and before January 1, 2024: 6.64%
 - For taxable years beginning on January 1, 2024, and before January 1, 2025: 5.84%
 - For taxable years beginning on January 1, 2025, and before January 1, 2026: 5.20%
 - For taxable years beginning on January 1, 2026, and before January 1, 2027: 4.55%
 - For taxable years beginning on or after January 1, 2027: 3.99%

LB 754 eliminates the rate of 5.58% on the first \$100,000 of corporate income after taxable year 2024. Instead, there would be one rate for all taxable corporate income. Thus, under the amendment, the corporate income rates would be the following:

- For taxable years beginning on January 1, 2024, and before January 1, 2025: 5.58% on the first \$100,000 of taxable income and 5.84% on all taxable income in excess of \$100,000
- For taxable years beginning on January 1, 2025, and before January 1, 2026: 5.20%
- For taxable years beginning on January 1, 2026, and before January 1, 2027: 4.55%
- For taxable years beginning on or after January 1, 2027: 3.99%

LB 754 also changes provisions related to social security benefits and federal adjusted gross income (FAGI). FAGI is reduced by a percentage of the social security benefits received and included in the FAGI. The percentage is set to increase each year until 100% of social security benefits can be deducted. The percent of the exemption for social security benefits is changed for the years of January 1, 2024 and after to 100%. Additionally, this aspect of the amendment makes changes to the existing exemption based on income levels so that it ends at the end of taxable year 2023. Until the end of taxable year 2023, the taxpayer could utilize the exemption based on income or the exemption based on percentage, whichever provides the greater reduction.

LB 754 also allows an individual to reduce his or her FAGI by the amounts received as annuities under the Federal Employees Retirement System or the Civil Service Retirement System which were earned for being employed by the federal government, to the extent the amounts are included in FAGI. This reduction would commence for taxable years beginning on or after January 1, 2024.

Total General Fund revenue impact of LB 754 is as follows:

	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
<i>Child Credits</i>	\$ -	\$ (20,410)	\$ (20,483)	\$ (20,558)	\$ (20,634)	\$ (20,712)
<i>Individual Income Tax</i>	\$ (72,469)	\$ (230,013)	\$ (387,072)	\$ (586,052)	\$ (721,091)	\$ (749,854)
<i>Corporate Income Tax</i>	\$ (6,103)	\$ (27,668)	\$ (60,181)	\$ (92,764)	\$ (119,324)	\$ (132,525)
<i>Social Security Benefits</i>	\$ (8,183)	\$ (11,457)	\$ -	\$ -	\$ -	\$ -
<i>Retirement Income</i>	\$ (846)	\$ (2,047)	\$ (2,082)	\$ (2,127)	\$ (2,206)	\$ (2,308)
Total	\$ (87,601)	\$ (291,595)	\$ (469,818)	\$ (701,501)	\$ (863,255)	\$ (905,399)

***Dollar amounts are in thousands**

GENERAL FUND APPROPRIATIONS

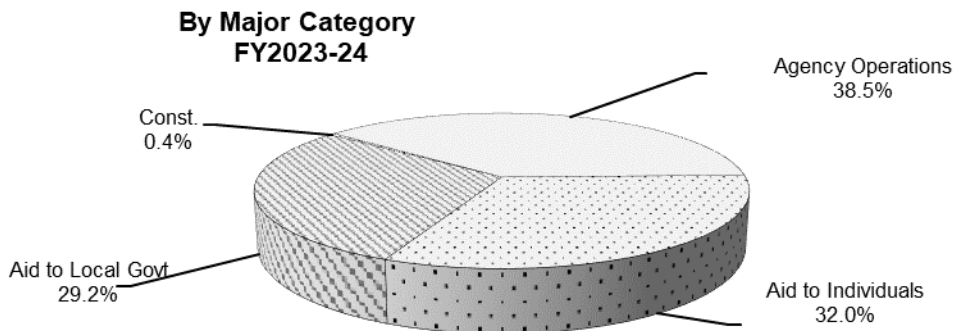
General Fund Appropriations

Table 11 contains a summary of the General Fund budget for the FY2023-24 and FY2024-25 biennium as enacted in the 2023 legislative session. Subsequent sections of this report contain a more detailed explanation of the various increases and reductions which are included in the totals shown below.

Table 11 - General Fund Budget as Enacted in the 2023 Session

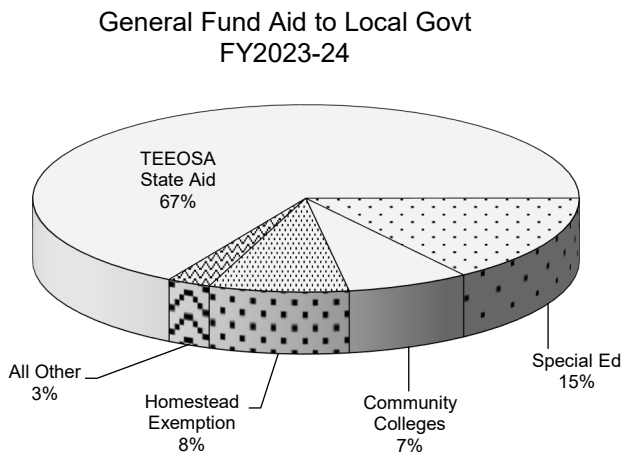
	W/o deficits FY2022-23	Per 2023 Session		Change vs Prior Yr FY23-24 (w/o deficits)		Change vs Prior Yr FY24-25 (w/o deficits)		2 Yr Avg % Change	% Total FY23-24
		Enacted FY2023-24	Enacted FY2024-25	\$	%	\$	%		
Agency Operations									
University & State /Colleges	704,132,488	724,181,629	758,983,840	20,049,141	2.8%	34,802,211	4.8%	3.8%	13.5%
Health & Human Services	291,885,024	346,270,934	359,485,585	54,385,910	18.6%	13,214,651	3.8%	11.0%	6.5%
Correctional Services	289,961,758	342,518,271	353,230,798	52,556,513	18.1%	10,712,527	3.1%	10.4%	6.4%
Courts	204,357,073	219,392,861	232,452,664	15,035,788	7.4%	13,059,803	6.0%	6.7%	4.1%
State Patrol	70,282,670	82,859,249	87,039,432	12,576,579	17.9%	4,180,183	5.0%	11.3%	1.5%
Retirement Board	57,826,161	60,972,169	63,139,000	3,146,008	5.4%	2,166,831	3.6%	4.5%	1.1%
Revenue	30,222,159	32,404,613	33,115,321	2,182,454	7.2%	710,708	2.2%	4.7%	0.6%
Other 39 Agencies	224,524,827	249,412,838	261,540,492	24,888,011	11.1%	12,127,654	4.9%	7.9%	4.7%
Total-GF Operations	1,873,192,160	2,058,012,564	2,148,987,132	184,820,404	9.9%	90,974,568	4.4%	7.1%	38.5%
State Aid to Individuals/Others									
Medicaid	991,653,018	1,007,479,783	1,012,640,639	15,826,765	1.6%	5,160,856	0.5%	1.1%	18.8%
Child Welfare Aid	179,719,304	182,692,600	182,611,996	2,973,296	1.7%	(80,604)	0.0%	0.8%	3.4%
Developmental disabilities aid	174,638,509	175,955,731	197,567,183	1,317,222	0.8%	21,611,452	12.3%	6.4%	3.3%
Public Assistance	89,156,005	86,130,054	86,380,054	(3,025,951)	-3.4%	250,000	0.3%	-1.6%	1.6%
Behavioral Health aid	74,311,162	84,505,211	85,382,211	10,194,049	13.7%	877,000	1.0%	7.2%	1.6%
Childrens Health Insurance (SCHIP)	26,433,262	26,384,947	26,246,298	(48,315)	-0.2%	(138,649)	-0.5%	-0.4%	0.5%
Nebr Broadband Bridge Act	19,795,788	19,795,788	19,795,788	0	0.0%	0	0.0%	0.0%	0.4%
Business Innovation Act	19,251,162	19,234,402	19,234,402	(16,760)	-0.1%	0	0.0%	0.0%	0.4%
Aging Programs	11,722,579	11,722,579	11,722,579	0	0.0%	0	0.0%	0.0%	0.2%
Community health centers	11,314,060	11,314,060	11,314,060	0	0.0%	0	0.0%	0.0%	0.2%
Nebraska Career Scholarships	14,050,000	19,107,500	20,240,000	5,057,500	36.0%	1,132,500	5.9%	20.0%	0.4%
Higher Ed Student Aid programs	9,093,430	9,593,430	9,593,430	500,000	5.5%	0	0.0%	2.7%	0.2%
Public Health Aid	6,877,196	6,877,196	6,877,196	0	0.0%	0	0.0%	0.0%	0.1%
Nebraska Rural Projects Act	4,896,460	4,896,460	4,896,460	0	0.0%	0	0.0%	0.0%	0.1%
All Other Aid to Individuals/Other	33,937,821	44,978,130	32,804,893	11,040,309	32.5%	(12,173,237)	-27.1%	-1.7%	0.8%
Total-GF Aid to Individuals/Other	1,666,849,756	1,710,667,871	1,727,307,189	43,818,115	2.6%	16,639,318	1.0%	1.8%	32.0%
State Aid to Local Govts									
State Aid to Schools (TEEOSA)	1,038,686,234	1,030,190,990	944,862,755	(8,495,244)	-0.8%	(85,328,235)	-8.3%	-4.6%	19.3%
Property Tax Credit	Transfer	Transfer	Transfer	--	--	--	--	--	--
Special Education	235,724,474	235,724,474	235,724,474	0	0.0%	0	0.0%	0.0%	4.4%
Aid to Community Colleges	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%	1.9%	2.1%
Homestead Exemption	121,300,000	128,000,000	133,600,000	6,700,000	5.5%	5,600,000	4.4%	4.9%	2.4%
Aid to ESU's	13,613,976	13,613,976	13,613,976	0	0.0%	0	0.0%	0.0%	0.3%
Aid to Counties programs	2,000,000	0	0	(2,000,000)	-100.0%	0	-	-100.0%	0.0%
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0.0%	0	0.0%	0.0%	0.0%
Early Childhood programs	11,119,357	11,119,357	11,119,357	0	0.0%	0	0.0%	0.0%	0.2%
Community Based Juvenile Services	5,798,000	5,798,000	5,798,000	0	0.0%	0	0.0%	0.0%	0.1%
Governors Emergency Program	5,000,000	5,000,000	5,000,000	0	0.0%	0	0.0%	0.0%	0.1%
Other Aid to Local Govt	16,319,394	15,721,124	6,569,394	(598,270)	-3.7%	(9,151,730)	-58.2%	-36.6%	0.3%
Total-GF Aid to Local Govt	1,561,708,727	1,559,450,055	1,472,747,629	(2,258,672)	-0.1%	(86,702,426)	-5.6%	-2.9%	29.2%
Capital Construction	23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%	-5.6%	0.4%
TOTAL APPROPRIATIONS	5,125,672,253	5,349,434,418	5,370,345,878	223,762,165	4.4%	20,911,460	0.4%	2.4%	100.0%

The numbers in the enacted budget are the net result of about 200 individual issues which reflect both increases to and reductions from the current year appropriation. A listing of the most significant individual issues starts on page 50. The following highlights some major changes in each category.



State Aid to Local Governments

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



Aid to local governments declined by \$1.6 million (-0.1%) in FY23-24 and declined \$79.2 million (-4.0%) in FY24-25. The two year average change is -2.6%. The primary reason for the reduction in aid in FY24-25 is the reduction in TEEOSA school aid as calculated under existing law due to higher property valuations.

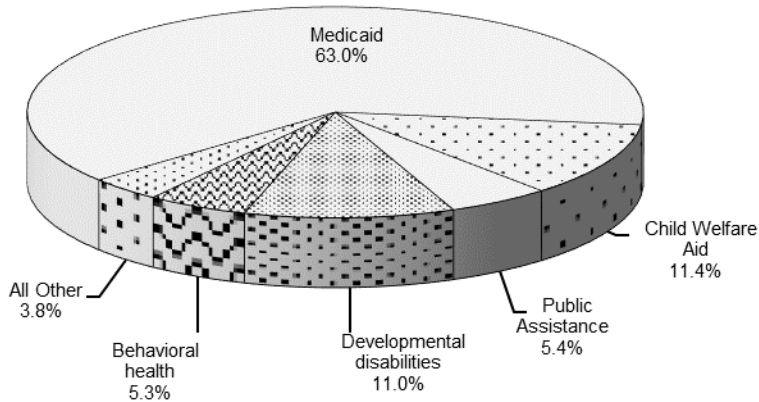
Homestead Exemption reimbursement increases by 5.5% in FY23-24 and 4.4% in FY24-25. The budget also provides for a 1.9% per year increase in funding for Community Colleges (about \$2.1 million each year).

There was no change in the General Fund portion of special education funding in the enacted budget, although overall funding for special education increased by nearly 84.4% in FY23-24 and an additional 1.6% in FY24-25 due to the provisions of LB 583 (2023) and the cash fund appropriation from the Education Future 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. This would include entities such as area agencies on aging, mental health regions and developmental disability regions.

General Fund Aid to Individuals
FY2023-24



This area has an increase of \$43.2 million in FY23-24 (2.6%) and \$50.7 million (0.4%) in FY24-25. The two year average change is 1.5%. There is a reduction of \$20.1 million in FY23-24 and \$24 million in FY24-25 due to an increase in the Federal Medical Assistance Percentage (FMAP). However, the enacted budget includes a 3% increase in FY23-24 for provider rate for Child Welfare, Medicaid, Behavioral Health, and Developmental Disability in DHHS as well as child welfare and medical services in probation programs within the Supreme Court. The increase is partially offset by base reductions in the behavioral health

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

The increase in General Funds, accounting for the offsets and use of ARPA funds, for these increases in aid programs are \$21.9 million in FY23-24 and \$21.8 million in FY24-25.

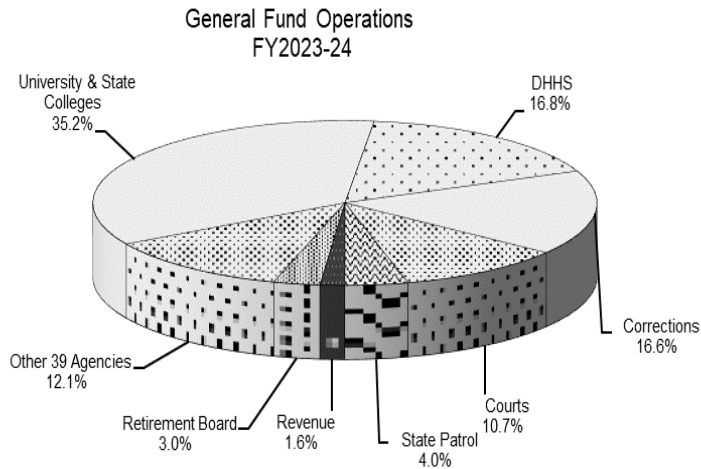
LB 227 (2023) appropriates \$6.9 million in FY23-24 and \$8 million in FY24-25 to the Medicaid program for provisions of the bill to extend Medicaid postpartum coverage, reimbursements for certain hospital patients, and increasing the standard of need for eligible aged, blind, and disabled persons for a personal needs allowance. LB 531 (2023) appropriates \$9.2 million in aid for grants under the Economic Recovery Act.

Agency Operations

This area accounts for the costs of operating state agencies, including costs of employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, etc. In the enacted budget, 39.9% of all General Fund appropriations are for agency operations. Although there are 49 state agencies that receive General Fund appropriations, higher education (University of Nebraska and State Colleges) and the six largest agencies (Health and Human Services, Corrections, Courts, State Patrol, Revenue, and Retirement Board) account for 88% of state operations. Note that all of the General Funds for the Retirement Board are actually state contributions for the K-12 School employee retirement plan. They are not shown under aid to local governments as the monies are placed directly into the retirement fund and are not actually paid to a school district.

General Funds for agency operations shows a \$184.8 million increase (9.9%) in FY23-24 and a \$275.8 million increase (4.4%) in FY24-25. The two year average change is 7.1%. The most significant increases in operations in both years are salary and health insurance increases for state employees. Salary increases for state employees were \$54.8 million in FY23-24 and \$90.3 million in FY24-25. Health insurance increases for state employees were \$4.4 million in FY23-24 and \$9.1 million in FY24-25.

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



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

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

Capital Construction

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

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

Historical General Fund Appropriations

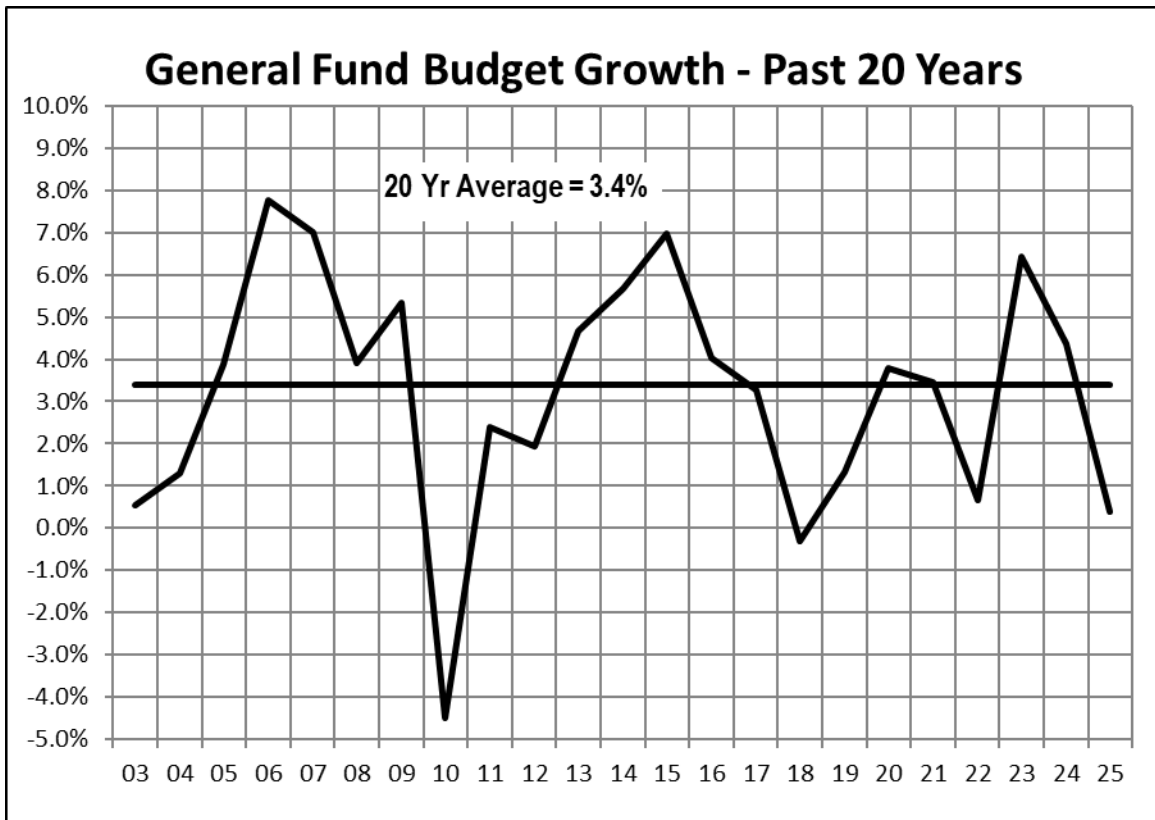
While the previous sections provide an overview of the FY23-24 and FY24-25 General Fund biennial budget, Table 12 provides an historical perspective showing appropriations for the twenty year period FY04-05 to FY24-25.

Table 12 Breakdown of General Fund Appropriations – Last 20 Years

	w/o Deficits FY2004-05	w/o Deficits FY2014-15	Per 2023 Session	
			Enacted FY2023-24	Enacted FY2024-25
Agency Operations				
University & State /Colleges	433,776,904	592,212,914	724,181,629	758,983,840
Health & Human Services	180,700,556	209,854,144	346,270,934	359,485,585
Correctional Services	132,139,178	181,813,346	342,518,271	353,230,798
Courts	55,641,210	149,427,839	219,392,861	232,452,664
State Patrol	41,539,950	56,576,821	82,859,249	87,039,432
Retirement Board	17,048,711	46,645,251	60,972,169	63,139,000
Revenue	25,371,604	26,428,021	32,404,613	33,115,321
Other 39 Agencies	131,799,097	166,520,755	249,412,838	261,540,492
Total-GF Operations	1,018,017,210	1,429,479,091	2,058,012,564	2,148,987,132
State Aid to Individuals/Others				
Medicaid	470,355,382	777,723,897	1,007,479,783	1,012,640,639
Child Welfare Aid	113,269,755	137,778,999	182,692,600	182,611,996
Developmental disabilities aid	58,032,370	137,040,195	175,955,731	197,567,183
Public Assistance	77,852,044	110,319,888	86,130,054	86,380,054
Behavioral Health aid	30,919,130	67,444,214	84,505,211	85,382,211
Childrens Health Insurance (SCHIP)	12,510,455	27,560,027	26,384,947	26,246,298
Nebr Broadband Bridge Act	0	0	19,795,788	19,795,788
Business Innovation Act	0	6,760,000	19,234,402	19,234,402
Aging Programs	5,696,975	9,463,465	11,722,579	11,722,579
Community health centers	0	4,308,060	11,314,060	11,314,060
Nebraska Career Scholarships		0	19,107,500	20,240,000
Higher Ed Student Aid programs	5,766,815	7,553,156	9,593,430	9,593,430
Public Health Aid	2,898,516	6,437,612	6,877,196	6,877,196
Nebraska Rural Projects Act	0	0	4,896,460	4,896,460
All Other Aid to Individuals/Other	8,271,094	12,512,373	44,978,130	32,804,893
Total-GF Aid to Individuals/Other	785,572,536	1,304,901,886	1,710,667,871	1,727,307,189
State Aid to Local Govts				
State Aid to Schools (TEEOSA)	618,568,757	913,571,842	1,030,190,990	944,862,755
Property Tax Credit		Transfer	Transfer	Transfer
Special Education	161,146,721	213,767,961	235,724,474	235,724,474
Aid to Community Colleges	62,887,646	95,040,351	111,939,172	114,116,711
Homestead Exemption	48,838,100	73,521,000	128,000,000	133,600,000
Aid to ESU's	10,564,913	14,051,761	13,613,976	13,613,976
Aid to Counties programs	8,467,271	0	0	0
High ability learner programs	2,336,921	0	2,342,962	2,342,962
Early Childhood programs	2,097,180	9,235,164	11,119,357	11,119,357
Community Based Juvenile Services	0	4,950,000	5,798,000	5,798,000
Governors Emergency Program	0	500,000	5,000,000	5,000,000
Other Aid to Local Govt	5,693,592	6,735,912	15,721,124	6,569,394
Total-GF Aid to Local Govt	935,446,662	1,345,007,109	1,559,450,055	1,472,747,629
Capital Construction	19,046,316	26,437,444	21,303,928	21,303,928
TOTAL APPROPRIATIONS	2,758,082,724	4,105,825,530	5,349,434,418	5,370,345,878

Table 13 Historical General Fund Appropriations

<i>Excludes Deficits</i>	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total Appropriations	% Change
FY2001-02 Approp	989,205,923	646,333,088	944,027,473	27,384,852	2,606,951,336	6.0%
FY2002-03 Approp	1,003,728,744	647,793,727	951,729,511	18,044,257	2,621,296,239	0.6%
FY2003-04 Approp	999,655,261	705,616,238	929,503,078	20,515,031	2,655,289,608	1.3%
FY2004-05 Approp	1,018,017,210	785,572,536	935,446,662	19,046,316	2,758,082,724	3.9%
FY2005-06 Approp	1,079,894,592	850,904,771	1,018,289,225	23,350,481	2,972,439,069	7.8%
FY2006-07 Approp	1,151,463,639	938,524,594	1,058,983,563	31,878,981	3,180,850,777	7.0%
FY2007-08 Approp	1,172,764,317	978,026,675	1,146,759,149	8,150,822	3,305,700,963	3.9%
FY2008-09 Approp	1,221,557,978	1,015,815,632	1,236,048,810	8,238,322	3,481,660,742	5.3%
FY2009-10 Approp	1,210,527,988	880,256,943	1,220,339,540	14,172,233	3,325,296,704	-4.5%
FY2010-11 Approp	1,253,663,584	946,598,966	1,191,036,509	13,802,233	3,405,101,292	2.4%
FY2011-12 Approp	1,225,276,661	1,057,283,733	1,173,944,302	14,027,233	3,470,531,929	1.9%
FY2012-13 Approp	1,259,610,962	1,135,669,688	1,216,370,872	20,772,233	3,632,423,755	4.7%
FY2013-14 Approp	1,315,231,996	1,212,891,823	1,284,215,064	25,830,024	3,838,168,907	5.7%
FY2014-15 Approp	1,429,479,091	1,304,901,886	1,345,007,109	26,437,444	4,105,825,530	7.0%
FY2015-16 Approp	1,521,595,794	1,348,844,879	1,374,980,396	26,382,800	4,271,803,869	4.0%
FY2016-17 Approp	1,580,659,703	1,398,520,670	1,410,271,464	22,239,000	4,411,690,837	3.3%
FY2017-18 Approp	1,570,199,266	1,378,600,757	1,427,473,593	21,739,000	4,398,012,616	-0.3%
FY2018-19 Approp	1,583,458,863	1,415,580,493	1,435,505,259	21,739,000	4,456,283,615	1.3%
FY2019-20 Approp	1,639,165,838	1,437,130,930	1,510,109,279	38,265,811	4,624,671,858	3.8%
FY2020-21 Approp	1,699,786,897	1,490,875,709	1,554,478,631	38,625,661	4,783,766,898	3.4%
FY2021-22 Approp	1,742,597,825	1,525,934,190	1,505,445,122	41,526,176	4,815,503,313	0.7%
FY2022-23 Approp	1,873,192,160	1,666,849,756	1,561,708,727	23,921,610	5,125,672,253	6.4%
FY2023-24 Budget	2,058,012,564	1,710,667,871	1,559,450,055	21,303,928	5,349,434,418	4.4%
FY2024-25 Budget	2,148,987,132	1,727,307,189	1,472,747,629	21,303,928	5,370,345,878	0.4%
Average Annual Growth						
FY12 / FY13 Biennium	0.2%	9.5%	1.1%	22.7%	3.3%	
FY14 / FY15 Biennium	6.5%	7.2%	5.2%	12.8%	6.3%	
FY16 / FY17 Biennium	5.2%	3.5%	2.4%	-8.3%	3.7%	
FY18 / FY19 Biennium	0.1%	0.6%	0.9%	-1.1%	0.5%	
FY20 / FY21 Biennium	3.6%	2.6%	4.1%	33.3%	3.6%	
FY22 / FY23 Biennium	5.0%	5.7%	0.2%	-21.3%	3.5%	
FY24 / FY25 Biennium	7.1%	1.8%	-2.9%	-5.6%	2.4%	
Avg FY05 to FY15 (10 yr)	3.5%	5.2%	3.7%	3.3%	4.1%	
Avg FY15 to FY25 (10 yr)	4.2%	2.8%	0.9%	-2.1%	2.7%	
Avg F05 to FY25 (20 yr)	3.8%	4.0%	2.3%	0.6%	3.4%	



Significant General Fund Increases and Reductions

The enacted budget represents the result of numerous areas where the budget was increased, offset to some extent by areas that were reduced.

In terms of using available General Funds, some of the largest items are not on the list. The enacted budget included additional funds for the Property Tax Credit program funded by General Fund transfers to the cash fund; \$50 million in FY24 and \$85 million in FY25, a \$135 million two-year total (additional appropriation is included related to gaming tax. For more discussion, see page 79). LB 583 (2023) appropriated \$311.4 million in FY24 and \$319.2 million in FY25 from the Education Future Fund for special education aid and foundation aid, a \$630.6 million two-year total. In LB 705 (2023) and the mainline budget bill (LB 814), an additional \$13.8 million each fiscal year was appropriated from the Education Future Fund for various programs, a \$27.6 million two-year total. Finally, LB 243 (2023) appropriated \$246.5 million from the Community College Cash Fund in FY25 for aid to community colleges.

For accounting purposes these expenditures are shown as a transfer-out from the General Fund and a Cash Fund expenditure, rather than a General Fund expenditure. However, the source of funding is the General Fund.

Table 14 shows General Fund appropriation increases and decreases by category.

Table 14 Significant General Fund Increases / Reductions by Budget Category

Amounts shown are \$ change from FY23 base year		Biennial Budget - 2023 Session		
		FY2023-24	FY2024-25	Two Yr total
TEEOSA Aid to Schools	Aid-Local	(8,495,244)	(93,823,479)	(102,318,723)
Homestead Exemption	Aid-Local	6,700,000	12,300,000	19,000,000
Community Colleges	Aid-Local	2,134,842	4,312,381	6,447,223
Public Power Hydrogen Hubs (LB 565)	Aid-Local	250,000	250,000	500,000
Aid to Counties, certain federal judgments	Aid-Local	(2,000,000)	(2,000,000)	(4,000,000)
AID TO LOCAL GOVERNMENTS		(2,258,672)	(88,961,098)	(91,219,770)
Medicaid (with expansion)	Aid-Ind/Other	15,826,765	20,987,621	36,814,386
Public Assistance	Aid-Ind/Other	(3,025,951)	(2,775,951)	(5,801,902)
Child Welfare aid	Aid-Ind/Other	2,973,296	2,892,692	5,865,988
Developmental Disability aid	Aid-Ind/Other	1,317,222	22,928,674	24,245,896
Behavioral health aid	Aid-Ind/Other	10,194,049	11,071,049	21,265,098
Childrens Health Insurance (SCHIP)	Aid-Ind/Other	(48,315)	(186,964)	(235,279)
Nebr Precision Ag	Aid-Ind/Other	906,478	901,216	1,807,694
Higher Ed Student aid programs	Aid-Ind/Other	500,000	500,000	1,000,000
Nebraska Career Scholarships (DED)	Aid-Ind/Other	2,000,000	3,000,000	5,000,000
Aid to the arts programs	Aid-Ind/Other	(7,500,000)	(7,500,000)	(15,000,000)
Nebraska Innovation Hub Act (LB 450)	Aid-Ind/Other	(16,760)	(16,760)	(33,520)
Economic Recovery Act (LB 1024)	Aid-Ind/Other	(848,270)	(10,000,000)	(10,848,270)
RHOP/PHEAST Scholarship (Colleges)	Aid-Ind/Other	300,000	600,000	900,000
Nebraska Career Scholarships (Colleges)	Aid-Ind/Other	1,057,500	1,190,000	2,247,500
Nebraska Career Scholarships (University)	Aid-Ind/Other	2,000,000	2,000,000	4,000,000
Mentorship Programs (DED)	Aid-Ind/Other	4,877,702	4,880,762	9,758,464
Workforce Development (Labor)	Aid-Ind/Other	10,000,000	0	10,000,000
Local Libraries	Aid-Ind/Other	37,075	68,650	105,725
Grants for nonprofits constructing Veterans' memorial	Aid-Ind/Other	2,500,000	0	2,500,000
Other Not Listed (net)	Aid-Ind/Other	767,324	9,916,444	10,683,768
AID TO INDIVIDUALS / OTHER		43,818,115	60,457,433	104,275,548
Salaries (State Agencies)	Oper	54,814,299	90,310,036	145,124,335
Health Insurance (State Agencies)	Oper	4,443,854	9,065,459	13,509,313
DAS related rates (State Agencies)	Oper	14,660,937	17,479,936	32,140,873
New TERC Commissioner and salary (LB 243)	Oper	409,719	439,128	848,847
Additional Auditors and Staff Increases (Auditor)	Oper	309,461	539,242	848,703
Judges' Salaries (LB 799)	Oper	2,196,263	3,929,942	6,126,205
Juvenile & community programs, rate increase (Courts)	Oper	2,494,763	7,798,217	10,292,980
Criminal Justice changes (LB 50)	Oper	3,576,213	2,903,207	6,479,420
Legislative Staff Salaries	Oper	1,420,712	1,420,712	2,841,424
Additional Probation Officers (Courts)	Oper	1,005,266	2,065,231	3,070,497
Interstate Water Litigation (Attorney General)	Oper	300,000	300,000	600,000
Public Health Cancer Registry	Oper	1,000,000	1,000,000	2,000,000
CFSS Worker Training	Oper	1,330,000	1,330,000	2,660,000
DHHS Data processing and technology items	Oper	14,718,452	14,718,452	29,436,904
LB 227 administration costs	Oper	3,627,976	3,879,167	7,507,143
Staffing (Vets Affairs)	Oper	4,407,394	9,691,664	14,099,058
Inmate per diem costs (Corrections)	Oper	12,608,671	13,253,352	25,862,023
Water Contamination Study	Oper	1,000,000	0	1,000,000
Staffing, security, programming, health services (Corrections)	Oper	14,524,105	14,524,105	29,048,210
Base adjustment (Corrections)	Oper	10,401,347	10,401,347	20,802,694
General Operating increases (University+Colleges)	Oper	17,547,584	35,181,054	52,728,638
University faculty/programs/A bills/Workforce	Oper	0	14,500,000	14,500,000
Vehicles/gasoline (State Patrol)	Oper	2,247,649	2,247,649	4,495,298
Retirement, K-12 School / Judges / Patrol	Oper	3,146,008	5,312,839	8,458,847
Other Not Listed (net)	Oper	12,629,731	13,504,233	26,133,964
AGENCY OPERATIONS		184,820,404	275,794,972	460,615,376
Capital Construction	Const	(2,617,682)	(2,617,682)	(5,235,364)
CAPITAL CONSTRUCTION		(2,617,682)	(2,617,682)	(5,235,364)
TOTAL GENERAL FUND CHANGE (without deficits)		223,762,165	244,673,625	468,435,790

Aid to Local Governments

State Aid to K-12 Schools

Table 15 shows the total amount of General Fund state aid to K-12 schools from the various aid programs, the average percent change over the two year period is -3.7%.

TEEOSA aid changes included in LB 583 (2023), which adds a foundation aid component to the TEEOSA formula. A portion of the foundation aid (23%) is funded through the Education Future Fund, and the remaining portion is funded by General Funds. The overall impact of the other components of the formula and the additional requirements in LB 583, including foundation aid, resulted in a \$12.7 million reduction from the March certification of the TEEOSA aid amount. Under LB 583, certification of the aid amount was required by June 15, 2023, incorporating the newly enacted provisions. The total change from the FY22-23 appropriation in the General Fund portion of TEEOSA is an \$8.5 million decrease in FY23-24 (-0.8%) and a \$93.8 million decrease in FY24-25 (-8.3%). The two year average percent change for TEEOSA aid only is -4.6%.

For other K-12 aid programs, the General Fund budget remains the same. A description of certain programs follows the table.

Table 15 Total General Fund State Aid to K-12 Schools

Aid Program	w/o Deficits	w/o Deficits	w/o Deficits	Enacted Budget	
	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
TEEOSA State Aid to Education	1,022,555,859	1,014,915,776	1,038,686,234	1,030,190,990	944,862,755
Special Education	231,079,770	233,390,568	235,724,474	235,724,474	235,724,474
Aid to ESU's	13,613,976	13,613,976	13,613,976	13,613,976	13,613,976
High ability learner programs	2,342,962	2,342,962	2,342,962	2,342,962	2,342,962
Early Childhood grant program	3,619,357	3,619,357	3,619,357	3,619,357	3,619,357
Early Childhood Endowment	5,000,000	7,500,000	7,500,000	7,500,000	7,500,000
Nurturing Healthy Behaviors	400,000	400,000	400,000	400,000	400,000
School Lunch	392,032	392,032	392,032	392,032	392,032
Textbook loan program	465,500	1,465,500	1,465,500	1,465,500	1,465,500
School Breakfast reimbursement	617,898	617,898	617,898	617,898	617,898
Adult Education	214,664	214,664	214,664	214,664	214,664
Learning Communities Aid	470,000	470,000	470,000	470,000	470,000
Summer Food Service grants	90,000	90,000	90,000	90,000	90,000
High School Equivalency Assistance	750,000	750,000	750,000	750,000	750,000
Step Up to Quality Child Care Scholarships	100,000	100,000	100,000	100,000	100,000
Step Up to Quality Child Care Bonuses	69,000	69,000	69,000	69,000	69,000
TOTAL	1,281,781,018	1,279,951,733	1,306,056,097	1,297,560,853	1,212,232,618

TEEOSA State Aid to Schools The enacted budget includes funding for state aid to schools at the amount calculated under enacted provisions of LB 583, which added a foundation aid component to the TEEOSA formula. The FY2023-24 is based on the calculation prepared by the Dept of Education in June 15 and reflects the certification amount. The FY2024-25 estimate is based on Fiscal Office calculations. The overall change in total TEEOSA aid is a \$108.7 million (10.1%) increase in FY2023-24 and a \$84 million (-7.1%) decrease in FY2024-25. The increase is due to foundation aid and is largely funded by the Education Future Fund, which is funded by transfers from the General Fund (for more detail, see p. 25). The change in the General Fund portion of TEEOSA aid is -0.8% in FY23-24 and -8.3% in FY24-25.

Table 16 TEEOSA Aid

TEEOSA – Current Law	All Funds FY2022-23	All Funds FY2023-24	All Funds FY2024-25	All Funds FY2025-26	All Funds FY2026-27
School Disbursements	5.56%	3.44%	3.50%	3.50%	3.50%
Property Valuations (Assessed)	3.87%	5.58%	9.13%	3.18%	3.23%
Property Valuations (Used in Formula)	4.38%	6.00%	8.82%	3.93%	3.90%
Cost Growth Factor	5.00%	5.00%	5.00%	5.00%	5.00%
Local Effort Rate	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total Formula Need	3,966,000,902	4,108,219,000	4,227,011,797	4,366,536,416	4,514,317,527
Effective Yield from Local Effort Rate (LER)	2,352,337,882	2,384,853,782	2,572,651,718	2,659,253,761	2,761,982,751
Net Option Funding	125,344,322	117,496,006	120,302,851	123,830,578	127,492,302
Allocated Income Tax	52,618,894	62,256,195	64,123,881	66,047,597	68,029,025
Other Actual Receipts	542,276,787	543,460,903	558,352,031	573,651,184	589,369,542
Other Actual Receipts – Increased SPED	0	0	0	213,217,751	220,680,372
Community Achievement Plan (CAP) Aid	7,011,951	6,937,296	7,028,868	7,274,301	7,528,349
Foundation Aid	0	468,138,535	471,438,716	284,995,116	287,288,974
Total Formula Resources	3,079,589,836	3,583,142,717	3,793,898,066	3,928,270,288	4,062,371,316
Equalization Aid	886,411,066	525,076,282	433,113,731	438,266,128	451,946,211
Net Option Funding	125,344,322	117,496,006	120,302,851	123,830,578	127,490,302
Allocated Income Tax	52,618,894	62,256,195	64,123,881	66,047,597	68,029,025
Community Achievement Plan (CAP) Aid	7,011,951	6,937,296	7,028,868	7,274,301	7,528,349
Foundation Aid	0	468,138,535	471,438,716	474,991,860	478,814,957
TEEOSA State Aid	1,071,386,233	1,180,062,417	1,096,008,047	1,110,410,464	1,133,810,845
State General Funds	1,038,686,233	1,030,209,169	944,862,755	958,412,418	980,895,255
Education Future Fund	0	112,353,248	113,145,292	113,998,046	114,915,590
Insurance Premium Tax (w/o Deficit)	28,560,853	37,500,000	38,000,000	38,000,000	38,000,000
Total TEEOSA Aid	1,071,386,233	1,180,062,417	1,096,008,047	1,110,410,464	1,133,810,845
80% SPED Reimb.	0	199,041,052	206,007,489	213,217,751	220,680,372
\$ Change from Prior Year – Total	24,370,467	108,676,184	(84,054,370)	14,402,417	23,400,381
% Change from Prior Year – Total	2.3%	10.1%	-7.1%	1.3%	2.1%
\$ Change from Prior Year – General Fund	23,770,467	(8,477,064)	(85,346,414)	13,519,663	22,482,837
% Change from Prior Year – General Fund	2.3%	-0.8%	-8.28%	1.43%	2.35%
\$ Change from Prior Year – EFF	0	0	792,044	852,754	917,544
% Change from Prior Year – EFF	0	0	0.7%	0.75%	0.8%
\$ Change from Prior Year – SPED (EFF)	0	0	6,966,437	7,210,262	7,462,621
% Change from Prior Year – SPED (EFF)	0	0	3.5%	3.5%	3.5%

Table 17 Historical TEEOSA Aid

	State General Funds	Insurance Premium	Education Future Fund	EDJOBS ARRA	TEEOSA (All Funds)	\$ Change	% Change
FY1990-91	311,462,100	0	0	0	311,462,100	177,741,270	132.9%
FY1991-92	357,283,727	0	0	0	357,283,727	45,821,627	14.7%
FY1992-93	370,668,616	0	0	0	370,668,616	13,384,889	3.7%
FY1993-94	383,069,609	0	0	0	383,069,609	12,400,993	3.3%
FY1994-95	400,230,135	0	0	0	400,230,135	17,160,526	4.5%
FY1995-96	414,933,814	0	0	0	414,933,814	14,703,679	3.7%
FY1996-97	434,834,334	12,409,260	0	0	447,243,594	32,309,780	7.8%
FY1997-98	454,273,986	11,670,497	0	0	465,944,483	18,700,889	4.2%
FY1998-99	579,978,752	11,261,483	0	0	591,240,235	125,295,752	26.9%
FY1999-00	581,552,195	12,490,055	0	0	594,042,250	2,802,015	0.5%
FY2000-01	549,272,990	12,053,426	0	0	561,326,416	(32,715,834)	-5.5%
FY2001-02	630,212,142	14,868,591	0	0	645,080,733	83,754,317	14.9%
FY2002-03	647,477,820	14,450,387	0	0	661,928,207	16,847,474	2.6%
FY2003-04	625,337,469	15,364,409	0	0	640,701,878	(21,226,329)	-3.2%
FY2004-05	618,298,707	16,018,569	0	0	634,317,276	(6,384,602)	-1.0%
FY2005-06	683,473,181	17,121,101	0	0	700,594,282	66,277,006	10.4%
FY2006-07	704,377,213	14,090,116	0	0	718,467,329	17,873,047	2.6%
FY2007-08	753,555,548	15,058,425	0	0	768,613,973	50,146,644	7.0%
FY2008-09	825,056,857	14,333,724	0	0	839,390,581	70,776,608	9.2%
FY2009-10	824,960,159	15,247,109	0	93,668,750	933,876,018	94,485,437	11.3%
FY2010-11	795,941,721	13,992,839	0	198,897,916	1,008,832,476	74,956,458	8.0%
FY2011-12	804,689,087	17,151,812	0	212,958	822,053,857	(186,778,619)	-18.5%
FY2012-13	838,452,050	13,415,035	0	212,958	852,080,043	30,026,186	3.7%
FY2013-14	884,888,317	21,693,014	0	0	906,581,331	54,501,288	6.4%
FY2014-15	912,390,088	20,581,754	0	0	932,971,842	26,390,511	2.9%
FY2015-16	946,539,661	26,496,964	0	0	973,036,625	40,064,784	4.3%
FY2016-17	952,153,581	27,159,388	0	0	979,312,969	6,276,344	0.6%
FY2017-18	973,666,433	24,601,976	0	473,345	998,741,754	19,428,785	2.0%
FY2018-19	974,507,975	25,000,000	0	906,222	1,000,414,197	1,672,443	0.2%
FY2019-20	1,036,237,766	29,675,083	0	0	1,065,912,849	65,498,651	6.5%
FY2020-21	1,022,555,859	30,300,000	0	0	1,052,855,859	(13,056,990)	-1.2%
FY2021-22	1,014,915,767	32,100,000	0	0	1,047,015,768	(5,840,091)	-0.6%
FY2022-23	1,038,686,233	28,560,853	0	0	1,071,386,233	24,370,465	2.3%
FY2023-24	1,030,209,169	37,500,000	112,353,248	0	1,180,062,417	108,676,184	10.1%
FY2024-25 est	944,862,755	38,000,000	113,145,292	0	1,096,008,047	(84,054,370)	-7.1%
FY2025-26 est	958,412,418	38,000,000	113,998,046	0	1,110,410,464	14,402,417	1.3%
FY2026-27 est	980,895,255	38,000,000	114,915,590	0	1,133,810,845	23,400,381	2.1%

Special Education The enacted budget includes no change in the General Funds included for special education. While this section of the report generally discusses aid programs funded with General Funds, it is important to note that a large increase in aid for special education is included in the enacted budget through LB 583 (2023), which appropriated funds from the Education Future Fund to increase the reimbursement for special education and support services to 80% of allowable excess costs. The Education Future Fund, created in LB 818 as part of the biennial budget package, is funded by transfers from the General Fund. Funds from the Education Future Fund have been appropriated for several uses, most significantly special education aid and a portion of the foundation aid in the TEEOSA aid distribution (for more detail, refer to p. 25). The increase in special education aid is \$199 million in FY23-24 and \$206 million in FY24-25. By increasing the reimbursement percentage in LB 583, there is an 84.4% increase in total special education aid from FY22-23 to FY23-24.

Table 18 Total General and Education Future Fund Special Education Funding

Special Education	FY20/FY21 Biennium		FY22/FY23 Biennium		Enacted Budget	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Base Year appropriation (GF)	226,526,585	226,526,585	231,079,770	231,079,770	235,724,474	235,724,474
Cost/Client increases	2,265,266	4,553,185	2,310,798	4,644,704	0	0
Total General Funds	228,791,851	231,079,770	233,390,568	235,724,474	235,724,474	235,724,474
\$ Change (GF)	2,265,266	2,287,919	2,310,798	2,333,906	0	0
% Change (GF)	1.0%	1.0%	1.0%	1.0%	0.0%	0.0%
Education Future Fund (LB 583)	0	0	0	0	199,041,052	206,007,489
TOTAL ALL FUNDS	228,791,851	231,079,770	233,390,568	235,724,474	434,765,526	441,731,963
\$ Change (ALL FUNDS)	2,265,266	2,287,919	2,310,798	2,333,906	199,041,052	6,966,437
% Change (ALL FUNDS)	1.0%	1.0%	1.0%	1.0%	84.4%	1.6%

High Ability Learner Program In the 2011 legislative session, funding for the High Ability Learner program was shifted from General Funds to the Education Innovation Fund (lottery) for FY2011-12 and FY2012-13 as provided for in LB 333 enacted during that session. LB495 (2013) provided for a continuation of lottery funds to fund this program in FY13-14, FY14-15, and FY15-16. The FY16-17 budget shifted back to General Funds to replace the use of education lottery funds for this program at the FY16 level of \$2,342,962. In the 2018 session, a 6% reduction was enacted to balance the budget. In the 2019 budget for FY20/21 biennium, funding was restored to the level prior to that cut. There was no change in funding in the FY22/23 biennium, and the enacted budget for the current FY23/24 biennium has no changes in funding.

Early Childhood Grant Program In the 2011 legislative session, funding for the Early Childhood grant program was shifted from General Funds to the Education Innovation Fund (lottery) for FY2011-12 and FY2012-13 as provided for in LB 333 enacted during that session. Under LB 333 funding would revert back to General Funds starting in FY2013-14. LB495 (2013) provided for a continuation of lottery funds at level of \$1.75 million in FY13-14, \$1.85 million in FY14-15 and \$1.95 million in FY15-16. The budget for FY16-17 included \$1.95 million increase in General Funds to replace the use of education lottery funds for this program. In the 2017 session, the budget for the FY18/19 biennium was reduced by 4% in essence extending the one-time reduction in LB22 enacted that session. In the 2018 session the FY19 budget was reduced by an additional 4%. The budget for the FY20/21 biennium restored funding of that 4% cut. There was no change in funding in the FY22/23 biennium, and the enacted budget for the current FY23/24 biennium has no changes in funding.

Early Childhood Endowment In the 2006 legislative session, LB1256 was enacted creating the Nebraska Early Childhood Education Endowment fund and board of trustees. Income from the endowment is then used to provide grants to school districts, cooperatives of school districts, and educational service units for early childhood education programs for at-risk children from birth to age three as determined by the board of trustees. The bill provided that the Department of Education select an endowment provider for the Nebraska Early Childhood Education Endowment where such provider had (1) experience in managing public and private funds for the benefit of children and families in multiple locations in Nebraska and (2) irrevocably commit no less than twenty million dollars in a private endowment to be used solely as part of the Nebraska Early Childhood Education Endowment. The program, known as Sixpence, is currently administrated by Nebraska

Children and Families Foundation and governed by the Nebraska Early Childhood Education Endowment Fund Board of Trustees. The endowment fund consists \$40 million transferred from the State Permanent School Fund (after a successful constitutional amendment authorizing such allocation) and \$20 million from private donations.

In the 2013 session, the legislature provided the first General Funds to supplement the endowment income, \$4 million in both FY13-14 and FY14-15. An additional \$1 million was also provided from the Education Innovation Fund (lottery) for FY14, FY15, and FY16. The FY17 budget included an additional \$1,000,000 General Funds in FY2016-17 to replace the expiration of the Education Innovation Fund earmark. The budget for FY2017-18 and FY2018-19 continued funding at the FY17 level for General Funds. In the 2018 session the FY19 budget was reduced by an additional 4%. The budget for FY20/21 restored funding of that 4% cut. In the FY22/23 biennium, the funding was increased by \$2.5 million each year.

The enacted mainline budget does not include any changes for the program in regard to aid funding, maintaining the \$7.5 million per year in aid.

Textbook Loan Program State statute provides for an appropriation for monies for the purchase of textbooks for loan to students attending private approved or accredited schools. Rule 4 ("Regulations for Textbook Loans to Children Enrolled in Private Schools in Nebraska") is the applicable rule for the textbook loan process and the disbursement of the monies. In the FY22/23 biennium, the funding was increased by \$1 million to a total of \$1.465 million per year. This was the first increase in funding for the program since FY2009-10. The enacted budget for the current biennium does not include any changes for the program in regard to aid funding, maintaining the \$1.465 million per year in aid.

Aid to ESU's

The amount of aid to ESU's is based on funding of a certain level of core services and technology infrastructure. There is no change in the funding level for Aid to ESUs.

Homestead Exemption

The enacted budget includes an additional \$6.7 million in FY23-24 and \$12.3 million in FY24-25. The table below shows changes in the enacted budget and for the past two biennial budgets.

Table 19 Changes in Homestead Exemption Funding FY20 to FY25

Homestead Exemption	FY20/FY21 Biennium		FY22/FY23 Biennium		Enacted Budget	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Base Year appropriation	84,100,000	84,100,000	101,100,000	101,100,000	121,300,000	121,300,000
Base adjustment per base yr actual data	0	0	2,583,000	2,797,150	0	0
Change - eligibility, valuation, tax rates	4,600,000	7,900,000	4,717,000	9,802,850	6,700,000	12,300,000
Midbiennium Changes	4,100,000	9,100,000	3,800,000	7,600,000	0	0
Total General Funds (without deficits)	92,800,000	101,100,000	112,200,000	121,300,000	128,000,000	133,600,000
Deficit	in FY21	2,000,000	--	(1,800,000)	?	?
Total General Funds (with deficits)	92,800,000	103,100,000	112,200,000	119,500,000	128,000,000	133,600,000
\$ Change (including deficits)	7,400,000	10,300,000	9,100,000	7,300,000	8,500,000	5,600,000
% Change (including deficits)	8.7%	11.1%	8.8%	6.5%	7.1%	4.4%

Aid to Community Colleges

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

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

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

Table 20 Changes in Aid to Community Colleges FY20 to FY25

Community Colleges	FY20/FY21 Biennium		FY22/FY23 Biennium		Enacted Budget	
	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Base Year appropriation	98,575,874	98,575,874	103,558,339	103,558,339	109,804,330	109,804,330
State aid increase for operations	1,971,517	3,982,465	2,071,167	4,183,757	2,134,842	4,312,381
Dual Credit	0	1,000,000	1,015,583	2,062,234	0	0
Total General Funds	100,547,391	103,558,339	106,645,089	109,804,330	111,939,172	114,116,711
\$ Change (GF)		3,010,948	3,086,750	3,159,241	2,134,842	2,177,539
% Change (GF)		3.0%	3.0%	3.0%	1.9%	1.9%
Federal ARPA Funds	0	0	0	15,000,000	0	0
Community Colleges Future Fund (LB 243)	0	0	0	0	0	246,499,886
TOTAL ALL FUNDS	100,547,391	103,558,339	106,645,089	124,804,330	111,939,172	360,616,597
\$ Change (ALL FUNDS)		3,010,948	3,086,750	18,159,241	(12,865,158)	248,677,425
% Change (ALL FUNDS)		3.0%	3.0%	17.0%	-10.3%	222.2%

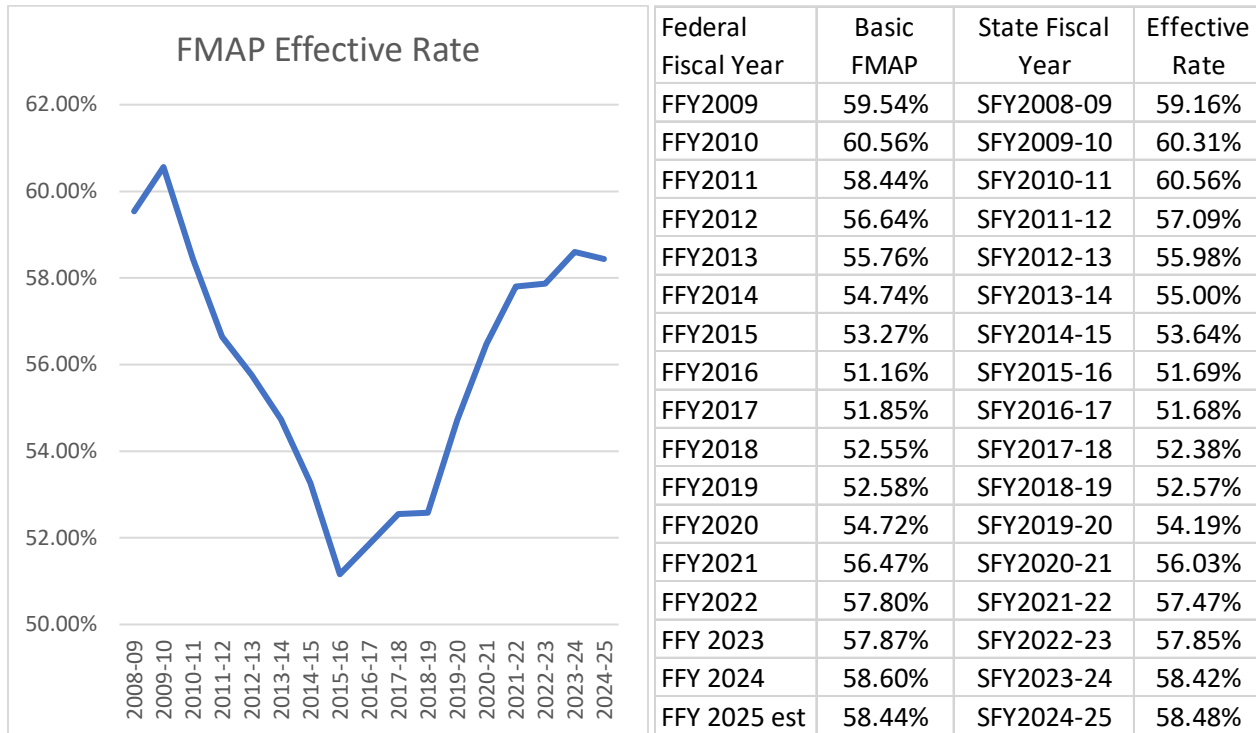
Aid to Public Power Districts

LB 565 appropriates \$250,000 General Funds each year for grants to any public power district that serves a majority of counties in the state to be used for engineering and modeling work to prepare and support the state in competing for one of the U.S. Department of Energy's regional clean energy hydrogen hub designations and associated federal funding. The bill states intent that the funding is for two fiscal years only, FY24 and FY25.

Aid to Individuals/Other

Federal Medicaid Match Rate

Starting October 1, 2023 (FFY24) the Federal Medical Assistance Percentage (FMAP) is increasing from 57.87% to 58.60% and decreasing to 58.44% on October 1, 2024. A history of the FMAP for Medicaid is shown below.



The initial increase allows for a reduction in General Fund appropriations of \$20,135,114 in FY23-24 and \$24,029,646 in FY24-25. The increase in Federal Funds from Program 424 moved to Program 348. The impact of this change is spread across programs, including two operations programs (program 33 and 421), but the impact is largely in aid programs.

Table 21 Total General and Federal Fund Change Due to Change in FMAP

Program	FY24			FY25		
	General	Federal	Total	General	Federal	Total
33	(155,859)	155,859	-	(185,744)	185,744	-
344	(241,330)	241,330	-	(287,604)	287,604	-
348	(15,921,062)	18,770,094	2,849,032	(18,973,887)	22,369,214	3,395,327
354	(726,017)	726,017	-	(864,666)	864,666	-
421	(241,814)	241,814	-	(322,418)	322,418	-
424	(2,849,032)	-	(2,849,032)	(3,395,327)	-	(3,395,327)
Total	(20,135,114)	20,135,114	-	(24,029,646)	24,029,646	-
Total (Aid Prog)	(19,737,441)	19,737,441	-	(23,521,484)	23,521,484	-

The additional 6.2% FMAP enhancement associated with the COVID-19 Public Health Emergency (PHE) is being phased out and will fully expire beginning January 1, 2024. The first calendar quarter of 2023 the enhanced FMAP will remain at 6.2%, then starting April 1, 2023 the enhancement will drop to 5%. Starting July 1, 2023, the

beginning of SFY24, the enhancement will drop to 2.5%, then starting October 1, 2023 through the end of calendar year 2023 the enhancement will be 1.5%.

The intent of the enhancement was to offset the added cost states incurred during the PHE to keep Medicaid recipients enrolled regardless of any changes in eligibility. CMS allows states a total of 14 months to complete renewal and redetermination of eligibility for all Medicaid members. Nebraska DHHS has opted to begin the unwind on March 1, 2023 and will complete all Medicaid renewals over a 14-month period from March 1, 2023 to April 30, 2024.

Provider Rates

The enacted budget includes provider rate increases of 3% in FY24 and 2% in FY25 for Child Welfare, Behavioral Health, and Developmental Disability in DHHS as well as child welfare and medical services in probation programs within the Supreme Court. The enacted budget also includes provider rate increases of 3% in FY24 for Medicaid and CHIP and no additional increase in FY25. There are no other adjustments for increases in eligibility, utilization, or other rate increases. Historically, Medicaid Rates have increased 2% each year for the past two biennia (FY20/21 and FY22/23). The enacted budget also includes provider rate increases of 3% in FY24 for Medicaid and CHIP and no additional increase in FY25.

In Program 38, Behavioral Health Aid, and Program 424, Developmental Disability Aid, the amount of the increase in General Funds in FY24 and FY25 (and Federal Funds for Program 38) is offset by a base reduction of an identical amount. Total costs of the rate increase by program, and total amount related to the base reductions in these two programs, are shown in Table 17.

In Program 354, Child Welfare, the provider rate increases in FY24 and FY25 are funded with federal funds, including ARPA funds reappropriated from FY22-23, and no additional General Funds are appropriated for these increases.

The total amounts appropriated for increases in provider rates is shown in Table 22.

Table 22 Provider Rate Increases by Program and Fund Source

<u>Medical Services</u>	FY24				FY25			
	TOTAL	GF	FF	CF	TOTAL	GF	FF	CF
DHHS								
Prog 344	\$2,338,515	\$677,702	\$1,660,814	\$0	\$3,944,296	\$677,702	\$1,660,814	\$0
Prog 348	\$46,913,886	\$19,613,651	\$27,300,235	\$0	\$79,128,088	\$18,284,649	\$17,252,246	\$0
Prog 349	\$16,568,432	\$1,656,843	\$14,911,589	\$0	\$27,945,423	\$2,794,542	\$25,150,880	\$0
Prog 38	\$3,036,777	\$2,508,267	\$303,510	\$225,000	\$5,122,031	\$4,230,610	\$511,920	\$379,500
Prog 424	\$5,949,144	\$5,949,144	\$0	\$0	\$10,034,223	\$10,034,223	\$0	\$0
DHHS Subtotal	\$74,806,755	\$30,405,607	\$44,176,148	\$225,000	\$126,174,060	\$36,021,727	\$44,575,860	\$379,500
<i>Supreme Court</i>								
Prog 435	\$284,460	\$284,460	\$0	\$0	\$479,789	\$479,789	\$0	\$0
Prog 437	\$1,074,468	\$1,074,468	\$0	\$0	\$1,812,269	\$1,812,269	\$0	\$0
Prog 420	\$61,374	\$61,374	\$0	\$0	\$103,517	\$103,517	\$0	\$0
Supreme Court Subtotal	\$1,420,302	\$1,420,302	\$0	\$0	\$2,395,576	\$2,395,576	\$0	\$0
Medical Services Total	\$76,227,057	\$31,825,909	\$44,176,148	\$225,000	\$128,569,636	\$38,417,303	\$44,575,860	\$379,500
<u>Child Welfare</u>	TOTAL	GF	FF	CF	TOTAL	GF	FF	CF
DHHS Prog 354*	\$7,442,586	\$0	\$2,046,663	\$0	\$12,553,162	\$0	\$3,452,038	
Supreme Court Prog 437	\$1,074,471	\$1,074,471	\$0		\$1,812,274	\$1,812,274	\$0	
Child Welfare Total	\$8,517,057	\$1,074,471	\$2,046,663	\$0	\$14,365,436	\$1,812,274	\$3,452,038	\$0
All Program Total Cost	\$84,744,114	\$32,900,380	\$46,222,811	\$225,000	\$142,935,072	\$40,229,577	\$48,027,898	\$379,500
Base Reductions	FY24				FY25			
DHHS	TOTAL	GF	FF	CF	TOTAL	GF	FF	CF
Prog 38	(\$3,036,777)	(\$2,508,267)	(\$303,510)	\$0	(\$5,122,031)	(\$4,230,610)	(\$511,920)	\$0
Prog 424	(\$5,949,144)	(\$5,949,144)	\$0	\$0	(\$10,034,223)	(\$10,034,223)	\$0	\$0
Reductions	(\$8,985,921)	(\$8,457,411)	(\$303,510)	\$0	(\$15,156,253)	(\$14,264,833)	(\$511,920)	\$0
	FY24				FY25			
	GF	FF	CF		GF	FF	CF	
After Base Reduction	\$75,758,193	\$24,442,969	\$45,919,301	\$225,000	\$127,778,818	\$25,964,744	\$47,515,978	\$379,500

*Total Funds for Program 354 includes \$5.4 million ARPA funds and \$2.0 million federal funds in FY24 and \$9.1 million ARPA funds and \$3.4 million federal funds in FY25. The ARPA funds were reappropriated from FY22-23.

Behavioral Health Aid

In addition to the FMAP decreases and provider rates amounts described above, the enacted budget includes funding for the 988 call center. Beginning in July 2022, nationwide use of a three-digit code for persons to access behavioral health assistance and referral, including for suicide ideation and other behavioral health emergency care, began operation. DHHS worked with Boys Town to fund the first year of the statewide call center using carryover funds and a one-time federal grant. This request will establish ongoing funding for the operations of the call center. It is estimated that 32,500 inbound, outbound, chats and texts can be answered annually with the statewide 988 call center. The General Fund Impact is \$4,000,000 in FY 2024 and \$4,877,000 in FY 2025.

Additionally, LB 276 (2023) did not appropriate funds to the Behavioral Health Aid program in the biennium, but does have an anticipated cost to the program in the upcoming biennium of \$1.1 million General Funds in FY26 and \$2.2 million General Funds in FY27.

Developmental Disability Aid

In addition to the FMAP decreases and provider rates amounts described above, the enacted budget includes several additional items.

The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services (HCBS) Waivers. State statute 83-1216 specifies funding priorities for these services. The fourth funding priority is "for serving persons transitioning from the education system upon attaining twenty-one years of age to maintain skills and receive the day services necessary to pursue economic self-sufficiency." The Division anticipates 158 graduates in SFY23, 143 graduates in SFY24 and 144 graduates in SFY25 and, therefore, uses 148 as the average for this request. The General Fund impact is \$1,088,958 in FY 2024 and \$2,177,916 in FY 2025. There are corresponding Federal funds in program 348 for the Medicaid component for these waivers.

The Division of Developmental Disabilities administers the Medicaid Home and Community-Based Services (HCBS) Waivers. State statute specifies funding priorities for these services. The average cost per person for DD Waiver for Priority One is \$93,092.16 per person. The division anticipates approximately 40 individuals in this category, based on historical data from FY2021. The General Fund impact is \$1,568,789 in FY 2024 and \$3,137,578 in FY 2025.

There are approximately 3,000 individuals on the waiting list/registry for home and community-based services for the developmentally disabled. The average annual cost of serving an individual on the DD comprehensive waiver who entered services via the waiting list is about \$47,551.81. This estimate is based on the average cost for the DD comp waiver in FY21 for individuals who started the waitlist in FY2019. Additionally, DDD will need 10 Service Coordinators and 1 supervisor each FY in order to assimilate this change. The expected General Fund cost to fund these waivers and personnel to serve those on the waiting list is \$5,008,395 in FY 2024 and \$10,016,790 in FY 2025. No additional appropriations were included for the DD waitlist/registry as there is adequate funding within the program to accomplish this need.

Medicaid

In addition to the FMAP decreases and the provider rate increases for medical services described above, several other items related to Medicaid are included in the enacted budget.

Medicare Part D drug costs are projected to increase by 5.08% in CY23. Medicare pays for the cost of the drugs for individuals who are dual eligible (eligible for both Medicare and Medicaid). The federal government claws back the amount Medicare covers based on a formula of what the state share otherwise would have saved without Part D Medicare coverage. The state is required to pay the formula determined amount. The enacted budget includes \$3,143,162 General Funds in FY24 and \$3,300,320 in FY25.

As a result of a determination dated 4/7/22, Medicaid is required to pay for this covered outpatient drug, a treatment for Alzheimer’s disease, as well as required lab testing and routine MRI & PET scans. Aduhelm will be a part of the drug rebate program. The enacted budget includes an increased Federal Fund appropriation in FY24 of \$9,687,131 and a total appropriation of \$16,421,836 (\$6,843,809 in General Funds and \$9,578,027 in Federal Funds) in FY25.

LB 227 (2023) appropriates \$6.9 million in FY23-24 and \$8 million in FY24-25 from the General Fund to the Medicaid program for provisions of the bill to extend Medicaid postpartum coverage, reimbursements for certain hospital patients, and increasing the standard of need for eligible aged, blind, and disabled persons for a personal needs allowance. There is also an accompanying federal fund appropriation to this program related to these provisions.

Additionally, LB 276 (2023) did not appropriate funds to the Medicaid program in the biennium, but does have an anticipated cost to the Medicaid program in the upcoming biennium of \$1.2 million General Funds in FY26 and \$2.3 million General Funds in FY27.

Public Assistance

The enacted budget includes a reduction of \$3,137,551 in General Funds and \$348,617 in Federal Funds in Program 347 in FY24 and FY25 to offset funding in Program 33 Administration to replace 3,500 computers over the biennium. Based on recent trends in utilization, Program 347 Program Assistance which has a surplus of appropriated funds. This decrease results in a net zero impact on the budget of the IT Hardware Refresh issue.

LB 157 (2023) appropriates \$250,000 for a Limited Temporary Guardian Aid Program for FY24-25. The bill expresses intent to appropriate \$250,000 for FY25-26 as well. The funds will be allocated as aid for a county with a metropolitan class city (\$160,000) and a county with a primary class city (\$90,000).

LB 227 (2023) also appropriates \$111,600 General Funds per year due to an increase in the maximum monthly support from \$300 per month to \$400 per month for eligible individuals under the Disabled Persons and Family Support Act. The bill also increases the monthly support for an additional disabled family member from \$150 per month to \$20 per month.

Child Welfare

In addition to the FMAP decreases and the provider rate increases for medical services described above, the enacted budget includes an increase of \$3.7 million total funds (\$3.2 million General Funds and \$500,000 Federal Funds) annually in FY24, FY25, and beyond for independent living, guardianship, and adoption placements of roughly 7.5% intended to help cover increased cost and also to positively impact permanency rates for guardianship and adoption. The 7.5% increase was arrived at as a more reasonable request than the full equivalent (15% to 20%) to what was passed in 2022 for specific services.

Nebraska Career Scholarships (University, State Colleges, DED)

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

The enacted budget includes the final year of intended increases from the original proposed funding levels, however, increasing the University program to \$8 million per year, the State Colleges program to \$4 million per

year (with additional funds for cooperative programs with Wayne State College), and the community colleges program through DED to \$4 million per year.

In addition, the Governor’s recommendation added \$1 million in FY23-24 and \$2 million in FY24-25 under DED to provide Nebraska Career Scholarship funds for students attending a private, not for profit university or college in the state. The enacted budget also includes these additional funds.

Table 23 Nebraska Career Scholarships

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

Workforce Development – Department of Labor

The enacted budget includes funding for the Governor's initiative to increase funding for recruitment and retention grants aimed to assist teachers, nurses, veterinarians, and other health care professionals. LB 1014 (2022) provided \$10,000,000 of ARPA funds for grants. The ARPA funds are fully allocated. The demand for workforce development funding far exceeded the level of ARPA funds available. This funding addresses that need.

Mentorship Program – Department of Economic Development

The enacted budget includes the Governor’s initiative to appropriate \$4.9 million of General Funds for FY2023-2024 and 2024-2025 for a competitive grant program to encourage and facilitate mentorships within schools to focus on improving reading levels for kids grade 1-4. The aid amount was reduced from the originally proposed \$5 million to accommodate one FTE to administer the program.

Nebraska Opportunity Grant

The enacted budget includes an additional \$500,000 per year General Funds for the Nebraska Opportunity Grant program, administered through the Postsecondary Coordinating Commission. This exceeds the Governor’s recommendation for the increase, which was \$150,000 in FY23-24 and \$155,000 in FY24-25. The Nebraska Opportunity Grant Program is funded with a mix of General Funds and lottery funds to provide need-based scholarships to students who attend eligible Nebraska colleges.

RHOP/PHEAST Scholarships – State Colleges

The enacted budget includes \$300,000 in FY23-24 and \$600,000 in FY24-25 for the RHOP and PHEAST scholarship programs offered by the Nebraska State Colleges. These programs have not previously received General Funds for these programs. RHOP is the acronym for Rural Health Opportunity Program and PHEAST is the acronym for Public Health Early Admissions Student Track. The RHOP scholarship program, established in 1989, is a collaboration between the University of Nebraska Medical Center (UNMC) and the NSCS that responds to continued shortages of health-care professionals in rural areas of the state by encouraging rural students to pursue a career in various health care fields. Established in 2011, the PHEAST program is a 2nd collaborative partnership between UNMC and NSCS to recruit, educate, and graduate public health leaders from Nebraska.

Currently, these scholarships cover full tuition for a student while attending one of the state colleges. These tuition waivers have been fully funded by the NSCS since their inception. In recent years, NSCS has been unable to fill all slots allocated to them by UNMC due to the financial commitment required. Requested funding would allow NSCS to recruit about 66 additional students for FY24 and about 133 students for FY25. This support would cover about half the cost of the scholarships for the students in the program. NSCS did not request the full amount to support the program, and would bear some of the cost.

Economic Recovery Act – Department of Economic Development

LB 531 (2023) includes a one-time transfer from the Cash Reserve Fund to the General Fund in FY22-23 and a one-time General Fund appropriation in FY23-24, \$9,151,730 of which is designated as aid for certain grants. In addition, the \$10 million appropriation FY22-23 is taken out of the base appropriation for the program, yielding a negative net aid change in General Fund appropriation for the program of (\$848,270) in FY23-24 and (\$10,000,000) in FY24-25.

State Agency Operations

Court System

The enacted budget includes funding for additional probation officers. The Supreme Court contracted with the University of Nebraska Law and Psychology Program on a workload study, which was a comprehensive examination of workload. It oversaw the time it took probation officers to handle different cases. The study suggested that there is a need for 20 additional probation officers. The enacted budget includes funding for ten additional officers in FY23-24 and an additional ten officers in FY24-25, for a total of twenty officers. Total costs are \$1,005,266 in FY23-24 and \$2,065,231 in FY24-25.

The enacted budget includes a 3% rate increase in FY23-24 and a 2% rate increase in FY24-25 for community corrections and juvenile services providers for medical and child welfare services. The total costs of this rate increase for the Supreme Court are \$2,494,773 in General Funds in FY23-24 and \$4,207,850 in General Funds in FY24-25. The enacted budget includes a base adjustment of \$3,590,367 in FY24-25 only for the rate increase provided in FY22-23 in LB 1011, which was paid for using carryover funding for FY22-23.

Appropriations to the Supreme Court to allow any county to transfer the function of the clerk of the District Court to the Administrative Office of the Courts and Probation, to increase funds to the Office of the Public Guardian, and to increase funding for court interpreters were vetoed by the Governor and are not included in the enacted budget.

LB 799 (2023) increased salaries for judges and changed the number of judges by adding a district court judge and reducing the number of judges for the Workers' Compensation Court. The enacted budget includes \$2.2 million in FY23-24 and \$3.9 million in FY24-25 for LB 799.

The enacted budget also includes LB 50 (2023), which changes numerous criminal justice provisions. Appropriations to the Supreme Court include \$2.2 million in FY23-24 and \$1.8 million in FY24-25 for creation of problem-solving courts, development of virtual behavioral health services, establishment of an assistance probation officer pilot program, implementation of an adult incentive pilot program, and changes to restitution procedures.

Department of Veterans Affairs

The enacted budget includes an appropriation of \$4,407,394 for FY 2023-24 and \$9,691,664 in FY 2024-25 in general funds for new employees that are eligible for the NAPE contracted 20-30% pay increases that were provided to the 24/7 facilities in 2021. Since the increased wages were implemented, the department has maintained their staffing levels and has added additional staff at the veterans' homes. The additional appropriation is to account for pay increases for positions that were vacant when the wage increases were implemented and were not included in the base appropriation. The Department of Veterans Affairs' current HR initiative is to retain and attract teammates through increased wages, two times overtime, \$3 differential, commuting, hiring, and referral bonuses above the base level of pay.

DHHS Administration

The enacted budget includes numerous increases for the Department of Health and Human Services related to administration costs. Some of these increases are offset by reductions in General Funds in aid programs.

The enacted budget includes \$3,137,551 in General Funds and \$348,617 in Federal Funds in FY24 and FY25 for computers. This funding will replace 3,500 computers over the biennium. The source of funding for is a corresponding decrease in appropriations from Program 347 Program Assistance, which has a surplus of

appropriated funds based on utilization trends. This transfer results in this request having a net zero effect on the overall budget.

The enacted budget includes \$1,330,000 in General Funds and \$570,000 in Federal funds in FY24 and FY25 for facilitation of training for Protection and Safety staff in the Eastern Service Area as required by statute. This funding will assure that staff are well trained and equipped to handle the work by being aware of best practices based on the requirements set out in LB 1173. Of the total \$1.9 million, staff certification would cost approximately \$200,000 per year, curriculum redesign \$200,000, \$100,000 for increases to the existing training entity, and renewal of the \$1.4 million contract with the provider, UNL's Center on Children, Families, and the Law (CCFL).

The enacted budget includes \$6 million total funds (50/50 General Funds and Federal Funds) to support contractual call centers necessitated by increased workload and workforce shortages due to the pandemic. Failure to maintain certain metrics could result in a Performance Improvement Plan and potential reduction in federal funding. The enacted budget includes an additional \$150,000 total funds (\$90,000 General Funds and \$60,000 Federal Funds) to support relocating one of the two Fremont call centers to a new call center in west Omaha to improve recruitment and retention.

The enacted budget includes \$9,298,759 total funds (\$2,324,690 in General Funds and \$6,974,069 in Federal Funds) in FY24 and \$16,458,802 total funds (\$2,371,183 in General Funds and \$14,087,619 in Federal Funds) in FY25 to align appropriations with actual changes in costs to contracted services including Data Warehouse/Decision Support Solution, Provider Screening and Enrollment, Interoperability requirements, Electronic Visit Verification requirements, and School-based services/Administrative claiming contracts. Required reprocurring of existing contracts and inflationary cost increases will require additional funds.

The enacted budget includes funding for 14 additional FTEs to Program 33 at a total cost of \$1,124,447 (\$705,562 in General Funds and \$418,885 in Federal Funds) in FY24 and \$1,301,797 (\$740,840 in General Funds and \$560,957 in Federal Funds) in FY25. Additional staff is needed to handle field operations for adult protection, abuse hotline, licensing & placement, policy, data analysis, as well as programs created by the legislature. DHHS indicates the possibility of an annual general fund benefit of \$2.6M in the Program 354 Child Welfare aid budget if all eligible IV-E homes become licensed.

The enacted budget includes creation of a new agency program, Program 624 Health Information Exchange, to improve transparency. The newly created program was approved for appropriations totaling \$15,982,134 (\$6,024,860 in General Funds and \$9,957,274 in Federal Funds) in FY24 and FY25. Additionally, the enacted budget includes \$5,541,661 total additional funds (\$1,466,041 in General Funds and \$4,075,620 in Federal Funds) in Program 33 Administration in FY24 and FY25, attributable to contractual costs to operate the Prescription Drug Monitoring Program as required by statute. These programs were previously supported with a higher percentage of federal funds, which are no longer available due to operations of these programs shifting from development to maintenance.

LB 227 (2023) also includes expenses for administration of programs, totaling \$3.6 million in FY23-24 and \$3.9 million in FY24-25 in General Funds, which includes \$3 million each year to support expansion of clinical nurse training sites.

Dept. of Correctional Services

The enacted budget includes several funding items for the Department of Correctional Services, the largest items being increased salary expenses due to the negotiated salary increases for employees in 24/7 facilities that were authorized in 2021; a base adjustment increase due to lack of vacancy savings, which were used to fund part of the increases in previous fiscal years; and inmate per diem costs.

The enacted budget includes a base adjustment for the agency of \$10.4 million per year. This base adjustment is needed to reestablish the base level of funding for operations for the agency, which has utilized vacancy savings over the past several years to account for increasing expenses.

Salaries for NDCS team members (primarily security positions) were increased in 2021 to attract and retain individuals who occupy these positions. The agency expects that salary expenses will exceed the FY 23 budget as the FY22-23 appropriation for salary increases was calculated using only filled positions at the time. NDCS has filled over 400 vacancies due to those pay increases. The enacted budget includes \$14.5 million in each year of the biennium for these salary increases.

The enacted budget includes a per diem increase to cover rising costs of providing goods and services to the inmate population, for a total cost of \$12.8 million in FY23-24 and \$13.3 million in FY24-25, as follows:

- Health services costs: \$6,076,959 for FY 24 and \$6,401,469 for FY 25 to cover the costs of providing healthcare services to inmates.
- Food cost increase: \$4,214,102 for FY 24 and \$4,439,135 for FY 25 to cover the increased cost of providing food to inmates.
- Electronic monitoring: \$536,000 for FY 24 and \$536,000 for FY 25 to cover the cost of electronic monitoring for CCCO and CCCL inmates.
- Other per diem expenses: \$1,781,610 for FY 24 and \$1,876,748 for FY 25 to cover all other per diem expenses, excluding food and health services.

The enacted budget also includes appropriations for LB 50 (2023), which includes almost \$900,000 in FY23-24 for protective vests for the agency.

University of Nebraska

In the past several biennia, a general overall budget increase has been provided to the University of Nebraska. In the enacted budget, these general increases are funded at a 2.5% per year increase, amounting to \$16.1 million in FY23-24 and \$32.6 million in FY24-25.

The enacted budget includes \$14.5 million in FY24-25 for the operating expenses related to the rural health education center in Kearney, pursuant to the legislative intent in LB 792 (2022), and \$2 million per year for the Nebraska Career Scholarships initiated in the 2020 session.

State Colleges

In the enacted budget, increases are included for operating expenses, utilities, and property insurance increases, for a total of \$1,028,000 in FY24 and \$2,573,818 in FY25. The budget also includes \$423,515 per year for adjunct pay increases. Salary and health insurance for employees was also included and is discussed in the salary and health insurance for state employees' section of this report.

Like the University, the enacted budget also includes \$1,057,150 in FY23-24 and \$1,190,000 for FY24-25 for the Nebraska Career Scholarships initiated in the 2020 session. The enacted budget includes \$300,000 in FY23-24 and \$600,000 in FY24-25 for the RHOP and PHEAST scholarship programs.

Commissions for Latino Americans, Indian Affairs, and African American Affairs

The enacted budget includes reappropriation of unexpended General Funds for the Commission on African American Affairs, which was established in 2020 and continues to work to establish staff and standard operating procedures. The enacted budget includes reappropriation of unexpended General Funds for the Commission on

Latino Americans, which experienced vacancy savings during the FY22/FY23 biennium, and included an increase in PSL only in FY24 beyond the negotiated contractual salary increases for all staff with the intention to fund salary increases with the reappropriated funds. The enacted budget includes a 3% increase for salary and PSL in FY24 beyond the negotiated contractual salary increases for only the director the Commission on Indian Affairs, to be funded by an added General Fund appropriation. The enacted budget includes the following specification for these agency directors' salaries: "It is the intention of the legislature that the respective Commissions maintain parity, with additional consideration for years of experience, between Executive Directors of Agency 68, Agency 76, and Agency 90."

State Department of Education

Several of the legislative bills enacted include appropriations for operating expenses of the Department of Revenue, including LB 243, LB 298, and LB 705. These expenses total about \$1.5 million in FY23-24 and \$1.8 million in FY24-25.

Department of Revenue

Several of the legislative bills enacted include appropriations for operating expenses of the Department of Revenue, including LB 562, LB 727, and LB 753. These expenses total about \$850,000 in FY23-24 and \$300,000 in FY24-25.

Legislative Council

The enacted budget includes LB 323, which appropriates funds for salary increases for Legislative employees. The increase allocates funding to bring the overall cost of living raise for employees to 15% in FY23-24 and 5% in FY24-25. Funding initially included pursuant to this item is the equivalent of an 8% increase in FY23-24 and a 10% increase in FY24-25 above the increases included for non-bargaining employees, totaling \$1,420,712 General Funds and \$5,560 Cash Funds in FY23-24 and \$2,590,853 General Funds and \$14,053 Cash Funds in FY24-25. The Governor vetoed \$2,170,141 in General Funds in FY24-25 and the corresponding salary limit, which amounts to the funding needed for salary increases above the across-the-board raises (5%) for FY24-25.

LB 254 (2023) includes an appropriation to the Legislative Council of \$175,000 in FY23-24 only for technology costs related to provisions requiring a video archive of legislative proceedings and contract costs of the Mental Health Care Strategic Planning Committee.

Defined Benefit Retirement Plans

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

Funding for the defined benefit retirement plans for schools, judges, and the State Patrol are based on the actuary report from Cavanaugh Macdonald Consultants. Overall, the increase amounts to \$3.1 million in FY23-24 and \$5.3 million in FY24-25. The amounts funded are from the November 2022 actuarial experience study.

Table 24 Changes in Defined Benefit Retirement Plans

Revised Request	Base Year	Biennial Budget		Increase - Biennial Basis	
	FY22-23	FY23-24	FY24-25	FY23-24	FY24-25
Omaha Service Annuity	1,603,111	1,964,600	2,000,000	361,489	396,889
2% - State Schools	44,704,077	45,821,148	47,000,000	1,117,071	2,295,923
2% - Omaha Schools	7,534,456	7,798,499	8,100,000	264,043	565,544
Subtotal Schools	53,841,644	55,584,247	57,100,000	1,742,603	3,258,356
State Patrol - Additional Contribution	3,752,980	4,092,005	4,700,000	339,025	947,020
Subtotal Patrol	3,752,980	4,092,005	4,700,000	339,025	947,020
Judges - Additional Contribution	231,537	1,295,917	1,339,000	1,064,380	1,107,463
Subtotal Judges	231,537	1,295,917	1,339,000	1,064,380	1,107,463
Total Retirement Plans	57,826,161	60,972,169	63,139,000	3,146,008	5,312,839

Employee Salary Increases (State Agencies)

The budget instructions had state agencies include a 5% per year increase as a “placeholder”, and in the absence of collective bargaining agreements the Governor’s recommendation included a 6% per year increase. Since that time, collective bargaining agreements have been negotiated with the various bargaining units and are described in the following table.

Table 20 – Details of Collective Bargaining Agreements

- NAPE: 5% + 2% Performance in FY24, 2% + 3% Performance in FY25.
- FY24 Hwy Maintenance & Construction: 15% + 2% Performance
- FY24 Mechanics: 15% + 2% Performance
- FY24 Trades & Facility Maintenance: 10% + 2% Performance
- FY24 Accountants: 20% + 2% Performance
- FY24 Engineers: 15% + 2% Performance
- FY24 Social Service Workers: 15% + 2% Performance
- FY24 Child & Family Services: 10% + 2% Performance
- FY24 Motor Vehicle Examiners: 10% + 2% Performance
- FY24 Unemployment Insurance: 15% + 2% Performance
- FOP: 3% + 2% Performance each year
- SCATA: 4% each year
- SLEBC: 5% each year
22% for State Patrol in FY24.
- Health Insurance: 4% per year
- Rules: 4% + 3% Performance in FY24, 2% + 3% Performance in FY25
- Same FY24 increase for job codes corresponding to NAPE special wage increases.

LFO calculations based on FY23 budgeted salaries and 90% funding of performance based increases in FY25.

Collective bargaining agreements have been reached with Nebraska Association of Public Employees (NAPE- AFSCME) on a labor contract for FY23-24 and FY24-25. The agreement calls for a 5% cost of living increase plus

2% performance increase in FY23-24 and a 2% cost of living increase plus 3% performance increase in FY24-25. In addition, the contract calls for additional increases for certain job codes, including mechanics, accountants, highway maintenance workers, engineers, social service workers, unemployment insurance workers, motor vehicle examiners, child and family services workers, social services workers, and trades and facilities maintenance workers.

State Law Enforcement Bargaining Council (SLEBEC) also reached agreement for 22% increase for State Patrol officers in FY23-24 and 5% in FY24-25 for all other SLEBEC employees. All SLEBEC members will receive a 5% increase in FY24-25.

The Protective Service Workers (Fraternal Order of Police FOP) basically bargains for correctional services workers. The current agreement includes a 3% increase per year for cost of living and an additional 2% per year for performance.

For non-bargaining employees, which covers employees who are not eligible for bargaining, the committee budget included funding for a 4% cost of living increase and 3% performance increase in FY23-24 and in FY24-25, a 2% cost of living increase plus 90% funding for the 3% performance increase. For any non-bargaining employee with a job code that received an additional increase pursuant to the NAPE contract, funding was also included for budget programs with non-bargaining employees with those job codes. This category includes certain supervisory and management positions, and employees under constitutional agencies such as the Legislative Council, Governor, Secretary of State, Attorney General, etc.

A three percent per year increase was included for employees of Nebraska State Colleges, which totaled \$2.0 million in FY23-24 and \$4.1 million in FY24-25. There was not a specific allocation for salaries for employees of the University of Nebraska, as funding provided to the University was a general operations increase.

The overall funding for salary increases included in the proposed budget by fund source is as follows:

	General Funds	Cash Funds	Federal Funds	Revolving Funds	PSL
FY23-24	\$54,814,299	\$30,081,059	\$16,633,290	\$4,612,889	\$90,653,624
FY24-25	\$90,310,036	\$45,449,370	\$25,921,228	\$7,660,256	\$143,993,786

Employee Health Insurance (State Agencies)

The enacted budget includes a 4% increase each year of the biennium. General fund costs amount to \$4.5 million in FY23-24 and \$9.1 million in FY24-25.

	General Funds	Cash Funds	Federal Funds	Revolving Funds
FY23-24	\$4,459,429	\$1,896,561	\$1,351,733	\$325,478
FY24-25	\$9,099,738	\$3,857,131	\$2,757,533	\$663,976

General Fund Appropriation By Agency

Table 25 FY24/FY25 Biennial Budget as Enacted in the 2023 Legislative Session

			FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
			w/o Deficits	Enacted	Enacted	FY24 vs Prior Yr		FY25 vs Prior Yr	
		Type	FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
03	Legislative Council	Oper	24,042,798	26,499,433	27,803,022	2,456,635	10.2%	1,303,589	4.9%
03	Legislative Council	Total	24,042,798	26,499,433	27,803,022	2,456,635	10.2%	1,303,589	4.9%
05	Supreme Court	Aid	270,000	270,000	270,000	0	0.0%	0	0.0%
05	Supreme Court	Oper	204,357,073	219,392,861	232,452,664	15,035,788	7.4%	13,059,803	6.0%
05	Supreme Court	Total	204,627,073	219,662,861	232,722,664	15,035,788	7.3%	13,059,803	5.9%
07	Governor	Oper	2,310,976	2,211,929	2,211,929	(99,047)	-4.3%	0	0.0%
07	Governor	Total	2,310,976	2,211,929	2,211,929	(99,047)	8.0%	0	0.0%
08	Lt. Governor	Oper	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
08	Lt. Governor	Total	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
09	Secretary of State	Oper	2,126,915	3,643,499	3,149,647	1,516,584	71.3%	(493,852)	-13.6%
09	Secretary of State	Total	2,126,915	3,643,499	3,149,647	1,516,584	71.3%	(493,852)	-13.6%
10	State Auditor	Oper	3,132,140	3,624,560	3,989,059	492,420	15.7%	364,499	10.1%
10	State Auditor	Total	3,132,140	3,624,560	3,989,059	492,420	15.7%	364,499	10.1%
11	Attorney General	Oper	7,356,990	7,763,172	8,061,298	406,182	5.5%	298,126	3.8%
11	Attorney General	Total	7,356,990	7,763,172	8,061,298	406,182	5.5%	298,126	3.8%
12	State Treasurer	Aid	2,000,000	0	0	(2,000,000)	-100%	0	na
12	State Treasurer	Oper	1,226,555	1,280,827	1,320,027	54,272	4.4%	39,200	3.1%
12	State Treasurer	Total	3,226,555	1,280,827	1,320,027	(1,945,728)	-60.3%	39,200	3.1%
13	Education	Aid	1,311,105,386	1,302,610,142	1,217,281,907	(8,495,244)	-0.6%	(85,328,235)	-6.6%
13	Education	Oper	30,245,296	33,185,214	34,082,281	2,939,918	9.7%	897,067	2.7%
13	Education	Total	1,341,350,682	1,335,795,356	1,251,364,188	(5,555,326)	-0.4%	(84,431,168)	-6.3%
14	Public Service Comm	Aid	19,795,788	20,702,266	20,697,004	906,478	4.6%	(5,262)	0.0%
14	Public Service Comm	Oper	2,550,729	2,598,034	2,680,792	47,305	1.9%	82,758	3.2%
14	Public Service Comm	Total	22,346,517	23,300,300	23,377,796	953,783	4.3%	77,496	0.3%
15	Parole Board	Oper	8,402,902	9,098,692	9,969,596	695,790	8.3%	870,904	9.6%
15	Parole Board	Total	8,402,902	9,098,692	9,969,596	695,790	8.3%	870,904	9.6%
16	Revenue	Aid	121,300,000	128,000,000	133,600,000	6,700,000	5.5%	5,600,000	4.4%
16	Revenue	Oper	30,222,159	32,404,613	33,115,321	2,182,454	7.2%	710,708	2.2%
16	Revenue	Total	151,522,159	160,404,613	166,715,321	8,882,454	5.9%	6,310,708	3.9%
18	Agriculture	Aid	1,006,000	1,006,000	1,006,000	0	0.0%	0	0.0%
18	Agriculture	Oper	7,146,588	7,010,695	6,824,995	(135,893)	-1.9%	(185,700)	-2.6%
18	Agriculture	Total	8,152,588	8,016,695	7,830,995	(135,893)	-1.7%	(185,700)	-2.3%
21	Fire Marshal	Oper	4,557,974	5,268,621	5,433,134	710,647	15.6%	164,513	3.1%
21	Fire Marshal	Total	4,557,974	5,268,621	5,433,134	710,647	15.6%	164,513	3.1%
23	Labor	Aid		10,000,000	0	10,000,000	na	(10,000,000)	-100%
23	Labor	Oper	680,670	714,525	739,805	33,855	5.0%	25,280	3.5%
23	Labor	Total	680,670	10,714,525	739,805	10,033,855	1474.1%	(9,974,720)	-93.1%
25	DHHS	Aid	1,569,287,020	1,596,524,086	1,624,204,141	27,237,066	1.7%	27,680,055	1.7%
25	DHHS	Oper	291,885,024	346,270,934	359,485,585	54,385,910	18.6%	13,214,651	3.8%
25	DHHS	Total	1,861,172,044	1,942,795,020	1,983,689,726	81,622,976	4.4%	40,894,706	2.1%

			FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
		Type	w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	FY24 vs Prior Yr		FY25 vs Prior Yr	
						\$ Change	% Change	\$ Change	% Change
28	Veterans Affairs	Aid	0	2,500,000	0	2,500,000	na	(2,500,000)	-100%
28	Veterans Affairs	Oper	39,858,125	47,400,624	54,989,268	7,542,499	18.9%	7,588,644	16.0%
28	Veterans Affairs	Total	39,858,125	49,900,624	54,989,268	10,042,499	25.2%	5,088,644	10.2%
29	Natural Resources	Aid	1,806,112	1,806,112	1,806,112	0	0.0%	0	0.0%
29	Natural Resources	Oper	11,311,269	11,837,784	12,223,866	526,515	4.7%	386,082	3.3%
29	Natural Resources	Total	13,117,381	13,643,896	14,029,978	526,515	4.0%	386,082	2.8%
31	Military Dept	Aid	5,852,793	5,852,793	5,852,793	0	0.0%	0	0.0%
31	Military Dept	Oper	4,650,086	5,118,485	5,234,211	468,399	10.1%	115,726	2.3%
31	Military Dept	Total	10,502,879	10,971,278	11,087,004	468,399	4.5%	115,726	1.1%
32	Ed Lands & Funds	Oper	436,967	462,359	481,080	25,392	5.8%	18,721	4.0%
32	Ed Lands & Funds	Total	436,967	462,359	481,080	25,392	5.8%	18,721	4.0%
33	Game & Parks	Aid	50,000	52,500	52,500	2,500	5.0%	0	0.0%
33	Game & Parks	Oper	12,289,028	12,907,811	13,332,647	618,783	5.0%	424,836	3.3%
33	Game & Parks	Total	12,339,028	12,960,311	13,385,147	621,283	5.0%	424,836	3.3%
34	Library Commission	Aid	1,367,061	1,404,136	1,435,711	37,075	2.7%	31,575	2.2%
34	Library Commission	Oper	2,906,583	3,072,928	3,197,880	166,345	5.7%	124,952	4.1%
34	Library Commission	Total	4,273,644	4,477,064	4,633,591	203,420	4.8%	156,527	3.5%
35	Liquor Control	Oper	1,847,798	1,952,388	2,015,297	104,590	5.7%	62,909	3.2%
35	Liquor Control	Total	1,847,798	1,952,388	2,015,297	104,590	5.7%	62,909	3.2%
36	Racing Commission	Oper	177	0	0	(177)	-100%	0	na
36	Racing Commission	Total	177	0	0	(177)	-100%	0	na
46	Correctional Services	Aid	4,000,000	4,000,000	4,000,000	0	0.0%	0	0.0%
46	Correctional Services	Oper	289,961,758	342,518,271	353,230,798	52,556,513	18.1%	10,712,527	3.1%
46	Correctional Services	Total	293,961,758	346,518,271	357,230,798	52,556,513	17.9%	10,712,527	3.1%
47	NETC	Oper	10,775,854	11,456,877	11,557,557	681,023	6.3%	100,680	0.9%
47	NETC	Total	10,775,854	11,456,877	11,557,557	681,023	6.3%	100,680	0.9%
48	Coordinating Comm	Aid	9,093,430	9,593,430	9,593,430	500,000	5.5%	0	0.0%
48	Coordinating Comm	Oper	1,423,401	1,517,411	1,575,026	94,010	6.6%	57,615	3.8%
48	Coordinating Comm	Total	10,516,831	11,110,841	11,168,456	594,010	5.6%	57,615	0.5%
50	State Colleges	Aid	3,050,000	4,407,500	4,840,000	1,357,500	44.5%	432,500	9.8%
50	State Colleges	Oper	60,289,787	64,242,223	67,940,555	3,952,436	6.6%	3,698,332	5.8%
50	State Colleges	Total	63,339,787	68,649,723	72,780,555	5,309,936	8.4%	4,130,832	6.0%
51	University of Nebraska	Aid	6,000,000	8,000,000	8,000,000	2,000,000	33.3%	0	0.0%
51	University of Nebraska	Oper	643,842,701	659,939,406	691,043,285	16,096,705	2.5%	31,103,879	4.7%
51	University of Nebraska	Total	649,842,701	667,939,406	699,043,285	18,096,705	2.8%	31,103,879	4.7%
54	Historical Society	Oper	5,338,950	5,120,464	5,286,038	(218,486)	-4.1%	165,574	3.2%
54	Historical Society	Total	5,338,950	5,120,464	5,286,038	(218,486)	-4.1%	165,574	3.2%
57	Oil & Gas Comm.	Oper	175,000	175,000	175,000	0	0.0%	0	0.0%
57	Oil & Gas Comm.	Total	175,000	175,000	175,000	0	0.0%	0	0.0%
64	State Patrol	Oper	70,282,670	82,859,249	87,039,432	12,576,579	17.9%	4,180,183	5.0%
64	State Patrol	Total	70,282,670	82,859,249	87,039,432	12,576,579	17.9%	4,180,183	5.0%
65	Admin Services (DAS)	Oper	9,671,699	9,660,243	9,919,827	(11,456)	-0.1%	259,584	2.7%
65	Admin Services (DAS)	Total	9,671,699	9,660,243	9,919,827	(11,456)	-0.1%	259,584	2.7%
67	Equal Opportunity	Oper	1,358,170	1,443,415	1,456,854	85,245	6.3%	13,439	0.9%
67	Equal Opportunity	Total	1,358,170	1,443,415	1,456,854	85,245	6.3%	13,439	0.9%

			FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
			w/o Deficits	Enacted	Enacted	FY24 vs Prior Yr		FY25 vs Prior Yr	
		Type	FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
68	Latino Amer. Comm.	Oper	273,586	288,554	299,086	14,968	5.5%	10,532	3.6%
68	Latino Amer. Comm.	Total	273,586	288,554	299,086	14,968	5.5%	10,532	3.6%
69	Arts Council	Aid	9,405,346	1,851,819	1,849,209	(7,553,527)	-80.3%	(2,610)	-0.1%
69	Arts Council	Oper	696,706	748,558	779,570	51,852	7.4%	31,012	4.1%
69	Arts Council	Total	10,102,052	2,600,377	2,628,779	(7,501,675)	-74.3%	28,402	1.1%
70	Foster Care Review	Aid	500,000	500,000	500,000	0	0.0%	0	0.0%
70	Foster Care Review	Oper	2,266,151	2,490,533	2,586,432	224,382	9.9%	95,899	3.9%
70	Foster Care Review	Total	2,766,151	2,990,533	3,086,432	224,382	8.1%	95,899	3.2%
72	Economic Dev.	Aid	40,147,622	46,410,294	38,261,624	6,262,672	15.6%	(8,148,670)	-17.6%
72	Economic Dev.	Oper	8,304,408	9,913,270	9,402,840	1,608,862	19.4%	(510,430)	-5.1%
72	Economic Dev.	Total	48,452,030	56,323,564	47,664,464	7,871,534	16.2%	(8,659,100)	-15.4%
76	Indian Affairs Comm	Oper	264,199	283,511	295,530	19,312	7.3%	12,019	4.2%
76	Indian Affairs Comm	Total	264,199	283,511	295,530	19,312	7.3%	12,019	4.2%
77	Industrial Relations	Oper	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
77	Industrial Relations	Total	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
78	Crime Commission	Aid	12,305,805	12,305,805	12,305,805	0	0.0%	0	0.0%
78	Crime Commission	Oper	6,118,421	6,532,950	6,462,741	414,529	6.8%	(70,209)	-1.1%
78	Crime Commission	Total	18,424,226	18,838,755	18,768,546	414,529	2.2%	(70,209)	-0.4%
81	Blind/Visually Impaired	Aid	311,790	381,871	381,871	70,081	22.5%	0	0.0%
81	Blind/Visually Impaired	Oper	1,761,676	2,233,686	2,406,221	472,010	26.8%	172,535	7.7%
81	Blind/Visually Impaired	Total	2,073,466	2,615,557	2,788,092	542,091	26.1%	172,535	6.6%
82	Deaf/Hard of Hearing	Oper	1,100,351	1,164,268	1,211,665	63,917	5.8%	47,397	4.1%
82	Deaf/Hard of Hearing	Total	1,100,351	1,164,268	1,211,665	63,917	5.8%	47,397	4.1%
83	Community Colleges	Aid	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%
83	Community Colleges	Total	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%
84	Environment & Energy	Aid	100,000	0	0	(100,000)	-100%	0	na
84	Environment & Energy	Oper	5,618,429	7,906,337	7,448,556	2,287,908	40.7%	(457,781)	-5.8%
84	Environment & Energy	Total	5,718,429	7,906,337	7,448,556	2,187,908	38.3%	(457,781)	-5.8%
85	Retirement Board	Oper	57,826,161	60,972,169	63,139,000	3,146,008	5.4%	2,166,831	3.6%
85	Retirement Board	Total	57,826,161	60,972,169	63,139,000	3,146,008	5.4%	2,166,831	3.6%
87	Account/Disclosure	Oper	618,857	653,612	673,169	34,755	5.6%	19,557	3.0%
87	Account/Disclosure	Total	618,857	653,612	673,169	34,755	5.6%	19,557	3.0%
90	African Amer. Affairs	Oper	262,599	277,053	287,760	14,454	5.5%	10,707	3.9%
90	African Amer. Affairs	Total	262,599	277,053	287,760	14,454	5.5%	10,707	3.9%
93	TERC	Oper	945,551	1,411,365	1,481,966	465,814	49.3%	70,601	5.0%
93	TERC	Total	945,551	1,411,365	1,481,966	465,814	49.3%	70,601	5.0%
Construction-Reaffirm		Const	20,825,938	21,303,928	21,303,928	477,990	2.3%	0	0.0%
Construction-New		Const	3,095,672	0	0	(3,095,672)	-100%	0	na
Construction-Total		Total	23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%
OPERATIONS			1,873,192,160	2,058,012,564	2,148,987,132	184,820,404	9.9%	90,974,568	4.4%
STATE AID			3,228,558,483	3,270,117,926	3,200,054,818	41,559,443	1.3%	(70,063,108)	-2.1%
CONSTRUCTION			23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%
TOTAL GENERAL FUNDS			5,125,672,253	5,349,434,418	5,370,345,878	223,762,165	4.4%	20,911,460	0.4%

General Fund State Aid by Aid Program

Table 26 FY24/FY25 Biennial Budget State Aid as Enacted in the 2023 Legislative Session

Aid Program	FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
	w/o Deficits	Enacted	Enacted	FY24 vs Prior Yr		FY25 vs Prior Yr	
	FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
#12 State Treasurer							
Aid to Counties	2,000,000	0	0	(2,000,000)	-100%	0	na
#13 State Department of Education							
Teach in Nebraska Today Program	5,000,000	5,000,000	5,000,000	0	0.0%	0	0.0%
TEEOSA State Aid to Education	1,038,686,234	1,030,190,990	944,862,755	(8,495,244)	-0.8%	(85,328,235)	-8.3%
Special Education	235,724,474	235,724,474	235,724,474	0	0.0%	0	0.0%
Aid to ESU's	13,613,976	13,613,976	13,613,976	0	0.0%	0	0.0%
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0.0%	0	0.0%
Early Childhood grant program	3,619,357	3,619,357	3,619,357	0	0.0%	0	0.0%
Early Childhood Endowment	7,500,000	7,500,000	7,500,000	0	0.0%	0	0.0%
Nurturing Healthy Behaviors	400,000	400,000	400,000	0	0.0%	0	0.0%
School Lunch	392,032	392,032	392,032	0	0.0%	0	0.0%
Textbook loan program	1,465,500	1,465,500	1,465,500	0	0.0%	0	0.0%
School Breakfast reimbursement	617,898	617,898	617,898	0	0.0%	0	0.0%
Adult Education	214,664	214,664	214,664	0	0.0%	0	0.0%
Learning Communities Aid	470,000	470,000	470,000	0	0.0%	0	0.0%
Summer Food Service grants	90,000	90,000	90,000	0	0.0%	0	0.0%
High School Equivalency Assistance	750,000	750,000	750,000	0	0.0%	0	0.0%
Step Up to Quality Child Care - Scholarships	100,000	100,000	100,000	0	0.0%	0	0.0%
Step Up to Quality Child Care - Bonuses	69,000	69,000	69,000	0	0.0%	0	0.0%
Vocational Rehabilitation	49,289	49,289	49,289	0	0.0%	0	0.0%
#14 Public Service Commission							
Precision Ag	0	906,478	901,216	906,478	na	(5,262)	-0.6%
Nebr Broadband Bridge Act	19,795,788	19,795,788	19,795,788	0	0.0%	0	0.0%
#16 Department of Revenue							
Homestead Exemption	121,300,000	128,000,000	133,600,000	6,700,000	5.5%	5,600,000	4.4%
Personal Property Tax Relief Act	0	0	0	0	na	0	na
#18 Department of Agriculture							
Riparian Vegetation grants	706,000	706,000	706,000	0	0.0%	0	0.0%
Nebraska AgrAbility program	300,000	300,000	300,000	0	0.0%	0	0.0%
#23 Department of Labor							
Workforce Development	0	10,000,000	0	10,000,000	na	(10,000,000)	-100%

Aid Program	FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
	w/o Deficits	Enacted	Enacted	FY24 vs Prior Yr		FY25 vs Prior Yr	
	FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
#25 DHHS							
Behavioral Health Aid	74,311,162	84,505,211	85,382,211	10,194,049	13.7%	877,000	1.0%
Medical student assistance/RHOP	2,180,723	2,180,723	2,180,723	0	0.0%	0	0.0%
Children's Health Insurance (SCHIP)	26,433,262	26,384,947	26,246,298	(48,315)	-0.2%	(138,649)	-0.5%
Public Assistance	89,156,005	86,130,054	86,380,054	(3,025,951)	-3.4%	250,000	0.3%
Medicaid	991,653,018	1,007,479,783	1,012,640,639	15,826,765	1.6%	5,160,856	0.5%
Child Welfare aid	179,719,304	182,692,600	182,611,996	2,973,296	1.7%	(80,604)	0.0%
Youth in Transition aid	1,281,202	1,281,202	1,281,202	0	0.0%	0	0.0%
Developmental disabilities aid	174,638,509	175,955,731	197,567,183	1,317,222	0.8%	21,611,452	12.3%
Community health centers	11,314,060	11,314,060	11,314,060	0	0.0%	0	0.0%
Health Aid	6,877,196	6,877,196	6,877,196	0	0.0%	0	0.0%
Care Management	2,315,560	2,315,560	2,315,560	0	0.0%	0	0.0%
Area agencies on aging	9,407,019	9,407,019	9,407,019	0	0.0%	0	0.0%
#28 Department of Veterans' Affairs							
Grants for war memorial	0	2,500,000	0	2,500,000	na	(2,500,000)	-100%
#29 Department of Natural Resources							
Nebr Water Conservation Fund	1,806,112	1,806,112	1,806,112	0	0.0%	0	0.0%
Resources Development Fund	0	0	0	0	na	0	na
#31 Military Department							
Governors Emergency Program	5,000,000	5,000,000	5,000,000	0	0.0%	0	0.0%
Guard tuition assistance	852,793	852,793	852,793	0	0.0%	0	0.0%
#33 Game and Parks Commission							
Niobrara Council	50,000	52,500	52,500	2,500	5.0%	0	0.0%
#34 Library Commission							
Local libraries	1,367,061	1,404,136	1,435,711	37,075	2.7%	31,575	2.2%
#46 Correctional Services							
Vocational and Life Skills Program	4,000,000	4,000,000	4,000,000	0	0.0%	0	0.0%
#48 Postsecondary Coord. Comm.							
Nebr Opportunity Grant Program	7,593,430	8,093,430	8,093,430	500,000	6.6%	0	0.0%
Access College Early Scholarship	1,500,000	1,500,000	1,500,000	0	0.0%	0	0.0%
#50 State Colleges							
Nebraska Career Scholarships	3,050,000	4,107,500	4,240,000	1,057,500	34.7%	132,500	3.2%
RHOP/PHEAST Scholarship	0	300,000	600,000	300,000	na	300,000	100.0%
#51 University of Nebraska							
Nebraska Career Scholarships	6,000,000	8,000,000	8,000,000	2,000,000	33.3%	0	0.0%

Aid Program	FY2022-23	Per 2023 Session		Change over Prior Year (exclude deficits)			
	w/o Deficits	Enacted	Enacted	FY24 vs Prior Yr		FY25 vs Prior Yr	
	FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
#69 Arts Council							
Museum of Nebraska Arts assistance	7,500,000	0	0	(7,500,000)	-100%	0	na
Aid to arts programs	1,905,346	1,851,819	1,849,209	(53,527)	-2.8%	(2,610)	-0.1%
#70 Foster Care Review Bd							
Court Appointed Special Advocate	500,000	500,000	500,000	0	0.0%	0	0.0%
#72 Economic Development							
State aid to development districts	1,000,000	1,000,000	1,000,000	0	0.0%	0	0.0%
Nebraska Rural Projects Act	4,896,460	4,896,460	4,896,460	0	0.0%	0	0.0%
Mentorship Program	0	4,877,702	4,880,762	4,877,702	na	3,060	0.1%
Business Innovation Act	19,251,162	19,234,402	19,234,402	(16,760)	-0.1%	0	0.0%
Nebraska Career Scholarships	5,000,000	7,000,000	8,000,000	2,000,000	40.0%	1,000,000	14.3%
Public Power hydrogen hub grants		250,000	250,000	250,000	na	0	0.0%
Economic Recovery Act grants	10,000,000	9,151,730	0	(848,270)	-8.5%	(9,151,730)	-100%
#78 Crime Commission							
Juvenile services grants	564,300	564,300	564,300	0	0.0%	0	0.0%
Community Based Juvenile Services aid	5,798,000	5,798,000	5,798,000	0	0.0%	0	0.0%
Crimestoppers program	12,919	12,919	12,919	0	0.0%	0	0.0%
County Justice Reinvestment Grants	480,000	480,000	480,000	0	0.0%	0	0.0%
Attraction and Retention incentives	4,789,769	4,789,769	4,789,769	0	0.0%	0	0.0%
Victim Witness assistance	50,457	50,457	50,457	0	0.0%	0	0.0%
Crime Victims reparations	19,200	19,200	19,200	0	0.0%	0	0.0%
Violence Prevention Grants	591,160	591,160	591,160	0	0.0%	0	0.0%
#81 Blind/Visually Impaired							
Blind rehabilitation	311,790	381,871	381,871	70,081	22.5%	0	0.0%
#83 Community Colleges							
Aid to Community Colleges	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%
#84 Environment and Energy							
Energy assistance	100,000	0	0	(100,000)	-100%	0	na
State Total	3,228,558,483	3,270,117,926	3,200,054,818	41,559,443	1.3%	(70,063,108)	-2.1%

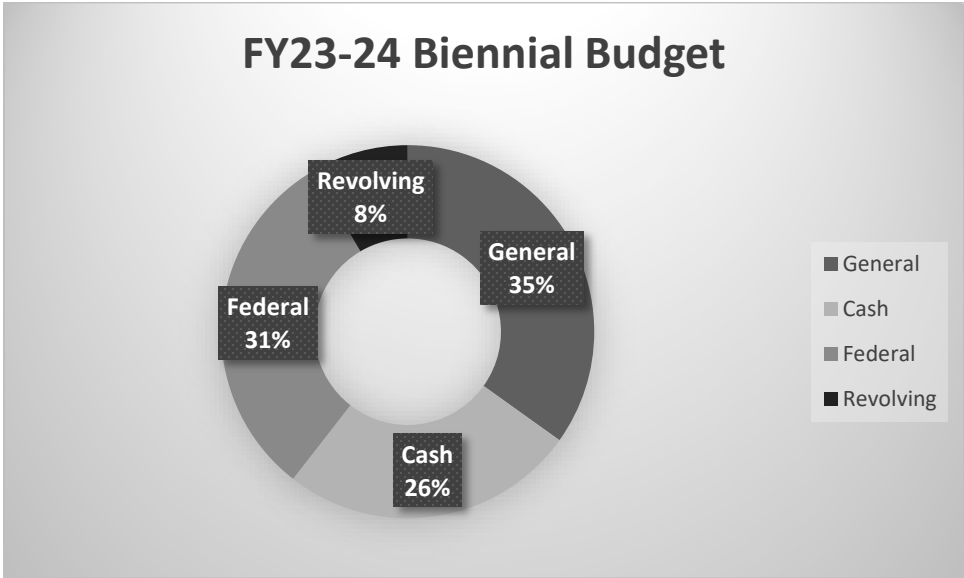
***APPROPRIATIONS
ALL FUND SOURCES***

Appropriations - All Fund Sources

This section of the report reflects the enacted budget for all funds sources, not just General Funds. Table 27 contains the overall total appropriations by fund source broken down by operations, state aid and capital construction. Following the table is a description of each type of fund source and highlights of major increases inside of each fund category. For a more detailed explanation of the changes in appropriations from other fund sources, please refer to the specific agency pages later on in this report.

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

FY2022-23 (w/o deficits)	General	Cash	Federal	Rev/Other	Total
Agency Operations	1,873,047,410	2,023,864,733	1,080,785,465	1,108,278,878	6,085,976,486
State Aid	3,228,703,233	1,169,969,132	4,125,821,750	1,369,771	8,525,863,886
Capital Construction	23,921,610	154,423,930	60,178,150	87,643,459	326,167,149
Total	5,125,672,253	3,348,257,795	5,266,785,365	1,197,292,108	14,938,007,521
FY2023-24	General	Cash	Federal	Rev/Other	Total
Agency Operations	2,058,012,564	2,374,198,511	1,074,895,513	1,137,817,779	6,644,924,367
State Aid	3,270,117,926	1,475,717,911	3,675,407,076	1,369,771	8,422,612,684
Capital Construction	21,303,928	86,673,930	4,367,875	159,113,825	271,459,558
Total	5,349,434,418	3,936,590,352	4,754,670,464	1,298,301,375	15,338,996,609
<u>Change over prior year</u>					
Agency Operations	184,965,154	350,333,778	(5,889,952)	29,538,901	558,947,881
State Aid	41,414,693	305,748,779	(450,414,674)	0	(103,251,202)
Capital Construction	(2,617,682)	(67,750,000)	(55,810,275)	71,470,366	(54,707,591)
Dollar Change	223,762,165	588,332,557	(512,114,901)	101,009,267	400,989,088
Percent Change	4.4%	17.6%	-9.7%	8.4%	2.7%
FY2024-25	General	Cash	Federal	Rev/Other	Total
Agency Operations	2,148,987,132	2,380,858,219	1,083,930,329	1,131,640,438	6,745,416,118
State Aid	3,200,054,818	1,601,866,951	3,425,473,498	1,369,771	8,228,765,038
Capital Construction	21,303,928	80,673,930	3,170,505	147,881,800	253,030,163
Total	5,370,345,878	4,063,399,100	4,512,574,332	1,280,892,009	15,227,211,319
<u>Change over prior year</u>					
Agency Operations	90,974,568	6,659,708	9,034,816	(6,177,341)	100,491,751
State Aid	(70,063,108)	126,149,040	(249,933,578)	0	(193,847,646)
Capital Construction	0	(6,000,000)	(1,197,370)	(11,232,025)	(18,429,395)
Dollar Change	20,911,460	126,808,748	(242,096,132)	(17,409,366)	(111,785,290)
Percent Change	0.4%	3.2%	-5.1%	-1.3%	-0.7%
Two Yr Average % Change	2.4%	10.2%	-7.4%	3.4%	1.0%



Cash Funds

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

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

LB 818 creates the Education Future Fund (EFF), which authorizes transfers from the General Fund and lists permissible uses. Funds are appropriated in LB 814, LB 583, and LB 705. The State Department of Education had a relatively small cash fund appropriation prior to the passage of these bills, and subsequent to the legislation is the 4th highest cash funded agency with about 8.6% of cash funds appropriated for FY24-25.

In addition, LB 243 created the Community College Future Fund, which authorizes transfers from the General Fund into that cash fund and payments of state aid to community colleges from the cash fund. Community colleges previously only received state aid from the General Fund, and with the changes in LB 243 are now ranked as the 5th highest cash fund appropriation with over 6% of cash funds appropriated for FY24-25.

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

CASH FUNDS	FY2022-23 (w/o deficits)	FY2023-24	FY2024-25	Rank	% of Total
Transportation	1,069,034,923	1,287,021,819	1,313,471,124	1	32.3%
University of Nebraska	488,150,106	488,150,106	488,150,106	2	12.0%
Revenue	346,335,481	408,189,709	446,081,944	3	11.0%
Education	14,521,068	349,874,591	350,387,519	4	8.6%
Community Colleges	0	0	246,499,886	5	6.1%
Economic Development	258,920,652	262,248,937	215,277,738	6	5.3%
DHHS	180,179,625	303,325,100	189,515,696	7	4.7%
Public Service Comm	92,020,931	113,025,431	113,396,435	8	2.8%
Natural Resources	223,937,677	118,456,323	108,523,805	9	2.7%
Game and Parks	103,817,448	101,927,274	104,209,082	10	2.6%
All Other	571,339,884	504,371,062	487,885,765		12.0%
Total - Cash Funds	3,348,257,795	3,936,590,352	4,063,399,100		100.0%
\$ Change	544,612,568	588,332,557	126,808,748		
% Change	19.4%	17.6%	3.2%		

Transportation accounts for 32.3% of cash fund revenues and expenditures while the University of Nebraska accounts for 12%. The Dept. of Revenue accounts for 11% of the total as the property tax credits are expended as cash funds.

The enacted budget for FY23-24 reflects a 17.6% increase in cash fund appropriations over the prior year, which followed a 19.4% increase in FY22-23. Of the total amount appropriated in FY23-24 from cash funds, just over \$1 billion is funded by a transfer from the General Fund or the Cash Reserve Fund. Of the total amount appropriated in FY24-25, just over \$1.2 billion is funded by a transfer from the General Fund or the Cash Reserve Fund. The largest of these are the Property Tax Credit Cash Fund, the Education Future Fund, the Community College Future Fund, and the Economic Recovery Contingency Fund.

Department of Transportation

The enacted budget utilizes revenue projections to set the total fuel tax at an anticipated average of 29.1¢ per gallon in FY2023-24 and 29.1¢ in FY2024-25.

The total fuel tax is set and controlled by the amount of the Highway Cash Fund appropriation to the department. Current budget projections require an appropriation of \$494 million in FY2023-24 and \$502 million in FY2024-25. Based on these projections, the appropriation amounts would result in an average per gallon fuel tax of 29.1¢ in FY2023-24 and 29.1¢ in FY2024-25. The FY2022-23 Highway Cash Fund appropriation is \$480,000,000 which results in the FY2023-24 appropriation being a 2.9% increase over FY2022-23, and the FY2024-25 appropriation being a 1.6% increase over FY2023-24.

With regard to public transit aid, the enacted budget maintains the FY2022-23 appropriation amount of \$6,312,705 for both FY2023-24 and FY2024-25.

Projected expenditures for construction reflect an increase of \$173.8 million in FY2023-24, for a total of \$983 million. In FY2024-25, the recommendation reflects an increase of \$186.7 million for a total of \$996 million. Nearly all of this increase, \$168 million in FY23-24 and \$178 million in FY24-25, is attributable to the appropriation for funding from the federal Infrastructure Investment and Jobs Act (IIJA). In FY22-23, FY23-24, and FY24-25, the total includes appropriation of \$505 million of cash funds to the department and a one-time transfer from the Cash Reserve Fund to the Roads Operations Cash Fund. The transfer of state funds serves as matching funds for the federal funds, which are required as a 25% match of total funding.

The **Division of Aeronautics** distributes aid to public-use airports. Aviation fuel taxes provide the source of state funds and grants through the Airport Improvement Program (AIP) are the source of federal funds. The enacted budget reflects an increase in the AIP funding that flows through the division. In FY2023-24 the increase is \$12,050,000, over the current FY2022-23 appropriation of \$25,650,300. This sets the appropriation for aid to public airports at \$37,700,300 in both FY2023-24 and FY2024-25.

Property Tax Credit 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 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. This change would shift \$20 million of the property tax credit amounts from residential, commercial and industrial, and public service sectors to agriculture so to hold these other sectors harmless, LB958 provided language that the credit amount should be increased by \$20 million to a total of \$224 million.

In the 2019 session, the credit amount was increased to \$275 million where it remained. In 2021, the credit was increased to \$300 million, and in 2023, to \$313 million.

The enacted budget includes an additional \$50 million in FY23-24 and \$85 million in FY24-25 and included the corresponding amount of General Funds transferred to the Property Tax Credit Cash Fund. In addition, the enacted budget also includes an appropriation of \$12.5 million in FY23-24 and \$15 million in FY24-25 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. Through June 30, 2023, about \$5.7 million has been credited to the fund so far as the first three temporary casinos have been licensed in the state in FY22-23.

Table 28 Property Tax Amounts for 2023 and 2024

Credit Year	Fiscal Year	Total Appropriation General Fund transfer	Total Appropriation Casino Gaming Tax	Total Appropriation	\$ Change
2017	FY2017-18	\$224,000,000	\$0	\$224,000,000	\$20,000,000
2018	FY2018-19	\$224,000,000	\$0	\$224,000,000	\$0
2019	FY2019-20	\$275,000,000	\$0	\$275,000,000	\$51,000,000
2020	FY2020-21	\$275,000,000	\$0	\$275,000,000	\$0
2021	FY2021-22	\$300,000,000	\$0	\$300,000,000	\$25,000,000
2022	FY2022-23	\$313,000,000	\$0	\$313,000,000	\$13,000,000
2023	FY2023-24	\$363,000,000	\$12,500,000	\$375,500,000	\$62,500,000
2024	FY2024-25	\$398,000,000	\$15,000,000	\$413,000,000	\$37,500,000

Perkins County Canal Project

The Legislature’s mid-biennium budget adjustment in the 2022 session approved a transfer of \$53.5 million from the Cash Reserve Fund to the Perkins Canal Project Fund with direction to contract for an independent study.

The Perkins County Canal is a provision within the interstate compact agreed to by the states of Nebraska and Colorado and ratified by the U.S. Congress in 1923. The canal would have a 12/17/1921 priority date and may divert up to 500 CFS of water that is present in the Lower Section of the South Platte River during the non-irrigation season and may divert all flows that would otherwise cross the Colorado-Nebraska state line in excess of the 120 CFS right during the irrigation season.

The enacted budget includes a transfer from the Cash Reserve Fund of \$574.5 million and increases the appropriation from the Perkins County Canal Project Fund from \$53.5 million to \$62.8 million annually. As a result of the new and prior transfer, fund balance will be approximately \$630 million.

Water Resources Cash Fund

There is a transfer of \$7 million each year of the biennium from the Nebraska Environmental Trust Fund to the Water Resources Cash Fund included in the enacted budget. Section 61-218 provided intent for transfers of \$3.3 million from the General Fund to the Water Resources Cash Fund to occur each fiscal year from FY11-12 through FY22-23. Section 81-15,175 awarded 50 priority points to projects recommended by the Director of Natural Resources in the ranking process contingent upon these General Fund transfers occurring and contingent upon projects resulting in enhanced streamflows, reduced consumptive uses of water, recharged groundwater, supporting wildlife habitat, or otherwise contributed towards conserving, enhancing, and restoring Nebraska’s groundwater and surface water resources. As the intent for the General Fund transfer and the priority for Nebraska Environmental Trust grants have ended in FY22-23, this transfer provides for funds consistent with the amount the Water Resources Cash Fund has received historically to provide for long-term projects.

Education Future Fund

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

EDUCATION FUTURE FUND DISTRIBUTIONS					
Bill #		FY23-24	FY24-25	FY25-26	FY26-27
LB 818	Transfers In:	1,000,000,000	250,000,000	250,000,000	250,000,000
	Appropriations:				
LB 705	Extraordinary Increases in Special Education	2,500,000	2,500,000	2,500,000	2,500,000
LB 705	Nebraska Teacher Apprenticeship Program	1,000,000	1,000,000	1,000,000	1,000,000
LB 705	Nebraska Teacher Recruitment & Retention Act	5,000,000	5,000,000	5,000,000	5,000,000
LB 583	Special Education - 80%	199,041,052	206,007,489	213,217,751	220,680,372
LB 583	23% of Foundation Aid	112,353,248	113,145,292	113,998,046	114,915,590
LB 814	Increase Career & Technical Education	5,316,000	5,316,000	5,316,000	5,316,000
	Total Appropriations:	325,210,300	332,968,781	341,031,797	349,411,962
	Remaining in Fund:	674,789,700	591,820,919	500,789,122	401,377,160

Health Care Cash Fund

The Health Care Cash Fund receives funding from the Tobacco Settlement Trust Fund. The source of the Tobacco Settlement Trust Fund is payments from tobacco companies pursuant to a nationwide settlement entered into several years ago. State statute dictates the amount of transfer each year.

Virtually from the time the Health Care Cash Fund was created, the use of the fund exceeded the combined annual contributions and earning on the fund. In 2021, the Legislature moved \$10.1 million of ongoing appropriations from the Health Care Cash Fund to General Funds to address this concern. In FY23, a one-time \$15 million transfer was made to the University of Nebraska for a pancreatic cancer research center project.

The enacted budget for FY23-24 and FY24-25 includes an additional \$3.2 million of ongoing spending, which includes \$2.7 million for pediatric cancer and \$500,000 for the Nebraska Cancer Network pursuant to LB 802. The budget also includes two years of funding, attributable to the JUUL settlement, for tobacco prevention and control programs for minors (LB 539). The enacted budget reduces the ongoing appropriation to the Compulsive Gamblers' Assistance Program, beginning in FY24-25, due to anticipated increases in casino gaming tax.

The appropriations from the Health Care Cash Fund from the FY21-22/FY22-23 biennium and from the enacted budget (FY23-24/FY24/25 biennium) are shown in the following table.

Table 29 Health Care Cash Fund

Fund 22640	Agency Program	Current Biennium			
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
<u>Service Capacity</u>					
Mental Health / Substance Abuse Regions	25-38	6,500,000	6,500,000	6,500,000	6,500,000
Juvenile Services	25-250	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal		7,500,000	7,500,000	7,500,000	7,500,000
<u>Respite Care</u>					
Respite regions and personnel	25-33	404,643	404,643	404,643	404,643
Nebr Lifespan respite aid	25-347	810,000	810,000	810,000	810,000
Subtotal		1,214,643	1,214,643	1,214,643	1,214,643
<u>Public Health</u>					
Public Health Staff	25-33	100,000	100,000	100,000	100,000
County Public Health County aid	25-502	5,605,000	5,605,000	5,605,000	5,605,000
Subtotal		5,705,000	5,705,000	5,705,000	5,705,000
<u>Minority Health</u>					
Qualified health clinics	25-502	750,000	750,000	750,000	750,000
Minority health aid	25-502	2,875,000	2,875,000	2,875,000	2,875,000
Minority health satellites	25-33	220,000	220,000	220,000	220,000
Subtotal		3,845,000	3,845,000	3,845,000	3,845,000
<u>Emergency Protective Custody</u>	25-38	1,500,000	1,500,000	1,500,000	1,500,000
<u>Developmental Disability Waiting List</u>	25-424	5,000,000	5,000,000	5,000,000	5,000,000
<u>Children's Health Insurance (SCHIP)</u>	25-344	6,835,700	6,835,700	6,835,700	6,835,700
<u>Biomedical Research</u>	25-623	15,000,000	15,000,000	15,000,000	15,000,000
<u>Human Service Studies</u>	3-122	75,000	75,000	75,000	75,000
<u>Attorney General</u>	11-507	595,807	595,807	595,807	595,807
<u>EMS Technicians</u>	25-33	13,688	13,688	13,688	13,688
<u>Revenue Auditor Specialist</u>	16-102	323,055	329,808	329,808	329,808
<u>Compulsive Gamblers</u>	16-164	250,000	250,000	250,000	0
<u>NE Regional Poison Control Center</u>	25-514	200,000	200,000	200,000	200,000
<u>Parkinson's Disease Registry</u>	25-33	26,000	26,000	26,000	26,000
<u>Tobacco Prevention</u>					
Tobacco Prevention	25-30	2,570,000	2,570,000	2,570,000	2,570,000
Medicaid coverage, smoking cessation	25-33	6,000	6,000	6,000	6,000
Medicaid coverage, smoking cessation	25-348	450,000	450,000	450,000	450,000
Subtotal		3,026,000	3,026,000	3,026,000	3,026,000
<u>Stem Cell Research</u>	25-621	450,000	450,000	450,000	450,000
<u>Olmstead Plan</u>		36,459	0	0	0
<u>Brain Injury Trust</u>	25-514	500,000	500,000	500,000	500,000
<u>Perinatal Quality Improvement</u>	25-514	0	130,000	130,000	130,000
<u>Children's Commission</u>	70-353	185,337	190,249	200,784	208,894
<u>Pancreatic Cancer Research</u>		0	15,000,000	0	0
<u>Pediatric Cancer (University)</u>	25-514	0	0	2,700,000	2,700,000
<u>NE Cancer Network</u>	25-514	0	0	500,000	500,000
<u>JUUL (Tobacco Prevention)</u>	25-30	0	0	1,082,146	1,082,146
TOTAL		52,281,689	67,386,895	56,679,576	56,437,686

DHHS Cash Funds

As mentioned in discussion of the FMAP, during the COVID-19 Public Health Emergency (PHE), no one enrolled in Medicaid was disenrolled from the program. DHHS is now responsible for the “unwind” during which agency staff have to redetermine eligibility for everyone enrolled in Medicaid during the PHE period over a 14-month span under federal guidance and regulation. As the 6.2% enhanced FMAP is phased out (6.2% enhancement until March 31, 2023, 5% enhancement from April 1, 2023 through June 30, 2023, 2.5% enhancement from July 1, 2023 through September 30, 2023, and 1.5% enhancement from October 1, 2023 through December 31, 2023), DHHS will incur the bulk of the PHE unwind costs in FY24. Individuals on Medicaid will remain enrolled until a determination can be reached, without the benefit of the fully enhanced FMAP. The enacted budget includes the state share of the unwind costs, in the amount of \$56,776,897 in FY24 only, be covered with cash fund appropriation with money from the Medicaid Managed Care Organization (MCO) excess profit fund.

Section 9817 of the American Rescue Plan Act provided an additional 10% federal match for certain home and community-based services within Medicaid. DHHS is able to draw these federal funds and maintain them in a state cash fund to be used on a CMS-approved plan through the expiration date of 2024. The total available is \$81 million, with the department having allocated \$8 million to FY22 and \$38 million to FY23. The enacted budget includes cash spending authority in FY24 for the remaining balance of \$35 million.

The enacted budget includes a one-time \$4 million transfer from the Cash Reserve Fund to the Health and Human Services Cash Fund and a corresponding \$4 million appropriation to Program 33 to implement updates to the Public Health Data Nexus to modernize data systems which will establish a secure, integrated data system to modernize and alleviate burdensome technical issues. The primary funding source for initial modernization efforts was federal funds in the form of cooperative agreements with the CDC during the pandemic which is no longer available.

The modernization of the Vital Records system impacts Nebraskans that need to access vital records documentation, data, or certificates for events like births, deaths, adoptions, marriages, or dissolutions. The enacted budget includes an increased cash fund appropriation of \$11.5 million in Program 33 in FY24 only to support the modernization. The agency testified to having saved \$5 million in fee revenue to use for this purpose, therefore the remaining \$6.5 million is transferred from the Cash Reserve Fund to the Health and Human Services Cash Fund to use for this purpose.

Opioid Settlement Funds

In 2020, LB1124 enacted the Nebraska Opioid Prevention and Treatment Act to provide for the use of dedicated revenue for opioid disorder related treatment and prevention. The State of Nebraska is expecting to receive over \$100,000,000 in settlements from the settlements with three drug distribution companies and the largest producer of opioids over the period of 18 years. The funds are restricted for use as outlined by the settlement agreement and the distribution methodology is determined by the Nebraska Opioid Remediation Advisory Committee. The settlement agreement stipulates that at least half of all annual payments must be allocated and tracked to the regional Behavioral Health Regions. The remaining half may be allocated to the Regions and/or for other uses as determined by the Advisory Committee that are eligible under the settlement agreement.

The Attorney General is the recipient of the settlement funds who then credits these funds to Nebraska Opioid Recovery Fund within the Department of Health and Human Services (DHSS) Division of Behavioral Health. The cash fund spending authority is appropriated to DHHS by the Legislature. In FY 2021-22, DHHS was appropriated \$2 million in FY 2021-22 and \$15 million for FY 2022-23 for the distribution of national opioid settlement funds.

Due to the timing of the distributions of the settlement, the Nebraska Opioid Recovery Fund is insufficient to maintain the level of the \$15 million annual appropriation. To date, funding has not been distributed to the

Behavioral Health Regions. The appropriation for the cash spending authority is reduced to \$6,500,000 to allow the fund to remain solvent and maintain a sufficient fund balance for future needs.

The enacted budget also includes \$1.125 million from the Opioid Recovery Fund per year for opioid related services to assist first responders, who are at higher risk of opioid exposure and dependency, with connecting to behavioral health services, supports, and training, as well as a statewide wellness learning plan that includes anonymous assessments, education, and awareness.

Economic Recovery Act

Created by LB1024 in 2022, the Economic Recovery Program in the Department of Economic Development is the primary vehicle for distributing grants related to the American Rescue Plan Act (ARPA) of 2021 to Qualified Census tracts and the other provisions of LB1024. Due to concerns with the timeline for expending ARPA funds the ARPA appropriation for this program is being reduced by \$179.2 million with a commensurate increase to the Department of Natural Resources to be used for water supply for a city of the primary class (\$177.2 million) and grants for water recreation improvement projects in a city of the first class (\$2 million). The enacted budget transfers \$240 million from the Cash Reserve Fund and \$30 million from the General Fund to the Economic Recovery Contingency Fund to fulfill the obligations of the Economic Recovery Act and accommodate an increase in aid for an airport business park. An additional \$10 million per year is transferred from the General Fund to the Economic Recovery Contingency Fund pursuant to the intent of LB 1024 (2022). The new Cash Fund appropriation pursuant to these transfers is \$160 million in FY23-24 and \$130 million in FY24-25.

Economic Development Cash Fund

The enacted budget provides a grant to a community college serving a city of the metropolitan class to meet demand for microchip fabrication and microelectronics manufacturing in the state in conjunction with the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act. The enacted budget includes a \$20 million transfer from the Cash Reserve Fund to the newly created Economic Development Cash Fund and an appropriation of \$5 million in FY23-24 and \$15 million in FY24-25.

Site and Building Development Fund

The enacted budget includes a transfer of \$2 million from the Cash Reserve Fund to the Site and Building Development Fund and commensurate appropriation from the Site and Building Development Fund for the purpose of issuing a grant to a city of the first class to provide improvements to a site that previously housed college facilities. Such facility rehabilitation will be used for supporting youth exiting the foster care system by providing housing, employment, and programming.

Shovel-Ready Capital Recovery and Investment Fund

The enacted budget includes a transfer of \$70 million from the Cash Reserve Fund to the Shovel-Ready Capital Recovery and Investment Fund, and earmarks \$30 million of the funds transferred to construct an athletic complex for certain postsecondary institutions. The Shovel-Ready Capital Recovery and Investment Act was created by LB566 (2021) with a transfer of \$15 million from the General Fund with additional funding in the mid-biennium budget adjustment with \$100 million of American Rescue Plan Act dollars. The act funds qualifying non-profits with intent to distribute grants evenly across the three Congressional districts of Nebraska.

Lead Cash Fund

The enacted budget includes a transfer of \$10 million from the General Fund to the Lead Cash Fund and commensurate appropriation of cash funds for year FY23-24. Funds are to be used for lead service line replacement.

Universal Services Fund

Twenty million per year of additional aid funding is included to address greater demand from the Universal Services Fund. In addition, the Public Service Commission has updated the parameters for aid distribution. Projects must be completed within two years in order to receive aid. This shift in timelines will result in more aid being distributed sooner.

Federal Funds

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

Large decreases in the enacted budget are mostly due to removing ARPA appropriations from the base, as those were one-time appropriations in FY22-23.

FEDERAL FUNDS	FY2022-23 (without deficits)	FY2023-24	FY2024-25	Rank	% of Total
DHHS	3,187,518,485	3,274,956,925	3,205,030,881	1	71.0%
University of Nebraska	626,320,000	549,670,000	549,670,000	2	12.2%
Education	486,693,389	409,141,007	410,903,392	3	9.1%
Economic Development	550,342,013	73,897,205	76,450,866	4	1.7%
State Colleges	60,120,000	52,120,000	52,120,000	5	1.2%
Environmental Quality	73,001,264	48,447,011	48,970,168	6	1.1%
Labor	52,497,303	47,649,827	48,763,229	7	1.1%
Military Dept	31,665,030	27,682,880	28,184,067	8	0.6%
Veterans Affairs	23,992,462	25,438,762	26,680,304	9	0.6%
Crime Commission	20,194,475	20,270,206	20,324,239	10	0.5%
All Other	154,440,944	225,396,641	45,477,186		1.0%
Total - Federal Funds	5,266,785,365	4,754,670,464	4,512,574,332		100.0%
\$ Change	1,288,909,264	(512,114,901)	(242,096,132)		
% Change	32.4%	-9.7%	-5.1%		

ARPA State Coronavirus Fiscal Recovery Funds

The enacted budget includes reappropriations of all unexpended ARPA State Coronavirus Fiscal Recovery Funds appropriated in the previous biennium, except that the appropriation of ARPA funds appropriated to DED for the Economic Recovery Act (enacted in LB 1024 in 2022) was reduced by \$179.2 million. In addition, the Department of Agriculture did not request \$4 million of ARPA funds for purposes of LB 805 (2022) in their agency request. At the end of last session, about \$2.5 million of the total \$1.04 billion in State Coronavirus Fiscal Recovery Funds was not appropriated (or subject to intent language to appropriate).

These funds were then available to be appropriated, and the proposed budget includes three new appropriations of ARPA funds, as follows:

1. \$177.2 million in FY23-24 to Department of Natural Resources for cities of the primary class for water projects;

2. \$2 million in FY23-24 to the Department of Natural Resources for a grant to the city of the first class for water recreation improvement projects;
3. \$1.2 million in FY23-24 and in FY24-25 to the Department of Natural Resources for data collection for groundwater monitoring and dam safety; and
4. \$4 million in FY22-23 to the Military Department for use by the Department of Health and Human Services for technology costs directly related to the pandemic.

DHHS Temporary Assistance for Needy Families

The enacted budget includes one-time funding designated for a grant program to support Emergency Food Assistance, utilizing \$10 million in Federal Temporary Assistance for Needy Families (TANF) funds in FY24. Such funding requires DHHS to submit a state plan amendment to the federal Administration for Children and Families (ACF) on the added obligation for such a program.

The enacted budget increases funding designated for Nebraska Child Advocacy Centers (CACs). Currently, seven child advocacy centers receive funding from DHHS Department of Children and Family Services as well as the Nebraska Alliance of Child Advocacy Centers. In FY23, this included a total of \$3,012,187 in General Funds. Based on precedent set by other states, appropriation designated for CACs in DHHS Program 354 Child Welfare Aid is increased by \$8,000,000 in Federal TANF funds. Of the \$8 million total, \$7.5 million is for activities of CACs and the remaining \$500,000 is for coordination activities of the state chapter of CACs. Coordination activities include but are not limited to development of a distribution formula for the \$7.5m, data collection and analysis required for reports to the federal ACF, accounting of the fund expenditures per state and federal requirements, and preparing the annual TANF reports for funds appropriated. Such funding is intended to be ongoing and requires DHHS to submit a state plan amendment to the ACF on the added obligation for CACs.

The enacted budget increases funding designated for domestic violence services pursuant to LB 739. Currently, DHHS allocates \$1,980,000 in General Funds from Program 354 Child Welfare Aid. Based on precedent set by other states, appropriations for domestic violence services increase by \$3,000,000 in Federal TANF funds. Such funding is intended to be ongoing and requires DHHS to submit a state plan amendment to the ACF on the added obligation for domestic violence services.

Revolving / Other Funds

Revolving funds account for transactions where one agency provides goods or services to another agency. For example, the Dept. of Education pays DAS-Building Division rent for the State Office Building. The expenditure is charged against the Departments budget (be it General, Cash, or Federal). DAS then receives these funds which are credited to a revolving fund from which DAS pays staff salaries, utilities, cleaning costs, etc... This in essence double-counts expenditures; once when an agency pays another agency for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. Excluding the University and State Colleges, DAS accounts for 85% of all revolving funds. The Dept. of Correctional Services (through Cornhusker State Industries) accounts for another 7%.

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

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

transfers from the Cash Reserve Fund or General Fund for major projects. In past years this included projects such as Innovation Campus, UNMC cancer research towers, and the Central Nebraska Veterans Home. The increase in the NCCF appropriations reflects the appropriation of the new multi-custody penitentiary facility by the Dept. of Correctional Services, and several other new projects as described in the construction section of this report.

REVOLVING / OTHER	FY2022-23 (without deficits)	FY2023-24	FY2024-25	Rank	% of Total
University of Nebraska	809,290,000	809,290,000	809,290,000	1	63.2%
Admin Services	261,125,803	289,972,332	283,247,296	2	22.1%
Corrections	22,049,079	22,440,386	22,760,256	4	1.8%
State Colleges	10,239,058	10,239,058	10,239,058	5	0.8%
Education	2,025,315	2,072,237	2,107,325	6	0.2%
Attorney General	1,878,733	2,002,584	2,093,308	7	0.2%
All Other	5,380,661	26,576,810	21,020,511		1.6%
Nebr Capital Const Fund (NCCF)	85,303,459	135,707,968	130,134,255		10.2%
Total - Revolving/Other Funds	1,197,292,108	1,298,301,375	1,280,892,009		100.0%
\$ Change	201,789,105	101,009,267	(17,409,366)		
% Change	20.3%	8.4%	-1.3%		

Appropriations by Bill – All Funds

Table 30 Breakdown by Mainline Bills and A Bills

FY2023-24	General	Cash	Federal	Rev/Other	Total
LB 814 Mainline Budget Bill	5,296,804,448	3,596,812,156	4,739,057,455	1,298,301,375	14,930,975,434
LB 815 Legislator Salaries	632,982	0	0	0	632,982
LB 816 Constitutional Officers Salaries	32,864,195	1,725,206	0	0	34,589,401
Mainline Bills	5,330,301,625	3,598,537,362	4,739,057,455	1,298,301,375	14,966,197,817
"A" Bills	19,132,793	338,052,990	15,613,009	0	372,798,792
Total per 2023 Session	5,349,434,418	3,936,590,352	4,754,670,464	1,298,301,375	15,338,996,609
FY2024-25	General	Cash	Federal	Rev/Other	Total
LB 814 Mainline Budget Bill	5,292,914,520	3,475,246,878	4,491,942,828	1,280,892,009	14,540,996,235
LB 815 Legislator Salaries	632,982	0	0	0	632,982
LB 816 Constitutional Officers Salaries	33,039,566	1,733,270	0	0	34,772,836
Mainline Bills	5,326,587,068	3,476,980,148	4,491,942,828	1,280,892,009	14,576,402,053
"A" Bills	43,758,810	586,418,952	20,631,504	0	650,809,266
Total per 2023 Session	5,370,345,878	4,063,399,100	4,512,574,332	1,280,892,009	15,227,211,319

Table 31 “A” Bills Enacted – 2023 Session

ENACTED LEGISLATION	Ag	Prog	Fund	FY2023-24	FY2024-25
LB 92 Banking omnibus bill	22	69	Cash	47,433	49,085
LB 92 Banking omnibus bill	51	781	General	0	106,000
LB 92 Banking omnibus bill	72	601	General	26,930	27,950
LB 138 Adopt updates relating to motor vehicles	24	70	Cash	306,250	0
LB 138 Adopt updates relating to motor vehicles	27	568	Cash	1,972,069	2,053,604
LB 157 Change provisions related to public guardians	25	347	General	0	250,000
LB 227 Adopt the Behavior Analyst Practice Act	25	347	General	111,600	111,600
LB 227 Adopt the Behavior Analyst Practice Act	25	348	General	6,896,188	7,975,240
LB 227 Adopt the Behavior Analyst Practice Act	25	348	Federal	14,773,314	19,705,703
LB 227 Adopt the Behavior Analyst Practice Act	25	33	General	3,627,976	3,879,167
LB 227 Adopt the Behavior Analyst Practice Act	25	33	Cash	378,754	388,160
LB 227 Adopt the Behavior Analyst Practice Act	25	78	Cash	97,864	119,688
LB 227 Adopt the Behavior Analyst Practice Act	25	33	Federal	576,619	725,801
LB 243 Change property tax provisions	13	25	General	294,833	131,577
LB 243 Change property tax provisions	83	152	Cash	0	246,499,886
LB 243 Change property tax provisions	93	115	General	409,719	439,128
LB 254 Change provisions related to Legislature	3	122	General	50,000	0
LB 254 Change provisions related to Legislature	3	123	General	125,000	0
LB 254 Change provisions related to Legislature	47	533	General	257,000	45,000
LB 276 Cert Community Behavioral Health Clinic Act	25	38	General	0	0
LB 276 Cert Community Behavioral Health Clinic Act	25	348	General	0	0
LB 276 Cert Community Behavioral Health Clinic Act	25	38	Federal	0	0
LB 276 Cert Community Behavioral Health Clinic Act	25	348	Federal	0	0
LB 276 Cert Community Behavioral Health Clinic Act	25	33	General	0	0
LB 276 Cert Community Behavioral Health Clinic Act	25	33	Cash	200,000	200,000
LB 276 Cert Community Behavioral Health Clinic Act	25	33	Federal	200,000	200,000
LB 298 NDE provisions related to dyslexia/dress code	13	25	General	129,285	128,128
LB 50 Change criminal justice provisions	5	52	General	835,000	531,500
LB 50 Change criminal justice provisions	5	67	General	1,312,150	1,339,675
LB 50 Change criminal justice provisions	5	435	General	38,650	0
LB 50 Change criminal justice provisions	5	570	Cash	20,000	0
LB 50 Change criminal justice provisions	15	358	General	314,388	212,282
LB 50 Change criminal justice provisions	25	359	General	0	716,674
LB 50 Change criminal justice provisions	46	200	General	979,232	5,000
LB 50 Change criminal justice provisions	70	116	General	96,793	98,076
LB 514 Change provisions related to elections	9	45	General	1,210,850	615,764
LB 514 Change provisions related to elections	24	70	Cash	587,500	0
LB 531 Change Economic Recovery Act	72	611	General	9,151,730	0
LB 531 Change Economic Recovery Act	72	611	General	848,270	0
LB 531 Change Economic Recovery Act	72	611	Cash	0	1,106,810
LB 531 Change Economic Recovery Act	84	513	Cash	898,139	0
LB 531 Change Economic Recovery Act	84	513	Cash	101,861	0
LB 562 Adopt E-15 Access Standard Act	16	102	General	169,172	86,394
LB 562 Adopt E-15 Access Standard Act	18	78	General	78,000	131,000

ENACTED LEGISLATION	Ag	Prog	Fund	FY2023-24	FY2024-25
LB 565 Natural Resources omnibus bill	57	335	Cash	6,000	6,000
LB 565 Natural Resources omnibus bill	72	603	General	250,000	250,000
LB 565 Natural Resources omnibus bill	72	603	Cash	200,000	0
LB 583 Change special education and foundation aid	13	158	General	(12,701,270)	20,336,878
LB 583 Change special education and foundation aid	13	158	Cash	311,394,300	319,152,781
LB 683 Transportation omnibus	14	686	Cash	198,076	197,461
LB 683 Transportation omnibus	14	793	Federal	63,076	0
LB 683 Transportation omnibus	21	193	General	426,150	404,100
LB 683 Transportation omnibus	27	568	Cash	1,780,378	1,692,973
LB 705 Change provisions relating to lottery	13	158	Cash	18,500,000	8,500,000
LB 705 Change provisions relating to lottery	13	161	Cash	0	2,699,073
LB 705 Change provisions relating to lottery	13	25	General	1,032,345	1,516,916
LB 705 Change provisions relating to lottery	48	692	Cash	0	1,883,018
LB 705 Change provisions relating to lottery	48	692	Cash	0	229,300
LB 705 Change provisions relating to lottery	50	48	General	4,894	0
LB 705 Change provisions relating to lottery	64	100	General	121,742	122,542
LB 705 Change provisions relating to lottery	64	100	Cash	54,300	36,200
LB 727 Change tax provisions	16	102	General	432,776	158,320
LB 727 Change tax provisions	27	301	Cash	1,427,000	1,648,000
LB 727 Change tax provisions	72	603	General	128,220	124,290
LB 753 Opportunity Scholarships Act	16	102	General	248,031	42,442
LB 754 Change income tax rates	25	33	General	30,876	43,225
LB 799 Change judges' salaries & number of judges	5	3	General	102,024	194,964
LB 799 Change judges' salaries & number of judges	5	4	General	83,221	159,007
LB 799 Change judges' salaries & number of judges	5	6	General	946,258	1,807,806
LB 799 Change judges' salaries & number of judges	5	7	General	980,673	1,688,295
LB 799 Change judges' salaries & number of judges	5	52	General	84,087	79,870
LB 799 Change judges' salaries & number of judges	37	526	Cash	(116,934)	(43,087)
Totals by Fund				FY2023-24	FY2024-25
General				19,132,793	43,758,810
Cash				338,052,990	586,418,952
Federal				15,613,009	20,631,504
Revolving				0	0
Total				372,798,792	650,809,266

Veto and Overrides – All Fund Sources

Even though there were several attempts to override selected items, the only items overridden relate to the State Auditor, as detailed in Table 32.

Table 32 Veto and Overrides Totals by Fund Type

Veto	Ag	Prg	FY24 General	FY25 General	FY24 Cash	FY25 Cash	FY24 Fed	FY25 Fed
Legislature - 10% Salary	3	122	0	(1,031,955)	0	0	0	0
Legislature - 10% Salary	3	123	0	(484,817)	0	(8,493)	0	0
Legislature - 10% Salary	3	126	0	(70,803)	0	0	0	0
Legislature - 10% Salary	3	127	0	(141,887)	0	0	0	0
Legislature - 10% Salary	3	129	0	(78,355)	0	0	0	0
Legislature - 10% Salary	3	504	0	(189,887)	0	0	0	0
Legislature - 10% Salary	3	638	0	(172,437)	0	0	0	0
<i>Subtotal Legislature</i>				(2,170,141)	0	(8,493)	0	0
Courts - Ex Officio Clerks	5	52	(500,000)	(500,000)	0	0	0	0
Courts - Court Interpreters	5	52	(200,000)	(200,000)	0	0	0	0
Courts - Public Guardianship	5	434	(250,000)	(250,000)	0	0	0	0
<i>Subtotal Courts</i>			(950,000)	(950,000)	0	0	0	0
Auditor - Auditor Prof. Dev.	10	506	(225,670)	(451,340)	(112,835)	(112,835)	0	0
Auditor - New Auditors	10	506	(83,791)	(87,902)	(55,861)	(58,601)	0	0
<i>Subtotal Auditor</i>			(309,461)	(539,242)	(168,696)	(171,436)	0	0
Attorney General - Interstate Water Litigation	11	496	(300,000)	(300,000)	0	0	0	0
Attorney General - Trial Prep Coordinator	11	507	(102,917)	(107,840)	0	0	0	0
<i>Subtotal Attorney General</i>			(402,917)	(407,840)	0	0	0	0
DHHS - CHIP Provider Rates	25	344	0	(465,355)	0	0	0	(1,140,425)
DHHS - Medicaid Provider Rates	25	348	0	(14,797,042)	0	0	0	(28,794,151)
DHHS - Youth Housing Facility	25	354	(1,000,000)	0	0	0	0	0
DHHS - Child Welfare Provider Rates	25	354	0	(6,000,000)	0	0	0	0
DHHS - PTSD	25	514	0	0	(5,000,000)	(5,000,000)	0	0
DHHS - Early Home Interv.	25	514	(900,000)	(900,000)	0	0	0	0
<i>Subtotal DHHS</i>			(1,900,000)	(22,162,397)	(5,000,000)	(5,000,000)	0	(29,934,576)
Historical Society - Staff	54	648	(220,164)	(220,164)	(103,899)	(103,899)	0	0
Historical Society - Base	54	648	(250,000)	(250,000)	0	0	0	0
<i>Subtotal Historical Society</i>			(470,164)	(470,164)	(103,899)	(103,899)	0	0

Veto			FY24	FY25	FY24	FY25	FY24	FY25
	Ag	Prg	General	General	Cash	Cash	Fed	Fed
Foster Care Review - CASA Aid	70	317	(250,000)	(250,000)	0	0	0	0
<i>Subtotal Foster Care Review</i>			(250,000)	(250,000)	0	0	0	0
DED Rural Workforce Housing	72	601	0	0	(10,000,000)	(10,000,000)	0	0
DED Middle Income Housing	72	601	0	0	(10,000,000)	(10,000,000)	0	0
DED Shovel-Ready	72	603	0	0	(20,000,000)		0	0
DED Site and Building Dev.	72	603	0	0	0	(10,000,000)	0	0
<i>Subtotal DED</i>			0	0	(40,000,000)	(30,000,000)	0	0
Deaf/Hard of Hearing - Staff	82	578	(107,252)	(112,615)	0	0	0	0
<i>Subtotal Deaf/Hard of Hearing</i>			(107,252)	(112,615)	0	0	0	0
DEE - Rural Water Systems	84	513	(7,000,000)	0	0	0	0	0
<i>Subtotal DEE</i>			(7,000,000)	0	0	0	0	0
			FY24	FY25	FY24	FY25	FY24	FY25
			General	General	Cash	Cash	Fed	Fed
Total Vetoes			(11,389,794)	(27,062,399)	(45,272,595)	(35,283,828)	0	(29,934,576)
Overrides			FY24	FY25	FY24	FY25	FY24	FY25
	Ag	Prg	General	General	Cash	Cash	Fed	Fed
Auditor - Auditor Prof. Dev.	10	506	225,670	451,340	112,835	112,835	0	0
Auditor - New Auditors	10	506	83,791	87,902	55,861	58,601	0	0
Total Overrides			309,461	539,242	168,696	171,436	0	0

In addition to the cash fund appropriations being vetoed, several transfers into Cash Funds in LB 818 were also vetoed, including the following:

1. The transfer from the Nebraska Medicaid Intergovernmental Trust Fund and the Nebraska tobacco Settlement Trust Fund to the Nebraska Health Care Cash Fund was reduced by \$5 million in FY24 and FY25 from \$61.7 million in FY24 and \$61.4 million in FY25 to \$56.7 million in FY24 and \$56.4 million in FY25;
2. The transfer from the Cash Reserve Fund to the Shovel-Ready Capital Recovery and Investment Fund in FY24 was reduced by \$20 million from \$90 million to \$70 million;
3. The transfer from the Cash Reserve Fund to the Rural Workforce Housing Investment Fund in FY24 was reduced by \$20 million from \$20 million to \$0;
4. The transfer from the Cash Reserve Fund to the Middle Income Workforce Housing Investment Fund in FY24 was reduced by \$20 million from \$20 million to \$0; and
5. The transfer from the Cash Reserve Fund to the Site and Building Development Fund in FY25 was reduced by \$10 million from \$10 million to \$0.

These vetoes were sustained by the Legislature.

Historical Appropriations-All Funds

Table 33 contains historical appropriations from all fund sources for the past 20 years. All years exclude deficit appropriations. Also shown are average growth figures for the past 20 years as well as historical growth in biennial budgets.

Table 33 Historical Appropriations-All Funds

w/o deficits	General	Cash	Federal	Rev/Other	Total
FY2003-04 Approp	2,655,289,608	1,285,728,367	1,814,045,740	509,307,018	6,264,370,733
FY2004-05 Approp	2,758,082,724	1,348,606,437	2,150,399,990	538,811,896	6,795,901,047
FY2005-06 Approp	2,972,439,069	1,599,561,441	2,183,758,870	546,381,840	7,302,141,220
FY2006-07 Approp	3,180,850,777	1,515,042,477	2,293,382,276	600,297,850	7,589,573,380
FY2007-08 Approp	3,305,700,963	1,637,701,761	2,215,900,086	643,850,466	7,803,153,276
FY2008-09 Approp	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
FY2009-10 Approp	3,380,864,343	1,762,003,199	2,554,199,664	716,159,796	8,413,227,002
FY2010-11 Approp	3,405,101,292	1,786,208,029	2,783,940,522	733,611,968	8,708,861,811
FY2011-12 Approp	3,470,531,929	1,848,428,337	2,636,058,658	740,656,170	8,695,675,094
FY2012-13 Approp	3,632,423,755	1,854,087,842	2,676,111,718	843,560,595	9,006,183,910
FY2013-14 Approp	3,838,168,907	2,054,629,664	2,875,826,694	816,730,442	9,585,355,707
FY2014-15 Approp	4,105,825,530	2,146,231,964	2,920,649,443	845,665,312	10,018,372,249
FY2015-16 Approp	4,271,803,869	2,293,125,964	2,974,745,612	871,770,089	10,411,445,534
FY2016-17 Approp	4,411,690,837	2,319,254,524	3,000,808,771	914,772,042	10,646,526,174
FY2017-18 Approp	4,398,012,616	2,374,171,987	2,958,412,067	941,490,554	10,672,087,224
FY2018-19 Approp	4,456,283,615	2,418,546,661	2,996,300,173	991,842,979	10,862,973,428
FY2019-20 Approp	4,624,671,858	2,607,858,637	3,140,010,262	990,474,195	11,363,014,952
FY2020-21 Approp	4,783,766,898	2,577,453,163	3,577,212,658	973,836,789	11,912,269,508
FY2021-22 Approp	4,815,373,072	2,803,645,227	3,977,876,101	995,503,003	12,592,397,403
FY2022-23 Approp	5,125,672,253	3,348,257,795	5,266,785,365	1,197,292,108	14,938,007,521
FY2023-24 Approp	5,349,434,418	3,936,590,352	4,754,670,464	1,298,301,375	15,338,996,609
FY2024-25 Approp	5,370,345,878	4,063,399,100	4,512,574,332	1,280,892,009	15,227,211,319
Average Annual Growth					
FY14 / FY15 Biennium	6.3%	7.6%	4.5%	0.1%	5.5%
FY16 / FY17 Biennium	3.7%	4.0%	1.4%	4.0%	3.1%
FY18 / FY19 Biennium	0.5%	2.1%	-0.1%	4.1%	1.0%
FY20 / FY21 Biennium	3.6%	3.2%	9.3%	-0.9%	4.7%
FY22 / FY23 Biennium	3.5%	14.0%	21.3%	10.9%	12.0%
FY24 / FY25 Biennium	2.4%	10.2%	-7.4%	3.4%	1.0%
Avg FY05 to FY15 (10 yr)	4.1%	4.8%	3.1%	4.6%	4.0%
Avg FY15 to FY25 (10 yr)	2.7%	6.6%	4.4%	4.2%	4.3%
Avg FY05 to FY25 (20 yr)	3.4%	5.7%	3.8%	4.4%	4.1%

Appropriations by Agency - All Funds

Table 34 Biennial Budget as Enacted in the 2023 Legislative Session

Fund	(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year		
				\$ Change	% Change	\$ Change	% Change	
3 Legislative Council	Gen	24,042,798	26,499,433	27,803,022	2,456,635	10.2%	1,303,589	4.9%
	Cash	240,832	281,938	285,434	41,106	17.1%	3,496	1.2%
	Fed	39,270	39,270	39,270	0	0.0%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	24,322,900	26,820,641	28,127,726	2,497,741	10.3%	1,307,085	4.9%
5 Supreme Court	Gen	204,627,073	219,662,861	232,722,664	15,035,788	7.3%	13,059,803	5.9%
	Cash	17,096,973	17,553,015	17,698,718	456,042	2.7%	145,703	0.8%
	Fed	788,512	936,038	949,808	147,526	18.7%	13,770	1.5%
	Rev	0	0	0	0	na	0	na
	Total	222,512,558	238,151,914	251,371,190	15,639,356	7.0%	13,219,276	5.6%
7 Governor	Gen	2,310,976	2,211,929	2,211,929	(99,047)	-4.3%	0	0.0%
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	2,310,976	2,211,929	2,211,929	(99,047)	-4.3%	0	0.0%
8 Lt. Governor	Gen	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
	Cash	0	0	0	0	na	0	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	156,422	158,750	160,838	2,328	1.5%	2,088	1.3%
9 Secretary of State	Gen	2,126,915	3,643,499	3,149,647	1,516,584	71.3%	(493,852)	-13.6%
	Cash	8,013,184	10,592,438	8,325,842	2,579,254	32.2%	(2,266,596)	-21.4%
	Fed	1,239,818	1,239,818	1,239,818	0	0.0%	0	0.0%
	Rev	983,597	1,009,325	1,028,648	25,728	2.6%	19,323	1.9%
	Total	12,363,514	16,485,080	13,743,955	4,121,566	33.3%	(2,741,125)	-16.6%
10 Auditor	Gen	3,132,140	3,624,560	3,989,059	492,420	15.7%	364,499	10.1%
	Cash	2,379,891	2,684,507	2,787,609	304,616	12.8%	103,102	3.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	5,512,031	6,309,067	6,776,668	797,036	14.5%	467,601	7.4%

	Fund	(w/o deficits) FY2022-23	Biennial FY2023-24	Budget FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year	
					\$ Change	% Change	\$ Change	% Change
11 Attorney General	Gen	7,356,990	7,763,172	8,061,298	406,182	5.5%	298,126	3.8%
	Cash	3,133,629	5,455,616	5,658,683	2,321,987	74.1%	203,067	3.7%
	Fed	1,825,663	1,826,890	1,874,825	1,227	0.1%	47,935	2.6%
	Rev	1,878,733	2,002,584	2,093,308	123,851	6.6%	90,724	4.5%
	Total	14,195,015	17,048,262	17,688,114	2,853,247	20.1%	639,852	3.8%
12 Treasurer	Gen	3,226,555	1,280,827	1,320,027	(1,945,728)	-60.3%	39,200	3.1%
	Cash	17,923,219	18,099,840	18,258,964	176,621	1.0%	159,124	0.9%
	Fed	1,751,309	1,831,203	1,888,708	79,894	4.6%	57,505	3.1%
	Rev	0	0	0	0	na	0	na
	Total	22,901,083	21,211,870	21,467,699	(1,689,213)	-7.4%	255,829	1.2%
13 Education	Gen	1,341,350,682	1,335,795,356	1,251,364,188	(5,555,326)	-0.4%	(84,431,168)	-6.3%
	Cash	14,521,068	349,874,591	350,387,519	335,353,523	2309.4%	512,928	0.1%
	Fed	486,693,389	409,141,007	410,903,392	(77,552,382)	-15.9%	1,762,385	0.4%
	Rev	2,025,315	2,072,237	2,107,325	46,922	2.3%	35,088	1.7%
	Total	1,844,590,454	2,096,883,191	2,014,762,424	252,292,737	13.7%	(82,120,767)	-3.9%
14 Public Service Comm.	Gen	22,346,517	23,300,300	23,377,796	953,783	4.3%	77,496	0.3%
	Cash	92,020,931	113,025,431	113,396,435	21,004,500	22.8%	371,004	0.3%
	Fed	3,280,310	3,065,455	3,032,062	(214,855)	-6.5%	(33,393)	-1.1%
	Rev	0	0	0	0	na	0	na
	Total	117,647,758	139,391,186	139,806,293	21,743,428	18.5%	415,107	0.3%
15 Parole Board	Gen	8,402,902	9,098,692	9,969,596	695,790	8.3%	870,904	9.6%
	Cash	455,873	455,873	455,873	0	0.0%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	8,858,775	9,554,565	10,425,469	695,790	7.9%	870,904	9.1%
16 Revenue	Gen	151,522,159	160,404,613	166,715,321	8,882,454	5.9%	6,310,708	3.9%
	Cash	346,335,481	408,189,709	446,081,944	61,854,228	17.9%	37,892,235	9.3%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	497,857,640	568,594,322	612,797,265	70,736,682	14.2%	44,202,943	7.8%

Fund	(w/o deficits) FY2022-23	Biennial FY2023-24	Budget FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year		
				\$ Change	% Change	\$ Change	% Change	
18 Agriculture	Gen	8,152,588	8,016,695	7,830,995	(135,893)	-1.7%	(185,700)	-2.3%
	Cash	8,812,127	9,181,693	9,451,729	369,566	4.2%	270,036	2.9%
	Fed	6,528,492	4,449,238	4,556,258	(2,079,254)	-31.8%	107,020	2.4%
	Rev	404,062	424,822	435,436	20,760	5.1%	10,614	2.5%
	Total	23,897,269	22,072,448	22,274,418	(1,824,821)	-7.6%	201,970	0.9%
19 Banking	Gen	0	0	0	0	na	0	na
	Cash	7,879,700	9,028,599	9,188,339	1,148,899	14.6%	159,740	1.8%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	7,879,700	9,028,599	9,188,339	1,148,899	14.6%	159,740	1.8%
21 Fire Marshal	Gen	4,557,974	5,268,621	5,433,134	710,647	15.6%	164,513	3.1%
	Cash	3,516,695	4,989,953	5,135,517	1,473,258	41.9%	145,564	2.9%
	Fed	481,136	497,566	510,769	16,430	3.4%	13,203	2.7%
	Rev	0	0	0	0	na	0	na
	Total	8,555,805	10,756,140	11,079,420	2,200,335	25.7%	323,280	3.0%
22 Insurance	Gen	0	0	0	0	na	0	na
	Cash	12,015,121	12,871,379	13,492,846	856,258	7.1%	621,467	4.8%
	Fed	1,719,619	1,481,247	1,457,703	(238,372)	-13.9%	(23,544)	-1.6%
	Rev	0	0	0	0	na	0	na
	Total	13,734,740	14,352,626	14,950,549	617,886	4.5%	597,923	4.2%
23 Labor	Gen	680,670	10,714,525	739,805	10,033,855	1474.1%	(9,974,720)	-93.1%
	Cash	3,615,389	3,757,660	3,825,798	142,271	3.9%	68,138	1.8%
	Fed	52,497,303	47,649,827	48,763,229	(4,847,476)	-9.2%	1,113,402	2.3%
	Rev	0	0	0	0	na	0	na
	Total	56,793,362	62,122,012	53,328,832	5,328,650	9.4%	(8,793,180)	-14.2%
24 Motor Vehicles	Gen	0	0	0	0	na	0	na
	Cash	40,070,977	43,226,742	42,612,777	3,155,765	7.9%	(613,965)	-1.4%
	Fed	30,000	126,546	48,446	96,546	321.8%	(78,100)	-61.7%
	Rev	0	0	0	0	na	0	na
	Total	40,100,977	43,353,288	42,661,223	3,252,311	8.1%	(692,065)	-1.6%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
25	DHHS System	Gen	1,861,172,044	1,942,795,020	1,983,689,726	81,622,976	4.4%	40,894,706	2.1%
		Cash	180,179,625	303,325,100	189,515,696	123,145,475	68.3%	(113,809,404)	-37.5%
		Fed	3,187,518,485	3,274,956,925	3,205,030,881	87,438,440	2.7%	(69,926,044)	-2.1%
		Rev	0	0	0	0	na	0	na
		Total	5,228,870,154	5,521,077,045	5,378,236,303	292,206,891	5.6%	(142,840,742)	-2.6%
27	Transport.	Gen	0	0	0	0	na	0	na
		Cash	1,069,034,923	1,287,021,819	1,313,471,124	217,986,896	20.4%	26,449,305	2.1%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,069,034,923	1,287,021,819	1,313,471,124	217,986,896	20.4%	26,449,305	2.1%
28	Veterans Affairs	Gen	39,858,125	49,900,624	54,989,268	10,042,499	25.2%	5,088,644	10.2%
		Cash	45,133,792	15,665,797	16,036,475	(29,467,995)	-65.3%	370,678	2.4%
		Fed	23,992,462	25,438,762	26,680,304	1,446,300	6.0%	1,241,542	4.9%
		Rev	0	0	0	0	na	0	na
		Total	108,984,379	91,005,183	97,706,047	(17,979,196)	-16.5%	6,700,864	7.4%
29	Natural Resources	Gen	13,117,381	13,643,896	14,029,978	526,515	4.0%	386,082	2.8%
		Cash	223,937,677	118,456,323	108,523,805	(105,481,354)	-47.1%	(9,932,518)	-8.4%
		Fed	872,032	181,314,582	2,144,722	180,442,550	20692.2%	(179,169,860)	-98.8%
		Rev	0	0	0	0	na	0	na
		Total	237,927,090	313,414,801	124,698,505	75,487,711	31.7%	(188,716,296)	-60.2%
30	Electrical Board	Gen	0	0	0	0	na	0	na
		Cash	2,374,604	2,484,659	2,567,470	110,055	4.6%	82,811	3.3%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	2,374,604	2,484,659	2,567,470	110,055	4.6%	82,811	3.3%
31	Military Dept	Gen	10,502,879	10,971,278	11,087,004	468,399	4.5%	115,726	1.1%
		Cash	6,240,585	1,336,988	1,359,835	(4,903,597)	-78.6%	22,847	1.7%
		Fed	31,665,030	27,682,880	28,184,067	(3,982,150)	-12.6%	501,187	1.8%
		Rev	0	0	0	0	na	0	na
		Total	48,408,494	39,991,146	40,630,906	(8,417,348)	-17.4%	639,760	1.6%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
32 Ed Lands & Funds	Gen		436,967	462,359	481,080	25,392	5.8%	18,721	4.0%
	Cash		21,117,313	21,143,794	21,144,887	26,481	0.1%	1,093	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		21,554,280	21,606,153	21,625,967	51,873	0.2%	19,814	0.1%
33 Game and Parks	Gen		12,339,028	12,960,311	13,385,147	621,283	5.0%	424,836	3.3%
	Cash		103,817,448	101,927,274	104,209,082	(1,890,174)	-1.8%	2,281,808	2.2%
	Fed		8,419,448	8,438,522	8,454,151	19,074	0.2%	15,629	0.2%
	Rev		0	0	0	0	na	0	na
	Total		124,575,924	123,326,107	126,048,380	(1,249,817)	-1.0%	2,722,273	2.2%
34 Library Comm.	Gen		4,273,644	4,477,064	4,633,591	203,420	4.8%	156,527	3.5%
	Cash		45,484	45,484	45,484	0	0.0%	0	0.0%
	Fed		1,543,258	1,599,287	1,640,891	56,029	3.6%	41,604	2.6%
	Rev		0	0	0	0	na	0	na
	Total		5,862,386	6,121,835	6,319,966	259,449	4.4%	198,131	3.2%
35 Liquor Comm.	Gen		1,847,798	1,952,388	2,015,297	104,590	5.7%	62,909	3.2%
	Cash		70,719	70,719	70,719	0	0.0%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		1,918,517	2,023,107	2,086,016	104,590	5.5%	62,909	3.1%
36 Racing Comm.	Gen		177	0	0	(177)	-100.0%	0	na
	Cash		5,047,929	6,170,258	6,404,722	1,122,329	22.2%	234,464	3.8%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		5,048,106	6,170,258	6,404,722	1,122,152	22.2%	234,464	3.8%
37 Workers Comp. Court	Gen		0	0	0	0	na	0	na
	Cash		6,812,618	6,924,658	7,168,933	112,040	1.6%	244,275	3.5%
	Fed		59,894	62,462	64,358	2,568	4.3%	1,896	3.0%
	Rev		0	0	0	0	na	0	na
	Total		6,872,512	6,987,120	7,233,291	114,608	1.7%	246,171	3.5%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
39	Brand Committee	Gen	0	0	0	0	na	0	na
		Cash	5,718,731	6,085,150	6,331,108	366,419	6.4%	245,958	4.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	5,718,731	6,085,150	6,331,108	366,419	6.4%	245,958	4.0%
40	Motor Vehicle Dealers	Gen	0	0	0	0	na	0	na
		Cash	843,434	892,421	928,862	48,987	5.8%	36,441	4.1%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	843,434	892,421	928,862	48,987	5.8%	36,441	4.1%
41	Real Estate Comm.	Gen	0	0	0	0	na	0	na
		Cash	1,434,605	1,492,241	1,536,168	57,636	4.0%	43,927	2.9%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,434,605	1,492,241	1,536,168	57,636	4.0%	43,927	2.9%
45	Barber Examiners	Gen	0	0	0	0	na	0	na
		Cash	182,625	192,008	199,101	9,383	5.1%	7,093	3.7%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	182,625	192,008	199,101	9,383	5.1%	7,093	3.7%
46	Corrections	Gen	293,961,758	346,518,271	357,230,798	52,556,513	17.9%	10,712,527	3.1%
		Cash	6,930,252	7,680,252	6,930,252	750,000	10.8%	(750,000)	-9.8%
		Fed	1,796,659	1,796,659	1,796,659	0	0.0%	0	0.0%
		Rev	22,049,079	22,440,386	22,760,256	391,307	1.8%	319,870	1.4%
		Total	324,737,748	378,435,568	388,717,965	53,697,820	16.5%	10,282,397	2.7%
47	Educational Telecomm.	Gen	10,775,854	11,456,877	11,557,557	681,023	6.3%	100,680	0.9%
		Cash	337,755	338,943	340,097	1,188	0.4%	1,154	0.3%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	11,113,609	11,795,820	11,897,654	682,211	6.1%	101,834	0.9%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
48 Postsecond Coord Comm.	Gen		10,516,831	11,110,841	11,168,456	594,010	5.6%	57,615	0.5%
	Cash		18,398,182	18,400,776	20,515,131	2,594	0.0%	2,114,355	11.5%
	Fed		35,000,000	0	0	(35,000,000)	-100.0%	0	na
	Rev		0	0	0	0	na	0	na
	Total		63,915,013	29,511,617	31,683,587	(34,403,396)	-53.8%	2,171,970	7.4%
50 Nebraska State Colleges	Gen		63,339,787	68,649,723	72,780,555	5,309,936	8.4%	4,130,832	6.0%
	Cash		45,813,892	45,813,892	45,813,892	0	0.0%	0	0.0%
	Fed		60,120,000	52,120,000	52,120,000	(8,000,000)	-13.3%	0	0.0%
	Rev		10,239,058	10,239,058	10,239,058	0	0.0%	0	0.0%
	Total		179,512,737	176,822,673	180,953,505	(2,690,064)	-1.5%	4,130,832	2.3%
51 Univ. of Nebraska	Gen		649,842,701	667,939,406	699,043,285	18,096,705	2.8%	31,103,879	4.7%
	Cash		488,150,106	488,150,106	488,150,106	0	0.0%	0	0.0%
	Fed		626,320,000	549,670,000	549,670,000	(76,650,000)	-12.2%	0	0.0%
	Rev		809,290,000	809,290,000	809,290,000	0	0.0%	0	0.0%
	Total		2,573,602,807	2,515,049,512	2,546,153,391	(58,553,295)	-2.3%	31,103,879	1.2%
52 Board of Agriculture	Gen		0	0	0	0	na	0	na
	Cash		4,500,000	4,500,000	4,500,000	0	0.0%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		4,500,000	4,500,000	4,500,000	0	0.0%	0	0.0%
53 Real Prop. Appraiser	Gen		0	0	0	0	na	0	na
	Cash		415,564	433,431	444,738	17,867	4.3%	11,307	2.6%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		415,564	433,431	444,738	17,867	4.3%	11,307	2.6%
54 Historical Society	Gen		5,338,950	5,120,464	5,286,038	(218,486)	-4.1%	165,574	3.2%
	Cash		2,844,881	2,962,299	3,057,911	117,418	4.1%	95,612	3.2%
	Fed		878,980	914,626	940,921	35,646	4.1%	26,295	2.9%
	Rev		0	0	0	0	na	0	na
	Total		9,062,811	8,997,389	9,284,870	(65,422)	-0.7%	287,481	3.2%

Fund	(w/o deficits) FY2022-23	Biennial FY2023-24	Budget FY2024-25	FY24 vs Prior Year		FY25 vs Prior Year		
				\$ Change	% Change	\$ Change	% Change	
56 Nebraska Wheat Board	Gen Cash Fed Rev Total	0 1,644,275 0 0 1,644,275	0 1,665,382 0 0 1,665,382	0 1,680,797 0 0 1,680,797	0 21,107 0 0 21,107	na 1.3% na na 1.3%	0 15,415 0 0 15,415	na 0.9% na na 0.9%
57 Oil & Gas Comm.	Gen Cash Fed Rev Total	175,000 1,194,867 78,940 0 1,448,807	175,000 1,344,520 82,233 0 1,601,753	175,000 1,392,633 84,633 0 1,652,266	0 149,653 3,293 0 152,946	0.0% 12.5% 4.2% na 10.6%	0 48,113 2,400 0 50,513	0.0% 3.6% 2.9% na 3.2%
58 Engineers Architects	Gen Cash Fed Rev Total	0 821,854 0 0 821,854	0 848,527 0 0 848,527	0 873,423 0 0 873,423	0 26,673 0 0 26,673	na 3.2% na na 3.2%	0 24,896 0 0 24,896	na 2.9% na na 2.9%
59 Geologists Board	Gen Cash Fed Rev Total	0 37,210 0 0 37,210	0 33,490 0 0 33,490	0 33,998 0 0 33,998	0 (3,720) 0 0 (3,720)	na -10.0% na na -10.0%	0 508 0 0 508	na 1.5% na na 1.5%
60 Ethanol Board	Gen Cash Fed Rev Total	0 770,986 0 0 770,986	0 805,791 0 0 805,791	0 853,481 0 0 853,481	0 34,805 0 0 34,805	na 4.5% na na 4.5%	0 47,690 0 0 47,690	na 5.9% na na 5.9%
61 Dairy Board	Gen Cash Fed Rev Total	0 1,640,000 0 0 1,640,000	0 1,640,000 0 0 1,640,000	0 1,640,000 0 0 1,640,000	0 0 0 0 0	na 0.0% na na 0.0%	0 0 0 0 0	na 0.0% na na 0.0%

Fund			(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
62 Land Surveyors	Gen		0	0	0	0	na	0	na
	Cash		28,374	28,374	28,374	0	0.0%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		28,374	28,374	28,374	0	0.0%	0	0.0%
63 Public Account.	Gen		0	0	0	0	na	0	na
	Cash		449,949	467,377	480,274	17,428	3.9%	12,897	2.8%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		449,949	467,377	480,274	17,428	3.9%	12,897	2.8%
64 State Patrol	Gen		70,282,670	82,859,249	87,039,432	12,576,579	17.9%	4,180,183	5.0%
	Cash		24,452,524	28,744,895	28,207,203	4,292,371	17.6%	(537,692)	-1.9%
	Fed		3,930,273	4,532,073	4,715,918	601,800	15.3%	183,845	4.1%
	Rev		1,653,002	1,736,806	1,808,882	83,804	5.1%	72,076	4.1%
	Total		100,318,469	117,873,023	121,771,435	17,554,554	17.5%	3,898,412	3.3%
65 Admin Services (DAS)	Gen		9,671,699	9,660,243	9,919,827	(11,456)	-0.1%	259,584	2.7%
	Cash		3,815,820	3,999,614	4,541,132	183,794	4.8%	541,518	13.5%
	Fed		1,800,000	0	0	(1,800,000)	-100.0%	0	na
	Rev		261,125,803	289,972,332	283,247,296	28,846,529	11.0%	(6,725,036)	-2.3%
	Total		276,413,322	303,632,189	297,708,255	27,218,867	9.8%	(5,923,934)	-2.0%
66 Abstracter's Board	Gen		0	0	0	0	na	0	na
	Cash		52,922	54,868	56,266	1,946	3.7%	1,398	2.5%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		52,922	54,868	56,266	1,946	3.7%	1,398	2.5%
67 Equal Opportunity Comm.	Gen		1,358,170	1,443,415	1,456,854	85,245	6.3%	13,439	0.9%
	Cash		0	0	0	0	na	0	na
	Fed		962,243	1,021,723	1,066,455	59,480	6.2%	44,732	4.4%
	Rev		0	0	0	0	na	0	na
	Total		2,320,413	2,465,138	2,523,309	144,725	6.2%	58,171	2.4%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
68	Latino American Comm.	Gen	273,586	288,554	299,086	14,968	5.5%	10,532	3.6%
		Cash	5,000	5,000	5,000	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	278,586	293,554	304,086	14,968	5.4%	10,532	3.6%
69	Arts Council	Gen	10,102,052	2,600,377	2,628,779	(7,501,675)	-74.3%	28,402	1.1%
		Cash	1,830,468	1,832,967	1,834,763	2,499	0.1%	1,796	0.1%
		Fed	748,649	758,905	766,502	10,256	1.4%	7,597	1.0%
		Rev	0	0	0	0	na	0	na
		Total	12,681,169	5,192,249	5,230,044	(7,488,920)	-59.1%	37,795	0.7%
70	Foster Care Review Bd	Gen	2,766,151	2,990,533	3,086,432	224,382	8.1%	95,899	3.2%
		Cash	195,949	206,484	214,594	10,535	5.4%	8,110	3.9%
		Fed	476,046	502,180	521,561	26,134	5.5%	19,381	3.9%
		Rev	0	0	0	0	na	0	na
		Total	3,438,146	3,699,197	3,822,587	261,051	7.6%	123,390	3.3%
72	Economic Dev.	Gen	48,452,030	56,323,564	47,664,464	7,871,534	16.2%	(8,659,100)	-15.4%
		Cash	258,920,652	262,248,937	215,277,738	3,328,285	1.3%	(46,971,199)	-17.9%
		Fed	550,342,013	73,897,205	76,450,866	(476,444,808)	-86.6%	2,553,661	3.5%
		Rev	0	0	0	0	na	0	na
		Total	857,714,695	392,469,706	339,393,068	(465,244,989)	-54.2%	(53,076,638)	-13.5%
73	Landscape Architects	Gen	0	0	0	0	na	0	na
		Cash	30,064	29,647	30,214	(417)	-1.4%	567	1.9%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	30,064	29,647	30,214	(417)	-1.4%	567	1.9%
74	Power Review Board	Gen	0	0	0	0	na	0	na
		Cash	720,662	744,525	762,483	23,863	3.3%	17,958	2.4%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	720,662	744,525	762,483	23,863	3.3%	17,958	2.4%

			<u>(w/o deficits)</u>	<u>Biennial</u>	<u>Budget</u>	<u>FY24 vs Prior Year</u>		<u>FY25 vs Prior Year</u>	
<u>Fund</u>			<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>\$ Change</u>	<u>% Change</u>	<u>\$ Change</u>	<u>% Change</u>
75	Investment Council	Gen	0	0	0	0	na	0	na
		Cash	3,069,953	3,367,880	3,364,706	297,927	9.7%	(3,174)	-0.1%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	3,069,953	3,367,880	3,364,706	297,927	9.7%	(3,174)	-0.1%
76	Indian Affairs	Gen	264,199	283,511	295,530	19,312	7.3%	12,019	4.2%
		Cash	40,000	40,000	40,000	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	304,199	323,511	335,530	19,312	6.3%	12,019	3.7%
77	Industrial Relations	Gen	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
		Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	313,831	325,401	333,982	11,570	3.7%	8,581	2.6%
78	Crime Comm.	Gen	18,424,226	18,838,755	18,768,546	414,529	2.2%	(70,209)	-0.4%
		Cash	1,532,035	1,753,015	1,781,374	220,980	14.4%	28,359	1.6%
		Fed	20,194,475	20,270,206	20,324,239	75,731	0.4%	54,033	0.3%
		Rev	0	0	0	0	na	0	na
		Total	40,150,736	40,861,976	40,874,159	711,240	1.8%	12,183	0.0%
81	Blind and Visually Impaired	Gen	2,073,466	2,615,557	2,788,092	542,091	26.1%	172,535	6.6%
		Cash	148,746	148,746	148,746	0	0.0%	0	0.0%
		Fed	4,512,243	4,512,243	4,512,243	0	0.0%	0	0.0%
		Rev	0	0	0	0	na	0	na
		Total	6,734,455	7,276,546	7,449,081	542,091	8.0%	172,535	2.4%
82	Deaf and Hard of Hearing	Gen	1,100,351	1,164,268	1,211,665	63,917	5.8%	47,397	4.1%
		Cash	36,600	36,600	36,600	0	0.0%	0	0.0%
		Fed	500,000	0	0	(500,000)	-100.0%	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,636,951	1,200,868	1,248,265	(436,083)	-26.6%	47,397	3.9%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
83	Community Colleges	Gen	109,804,330	111,939,172	114,116,711	2,134,842	1.9%	2,177,539	1.9%
		Cash	0	0	246,499,886	0	na	246,499,886	na
		Fed	15,000,000	0	0	(15,000,000)	-100.0%	0	na
		Rev	0	0	0	0	na	0	na
		Total	124,804,330	111,939,172	360,616,597	(12,865,158)	-10.3%	248,677,425	222.2%
84	Environ. & Energy	Gen	5,718,429	7,906,337	7,448,556	2,187,908	38.3%	(457,781)	-5.8%
		Cash	40,353,339	53,245,866	43,189,889	12,892,527	31.9%	(10,055,977)	-18.9%
		Fed	73,001,264	48,447,011	48,970,168	(24,554,253)	-33.6%	523,157	1.1%
		Rev	0	0	0	0	na	0	na
		Total	119,073,032	109,599,214	99,608,613	(9,473,818)	-8.0%	(9,990,601)	-9.1%
85	Retirement Board	Gen	57,826,161	60,972,169	63,139,000	3,146,008	5.4%	2,166,831	3.6%
		Cash	10,491,067	11,303,425	8,856,139	812,358	7.7%	(2,447,286)	-21.7%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	68,317,228	72,275,594	71,995,139	3,958,366	5.8%	(280,455)	-0.4%
86	Dry Bean Board	Gen	0	0	0	0	na	0	na
		Cash	656,173	662,282	666,752	6,109	0.9%	4,470	0.7%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	656,173	662,282	666,752	6,109	0.9%	4,470	0.7%
87	Account. & Disclosure	Gen	618,857	653,612	673,169	34,755	5.6%	19,557	3.0%
		Cash	264,845	286,584	302,827	21,739	8.2%	16,243	5.7%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	883,702	940,196	975,996	56,494	6.4%	35,800	3.8%
88	Nebraska Corn Board	Gen	0	0	0	0	na	0	na
		Cash	9,937,010	9,977,636	10,008,075	40,626	0.4%	30,439	0.3%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	9,937,010	9,977,636	10,008,075	40,626	0.4%	30,439	0.3%

	Fund		(w/o deficits)	Biennial	Budget	FY24 vs Prior Year		FY25 vs Prior Year	
			FY2022-23	FY2023-24	FY2024-25	\$ Change	% Change	\$ Change	% Change
89	Nebraska	Gen	0	0	0	0	na	0	na
	Hemp	Cash	10,000	10,000	10,000	0	0.0%	0	0.0%
	Comm.	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	10,000	10,000	10,000	0	0.0%	0	0.0%
90	African	Gen	262,599	277,053	287,760	14,454	5.5%	10,707	3.9%
	American	Cash	0	0	0	0	na	0	na
	Affairs	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	262,599	277,053	287,760	14,454	5.5%	10,707	3.9%
91	Nebraska	Gen	0	0	0	0	na	0	na
	Tourism	Cash	7,445,681	7,525,272	7,583,744	79,591	1.1%	58,472	0.8%
	Comm.	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	7,445,681	7,525,272	7,583,744	79,591	1.1%	58,472	0.8%
92	Grain	Gen	0	0	0	0	na	0	na
	Sorghum	Cash	305,740	313,107	318,687	7,367	2.4%	5,580	1.8%
	Board	Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	305,740	313,107	318,687	7,367	2.4%	5,580	1.8%
93	Tax	Gen	945,551	1,411,365	1,481,966	465,814	49.3%	70,601	5.0%
	Equal.	Cash	86,789	86,789	86,789	0	0.0%	0	0.0%
	& Review	Fed	0	0	0	0	na	0	na
	(TERC)	Rev	0	0	0	0	na	0	na
		Total	1,032,340	1,498,154	1,568,755	465,814	45.1%	70,601	4.7%
94	Public	Gen	0	0	0	0	na	0	na
	Advocacy	Cash	5,290,477	5,532,996	5,464,747	242,519	4.6%	(68,249)	-1.2%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	5,290,477	5,532,996	5,464,747	242,519	4.6%	(68,249)	-1.2%

			<u>(w/o deficits)</u>	<u>Biennial</u>	<u>Budget</u>	<u>FY24 vs Prior Year</u>		<u>FY25 vs Prior Year</u>	
<u>Fund</u>			<u>FY2022-23</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>\$ Change</u>	<u>% Change</u>	<u>\$ Change</u>	<u>% Change</u>
95	Dry Pea and Lentil Comm.	Gen	0	0	0	0	na	0	na
		Cash	140,000	142,450	144,211	2,450	1.8%	1,761	1.2%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	140,000	142,450	144,211	2,450	1.8%	1,761	1.2%
99	Capital Const.	Gen	23,921,610	21,303,928	21,303,928	(2,617,682)	-10.9%	0	0.0%
		Cash	154,423,930	86,673,930	80,673,930	(67,750,000)	-43.9%	(6,000,000)	-6.9%
		Fed	60,178,150	4,367,875	3,170,505	(55,810,275)	-92.7%	(1,197,370)	-27.4%
		Rev	87,643,459	159,113,825	147,881,800	71,470,366	81.5%	(11,232,025)	-7.1%
		Total	326,167,149	271,459,558	253,030,163	(54,707,591)	-16.8%	(18,429,395)	-6.8%
	STATE TOTALS	Gen	5,125,672,253	5,349,434,418	5,370,345,878	223,762,165	4.4%	20,911,460	0.4%
		Cash	3,348,257,795	3,936,590,352	4,063,399,100	588,332,557	17.6%	126,808,748	3.2%
		Fed	5,266,785,365	4,754,670,464	4,512,574,332	(512,114,901)	-9.7%	(242,096,132)	-5.1%
		Rev	1,197,292,108	1,298,301,375	1,280,892,009	101,009,267	8.4%	(17,409,366)	-1.3%
		Total	14,938,007,521	15,338,996,609	15,227,211,319	400,989,088	2.7%	(111,785,290)	-0.7%

CAPITAL CONSTRUCTION

Capital Construction Summary

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

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

Table 35 Construction Totals by Fund Source for FY23-24 Through FY26-27

	Enacted Budget		
	Reaffirm	New Projects	Total
<u>FY2023-24</u>			
General Funds	21,303,928	0	21,303,928
Cash Funds	39,573,930	47,100,000	86,673,930
Federal Funds	0	4,367,875	4,367,875
Revolving/Other Funds	2,340,000	0	2,340,000
NE Capital Const Fund (NCCF)	19,565,857	137,207,968	155,273,825
FY23-24 Total	82,783,715	188,675,843	269,959,558
<u>FY2024-25</u>			
General Funds	21,303,928	0	21,303,928
Cash Funds	39,573,930	41,100,000	80,673,930
Federal Funds	0	3,170,505	3,170,505
Revolving/Other Funds	2,340,000	0	2,340,000
NE Capital Const Fund (NCCF)	15,407,545	130,134,255	145,541,800
FY24-25 Total	78,625,403	174,404,760	253,030,163
<u>FY2025-26</u>			
General Funds	26,594,824	0	26,594,824
Cash Funds	35,073,930	0	35,073,930
Federal Funds	0	0	0
Revolving/Other Funds	2,340,000	0	2,340,000
NE Capital Const Fund (NCCF)	19,565,857	145,000,000	164,565,857
FY25-26 Total	83,574,611	145,000,000	228,574,611
<u>FY2026-27</u>			
General Funds	20,483,928	0	20,483,928
Cash Funds	35,073,930	0	35,073,930
Federal Funds	0	0	0
Revolving/Other Funds	2,340,000	0	2,340,000
NE Capital Const Fund (NCCF)	0	0	0
FY26-27 Total	57,897,858	0	57,897,858

All of the General Funds included in the committee budget for capital construction are to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations. There are several new projects, which are funded either through transfers from the Cash Reserve Fund to the Nebraska Capital Construction Fund or through agency cash funds.

Nebraska State College System

The Nebraska State College System (NSCS) reaffirmed requests for five (5) existing construction programs:

1. Sports Facilities Projects, Prog. 903, for \$300,000 per year;
2. State College Facilities, Prog. 919, for \$1,125,000 per year;
3. Board Facilities Fee Fund, Prog. 920, for \$900,000 per year;
4. Chadron State College Math/Science, Prog. 933, for \$2,216,000 per year; and
5. Peru State College Geothermal Utilities, Prog. 940, for \$2,101,905 in FY24 only.

FY24 is the final year intended for the Peru State Geothermal project. The enacted budget includes the reaffirmation as a transfer from the Nebraska Capital Construction Fund (NCCF).

University of Nebraska

The University of Nebraska reaffirmed requests for three (3) existing construction programs:

1. University of Nebraska Facilities, Prog. 906, for \$3,642,948 per year. The University has expressed intent to “match” the General fund appropriation with a contribution of \$4,500,000 annually in Cash funds.
2. Nebraska College of Technical Agriculture at Curtis Education Center, Prog. 930, for \$820,000 per year;
3. University Facilities Projects, Prog. 920, for \$13,500,000 per year. As with Prog. 906, the University has expressed intent to match the General fund appropriation with a contribution of \$13,500,000 annually in Cash funds.

Department of Veterans’ Affairs

The Department of Veterans’ Affairs has been in the process of completion of a Veterans Cemetery in Grand Island. The land was donated by the City of Grand Island in 2019 and funding for a program statement to apply for the Federal designation was appropriated in the 2020 session. The federal Department of Veterans’ Affairs has been unable to provide the funding to complete the cemetery construction project. The enacted budget includes funding for the completion of the construction of the cemetery: a \$4,000,000 transfer in FY 2023 and FY 2024 from the Nebraska Veterans’ Aid Fund to the Veteran Cemetery Construction Fund and an appropriation to the Department.

The Department anticipates that 20% of the construction would be completed in FY 2023-24 and the remaining construction to be completed in FY 2024-25. The Department expects the cemetery to be completed by May of 2025. After construction is completed, the agency anticipates on-going funding for staffing and operation of the cemetery.

Correctional Services Security System Upgrades

This project would upgrade security systems at various facilities to include, but not limited to, replacement of Door Controls, Perimeter Detection Systems, upgrade of existing video equipment, and upgrade and replacement of security camera systems. The enacted budget includes \$2.5 million in FY23-24 and \$2.5 million in FY24-25 for these upgrades.

Correctional Services Infrastructure and Maintenance

This provides funding for various high-priority infrastructure and maintenance projects related to facility roofing, electrical, boilers, chillers, HVAC, fire life safety, and other needs, which are projects the Task Force for Building Renewal is unable to fully address. It also provides funds for projects the Task Force cannot fund, such as road repair and security gate improvements.

Some of the projects are major roof replacements, door, window, and structural improvements, boiler and chiller replacements, exterior wall repair, HVAC replacements, security gate improvements, perimeter and security road replacements, fire life safety improvements, door lock, and flush valve replacements. The enacted budget includes \$4 million in FY23-24 and \$4 million in FY24-25 for these upgrades.

Correctional Services Fire Alarm System

This funding is for the first phase of a strategic and planned replacement of fire alarm systems. In the first phase the agency will replace the fire alarm systems at Tecumseh Correctional Institution, McCook Work Ethic Camp, and the Nebraska State Penitentiary. The agency states that if the construction bids come in lower than anticipated they would replace the fire alarm systems at Nebraska Correctional Youth Facility and Nebraska Correctional Center for Women. Fibers throughout the facilities will also be replaced. The enacted budget includes \$13.1 million in FY24 from the NCCF and \$8 million in the future.

New Multi-Custody Level Correctional Facility

With respect to new construction, the Governor included funding for a new multi-custody level correctional facility with capacity to house approximately 1,512 inmates: a 912-bed medium/maximum custody facility and a 600-bed minimum custody facility. This \$335 million project was proposed to replace the Nebraska State Penitentiary and was proposed to be financed with an additional transfer of \$95.85 million from the Cash Reserve Fund to the NCCF. Previously, \$241 million had been transferred to the NCCF but not appropriated for construction. The enacted budget includes the additional transfer amount to fully fund the project and appropriates funds to the Department of Correctional Services to begin construction of the facility.

Game and Parks

The enacted budget includes funds for several projects by the Game and Parks Commission. The Committee included \$4 million per year for renovations of the lodge at Eugene T. Mahoney State Park and \$10 million per year for several renovation and restoration projects at Fort Robinson State Park. The enacted budget includes funding The authority for the Commission to continue to use donated funds identified for the Nebraska Outdoor Venture Parks projects at Eugene T Mahoney State Park, Platte River State Park, Louisville State Recreation Area, and Schramm State Recreation Area.

DAS Building Division

The enacted budget includes \$32.2 million to replace the existing State Patrol Troop A Headquarters building, which is 49 years old. The building has exceeded its useful service life and is not meeting the current programmatic and operational needs of the Nebraska State Patrol. The agency's staffing load on the facility has outgrown the current building's capacity, and the current facility lacks required resources.

The enacted budget includes \$8 million for electrical upgrades to replace low voltage equipment at the Nebraska State Office Building at 309 Centennial Mall South.

The enacted budget includes \$1.5 million to design and construct a fifth-floor rotunda gallery in the State Capitol Building in coordination with Phase 5 of the Capitol HVAC project, pursuant to LB 812.

Table 36 contains a complete listing of General Fund and NCCF projects. A narrative description of the major new construction items and a complete list of all reaffirmations and new construction projects, including all fund sources, follow.

Table 36 Listing-Capital Construction Reaffirmations

REAFFIRMATIONS		Fund	FY23-24	FY24-25	FY25-26	FY26-27	Future
#50-State Colleges	State Colleges Facilities Program (LB 957 - 2016)	Gen	1,125,000	1,125,000	1,125,000	1,125,000	3,375,000
	State Colleges Facilities Program (LB 957 - 2016)	Rev	1,440,000	1,440,000	1,440,000	1,440,000	4,320,000
#50-State Colleges	State Colleges Facilities Program (LB 384 - 2021)	Gen	0	0	0	0	22,330,000
	State Colleges Facilities Program (LB 384 - 2021)	Rev	0	0	0	0	14,400,000
#50-State Colleges	Board facilities fee fund projects	Rev	900,000	900,000	900,000	900,000	7,200,000
#50-State Colleges	State Colleges Sport Facilities Cash Fund	Cash	300,000	300,000	300,000	300,000	no limit
#50-State Colleges	Peru - Geothermal Utilities	NCCF	2,101,905	0	0	0	0
#50-State Colleges	Chadron - Math / Science Building Project (LB 562-2019)	Gen	2,216,000	2,216,000	2,216,000	2,216,000	17,728,000
#51-University	University Facilities Program (LB 957 - 2016)	Gen	11,000,000	11,000,000	11,000,000	11,000,000	33,000,000
	University Facilities Program (LB 957 - 2016)	Cash	11,000,000	11,000,000	11,000,000	11,000,000	33,000,000
#51-University	Renewal, renovations, or repair existing buildings (LB 562-2019)	Gen	3,642,928	3,642,928	3,642,928	3,642,928	104,287,344
	Renewal, renovations, or repair existing buildings (LB 562-2019)	Cash	4,500,000	4,500,000			
#51-University	University Facilities Program (LB 384 - 2021)	Gen	2,500,000	2,500,000	2,500,000	2,500,000	493,055,136
	University Facilities Program (LB 384 - 2021)	Cash	2,500,000	2,500,000	2,500,000	2,500,000	439,500,000
#51-University	NCTA Education Center	Gen	820,000	820,000	0	0	0
#65-DAS	State Capitol HVAC system replacement	NCCF	17,463,952	15,407,545	0	0	0
	State Capitol HVAC system replacement	Gen	0	0	6,110,896	0	0
#65-DAS	Taskforce for Building Renewal Projects	Cash	21,273,930	21,273,930	21,273,930	21,273,930	no limit

Table 37 Listing-Capital Construction New Projects

NEW PROJECTS		Fund	FY23-24	FY24-25	FY25-26	FY26-27	Future
#27-Transport.	Facility Improvements - Statewide Projects	Cash	0	15,000,000	0	0	0
#28-Veterans' Affairs	Veterans' Cemetery in Grand Island	Cash	4,000,000	4,000,000	0	0	0
#31-Military Dept	1776 Readiness Center Remodel	NCCF	396,500	0	0	0	0
	1776 Readiness Center Remodel	Fed	396,500	0	0	0	0
#31-Military Dept	State-Federal Cost Share Projects	NCCF	3,479,125	2,351,255	0	0	0
	State-Federal Cost Share Projects	Fed	3,971,375	3,170,505	0	0	0
#33-Game & Parks	State Parks - Facility Improvement	Cash	925,000	925,000	0	0	0
#33-Game & Parks	State Parks - Deferred maintenance, upgrades	Cash	4,175,000	4,175,000	0	0	0
#33-Game & Parks	State Recreation Areas - Lake McConaughy	Cash	500,000	500,000	0	0	0
#33-Game & Parks	Emergency Repairs - Parks	Cash	500,000	500,000	0	0	0
#33-Game & Parks	Aquatic habitat enhancement and restoration	Cash	3,000,000	2,000,000	0	0	0
#33-Game & Parks	Ft. Robinson St. Park project	Cash	10,000,000	10,000,000	0	0	0
#33-Game & Parks	Mahoney Lodge Project	Cash	4,000,000	4,000,000	0	0	0
#33-Game & Parks	Outdoor Venture Parks	Cash	5,000,000	0	0	0	0
#46-Corrections	New Correctional Facility	NCCF	70,000,000	120,083,000	145,000,000	0	0
#46-Corrections	Security System Upgrades	NCCF	2,500,000	2,500,000	0	0	0
#46-Corrections	Infrastructure and Maintenance	NCCF	4,000,000	4,000,000	0	0	0
#46-Corrections	Corrections Capital Planning	NCCF	13,132,343	0	0	0	0
	Corrections Capital Planning	Gen	0	0	0	0	8,030,000
#47-NETC	Tower Lighting Projects	NCCF	0	280,000	0	0	0
#47-NETC	Remote Production Truck Trailer	NCCF	600,000	0	0	0	0
#47-NETC	Radio Automation & Audio System	NCCF	0	320,000	0	0	0
#47-NETC	Facility Routing - Terry Carpenter Comm Ctr	NCCF	1,400,000	600,000	0	0	0
#65-DAS	Replace Troop A Headquarters	NCCF	32,200,000	0	0	0	0
#65-DAS	Nebraska State Office Building electrical upgrades	NCCF	8,000,000	0	0	0	0
#65-DAS	Capitol 5th floor gallery	NCCF	1,500,000	0	0	0	0

ADJUSTMENT OF CURRENT YEAR APPROPRIATIONS

(FY2022-23)

Chronology FY2022-23 Appropriations

GENERAL FUNDS	Operations	State Aid	Construction	Total
Total Per 2021 Session	1,783,799,087	3,154,235,526	38,171,610	4,976,206,223
2022 Session-Committee	76,720,088	(3,483,725)	(14,250,000)	58,986,363
2022 Session-Post Hearing Adjustments	2,655,369	53,410,293	0	56,065,662
2022 Session-State Claims	0	0	0	0
2022 Session-Governor Vetoes	(1,080,000)	(50,704,061)	0	(51,784,061)
2022 Session-Veto Overrides	1,080,000	50,704,061	0	51,784,061
2022 Session "A" bills	10,017,616	24,396,389	0	34,414,005
2022 Session – Mid-biennium Adj.	89,393,073	74,322,957	(14,250,000)	149,466,030
Total Per 2022 Session	1,873,192,160	3,228,558,483	23,921,610	5,125,672,253
2023 Session Deficits	50,843,327	(18,708,589)	0	32,134,738
2023 Session State Claims	1,165,983	0	0	1,165,983
2023 Session "A" bills	0	0	0	0
2023 Session - Deficits	52,009,310	(18,708,589)	0	33,300,721
Final Appropriation with deficits	1,925,201,470	3,209,849,894	23,921,610	5,158,972,974
Change over prior year (w/out deficits)				
Dollar	130,724,576	197,179,171	(17,604,566)	310,299,181
Percent	7.5%	6.5%	-42.4%	6.4%
Change over prior year (with deficits)				
Dollar	189,613,478	177,708,053	(17,604,566)	349,716,965
Percent	10.9%	5.9%	-42.4%	7.3%

ALL FUNDS	General	Cash	Federal	Rev/Other	Total
Total Per 2021 Session	4,976,206,223	2,765,076,742	3,872,871,585	946,345,942	12,560,500,492
2022 Session-Committee	115,052,025	489,897,135	964,293,589	91,428,340	1,660,671,089
2022 Session Floor Actions	0	0	(16,000,000)	0	(16,000,000)
2022 Session Vetoes	(51,784,061)	(28,950,000)	(91,481,176)	0	(172,215,237)
2022 Session Overrides	51,784,061	28,950,000	91,481,176	0	172,215,237
2022 Session "A" bills	34,414,005	71,394,350	388,039,423	375,000	494,222,778
<i>2022 Session Mid-biennium</i>	<u>149,466,030</u>	<u>561,291,485</u>	<u>1,336,333,012</u>	<u>91,803,340</u>	<u>2,138,893,867</u>
Total Per 2022 Session	5,125,672,253	3,326,368,227	5,209,204,597	1,038,149,282	14,699,394,359
Update cash/federal estimates	0	21,889,568	57,580,768	159,142,826	238,613,162
Adjusted Per 2022 Session	<u>5,125,672,253</u>	<u>3,348,257,795</u>	<u>5,266,785,365</u>	<u>1,197,292,108</u>	<u>14,938,007,521</u>
2023 Session Deficits	32,134,738	185,442,590	(172,485,024)	4,040,000	49,132,304
2023 Session State Claims	1,415,983	0	0	19,202,500	20,618,483
2023 Session "A" bills	0	0	462,187	0	462,187
Final Appropriation per 2023 Session	<u>5,159,222,974</u>	<u>3,533,700,385</u>	<u>5,094,762,528</u>	<u>1,220,534,608</u>	<u>15,008,220,495</u>
Change over prior year (w/out deficits)					
Dollar	310,299,181	544,612,568	1,288,909,264	201,789,105	2,345,610,118
Percent	6.4%	19.4%	32.4%	20.3%	18.6%
Change over prior year (with deficits)					
Dollar	350,097,206	745,798,846	476,178,286	220,804,455	1,792,878,793
Percent	7.3%	26.8%	10.3%	22.1%	13.6%

FY2022-23 Adjustments – All Funds

There was a total of \$32.1 million of reduced General Fund appropriations included in the deficit adjustments. The recommendation also includes \$185.4 million of Cash Fund appropriations, and \$4 million of Revolving Fund appropriations, which includes three capital construction projects for the Nebraska Educational Telecommunications Commission appropriated from the Nebraska Capital Construction Fund. There was also a net decrease of \$172 million of Federal Fund appropriations due to a reduction of ARPA appropriations of \$179.2 million and an increase in other federal appropriations of \$7.2 million.

TEEOSA Aid, Revised Insurance Premium Tax

TEEOSA certified aid is paid first using insurance premium tax earmarked for schools and then General Funds for the remainder. When the budget is originally enacted only an estimate of insurance premium tax is available. This adjustment reconciles the General Fund amounts based on the actual Insurance Tax amounts. In FY22-23, insurance premium tax amounts were higher allowing for a \$4.1 million reduction in the General Fund amount.

Homestead Exemption

Total certificates for FY22-23 reimbursements are \$119.5 million, which is lower than the current appropriation of \$121.3 million, requiring a reduction of \$1.8 million in appropriation in FY22-23.

DHHS Administration Costs

The enacted budget includes \$11,021,795 in General Funds to support an updated contract with CyncHealth for the state's Health Information Exchange (HIE). Federal funding has decreased from 90% match to 75% match as work on the HIE has shifted from development to maintenance and operations.

In addition, \$6,287,287 in General Funds and \$698,587 in Federal Funds are needed in FY23 for updated computers. This funding will replace 3,596 laptops. An additional agency issue for the upcoming biennium, Technology Hardware Refresh, will fund renewal of 3,500 computers over the biennium. The source of funding for both the deficit request and the biennial issue is a corresponding decrease in appropriations from Program 347 Program Assistance which has a surplus of appropriated funds based on utilization trends. This transfer would result in this request having a net zero effect on the overall budget.

Also related to technology costs is \$10,000,000 was requested to fund IT costs incurred during the biennium above initial projections for FY23. This is attributable to increase in IT costs for both personnel and equipment as the pandemic has shifted operations to a more mobile workforce. The enacted budget includes \$1,000,000 in General Funds toward this purpose, the source of which is a \$1,000,000 decrease in General Funds from Program 347 Public Assistance. DHHS was appropriated \$5,000,000 in Federal Funds (ARPA) for FY23 through the Military Department for the purpose of Increased Technology Costs and the enacted budget increases these appropriations by an additional \$4,000,000 in Federal Funds (ARPA State Coronavirus Fiscal Recovery Funds, which were not requested by the Department of Agriculture for use pursuant to LB805 (2022)) for a total of \$9,000,000 Federal Funds through the Military Department, Agency 31 in FY22-23.

Finally, the enacted budget includes \$5.5 million in General Funds for the Wipro state claim to be paid by DHHS through program 33 (administration), and offset the costs through a General Fund reduction from program 38 (behavioral health aid).

Department of Correctional Services

The enacted budget includes funding for increased costs for the Department of Correctional Services for inmate per diem costs and salary expenses. Funding includes \$12.8 for inmate per diem costs, which have increased due to the rising costs of providing goods and services to incarcerated individuals, including the costs of food, health services, electronic monitoring, and other expenses.

In addition, the enacted budget includes \$12.1 million for costs related to salaries of employees, which is related to salary increases negotiated in 2021 for certain state employees at 24/7 facilities. Funding was provided in the 2022 mid-biennium adjustments based on occupied positions at the time, but as more positions within the agency have been filled, vacancy savings utilized by the Department to pay employees higher wages are no longer available and additional funding is required to continue paying the higher bargained wages.

State Colleges

The adjustments include three deficit items for the following General fund operating expenses:

1. Adjunct pay, for \$423,515;
2. Insurance, for \$176,078; and
3. General inflation, for \$735,604.

During the 2022-2023 academic year, the State Colleges instituted a pay raise for adjunct faculty, whom are relied on heavily to meet course scheduling requirements in a cost-efficient way. The raises were needed to

retain quality adjunct staffing by bringing their pay more in line with that of peer institutions. From FY22 to FY23, the insurance premium increase was \$383,122 or a 33% increase. Of this amount, an estimated \$89,658 was related to the Auxiliary System, making the FY23 deficit request a net \$293,464. The agency's request to address the impact of inflation on the operating expenses represents a 5% increase to operating expenses other than salaries, benefits, health, DAS billings, and insurance. The enacted budget includes funding of 60% of the deficit requests for insurance and general inflationary increases.

Affordable Housing Trust Fund

An increase of \$10,000,000 in cash funds for the remainder of the fiscal year to award additional contracts through the state's Affordable Housing Trust Fund program. The Affordable Housing Trust Fund was created in 1996 with it resembling its current form though LB864 in 1997. It receives ninety-five cents for each one thousand dollars value or fraction thereof on grantors executing deeds (referred to as the Documentary Stamp Tax). Due to a higher than anticipated increase in real estate activity the fund balance has exceeded forecasts. In order to issue more housing contracts, the enacted budget includes the Department's deficit request to expend an additional \$10,000,000 of its cash fund balance.

Site and Building Development Fund

The Department of Economic Development requested \$4,000,000 in additional cash fund authority for the Site and Building Development Fund in order to fully expend the balance and enter contract for more projects. The Site and Building Development Fund was established in 2011 to finance loans, grants, subsidies, credit enhancement, and other financial assistance for industrial site and building development and for expenses of the department as appropriated by the Legislature. Money for the fund comes from loan repayments and transfers from the Legislature.

Universal Services Fund

Ten million of additional aid funding is included to address greater demand from the Universal Services Fund. In addition, the PSC has updated the parameters for aid distribution. Projects must be completed within two years in order to receive aid. This shift in timelines will result in more aid being distributed sooner.

Department of Transportation IJA Funding

The adjustments include an appropriation of \$159 million cash funds in FY22-23 to the Department of Transportation based on anticipated federal funding pursuant to the Infrastructure Investment and Jobs Act. In FY22-23, FY23-24, and FY24-25, the enacted budget includes appropriation of \$505 million of cash funds to the department and a one-time transfer from the Cash Reserve Fund to the Roads Operations Cash Fund. The transfer of state funds serves as matching funds for the federal funds, which are required as a 25% match of total funding.

Unemployment Insurance Modernization

Federal Funds from the Reed Act and the Reed Act UI Modernization are being utilized to pay for annual software renewal costs associated with the Neworks System.

Table 38 FY2022-23 Adjustments – All Funds

	Agency	Prog	Description	General	Cash	Federal	Revolving	PSL
9	Sec. of State	45	Elections Personnel	77,956	0	0	0	46,875
10	Auditor	506	Treasurer Training	126,652	0	0	0	110,000
13	Education	25	DAS Purchasing Assessment	4,291	450	6,233	0	0
13	Education	25	Kronos Payroll Rate Increase	2,505	263	3,640	0	0
13	Education	25	Relocation cost	380,033	38,978	555,432	0	0
13	Education	25	Retiree Payout	64,920	0	53,720	0	102,583
13	Education	158	Reduce TEEOSA	(34,446)	0	0	0	0
13	Education	158	School Breakfast Program	52,291	0	0	0	0
13	Education	158	TEEOSA Adj - Premium Tax	(4,139,147)	0	0	0	0
13	Education	161	DAS Purchasing Assessment	0	118	0	0	0
13	Education	161	Kronos Payroll Rate Increase	0	69	0	0	0
13	Education	351	DAS Purchasing Assessment	0	0	10,686	0	0
13	Education	351	Kronos Payroll Rate Increase	0	0	6,240	0	0
13	Education	351	Retiree Payout	0	0	56,604	0	48,768
13	Education	352	DAS Purchasing Assessment	0	0	3,356	0	0
13	Education	352	Kronos Payroll Rate Increase	0	0	1,960	0	0
13	Education	352	Retiree Payout	0	0	17,105	0	14,701
13	Education	401	DAS Purchasing Assessment	9	0	0	0	0
13	Education	401	Kronos Payroll Rate Increase	5	0	0	0	0
13	Education	402	DAS Purchasing Assessment	9	0	0	0	0
13	Education	402	Kronos Payroll Rate Increase	5	0	0	0	0
13	Education	402	Center for Blind/Visually Imp.	166,710	0	0	0	0
13	Education	614	DAS Purchasing Assessment	0	46	0	0	0
13	Education	614	Kronos Payroll Rate Increase	0	27	0	0	0
14	PSC	54	Shift Grain Dept. General Funds to Cash	(49,500)	0	0	0	(29,109)
14	PSC	60	Shift Grain Dept. General Funds to Cash	0	49,500	0	0	29,109
14	PSC	686	Increase PSL and Aid in NUSF	0	10,000,000	0	0	0
14	PSC	686	Increase PSL and Aid in NUSF	0	49,356	0	0	32,500
14	793	793	LB 683A	0	0	462,187	0	0
16	Revenue	108	Homestead exemption	(1,800,000)	0	0	0	0
16	Revenue	111	Rebase Program 111	0	(200,000)	0	0	(100,000)
23	Labor	31	2023-2025 Reed Act UI Modernization	0	0	2,000,000	0	0
25	DHHS	33	Hardware refresh	6,287,287	0	698,587	0	0
25	DHHS	33	Health Information Exchange CyncHealth	11,021,795	0	0	0	0
25	DHHS	33	Technology cost	10,000,000	0	0	0	0
25	DHHS	33	State claim payment	5,500,000	0	0	0	0
25	DHHS	38	State claim payment– fund shift	(5,500,000)	0	0	0	0
25	DHHS	347	Hardware refresh - fund shift	(6,287,287)	0	(698,587)	0	0
25	DHHS	347	Technology costs - fund shift	(10,000,000)	0	0	0	0
27	Transportation	569	Infrastructure Investment and Jobs Act (IIJA)	0	159,000,000	0	0	0
31	Military	191	DHHS tech cost	0	0	4,000,000	0	0
33	Game & Parks	549	Operating Costs	0	1,900,000	0	0	0
33	Game & Parks	549	Salary of Seasonal Workers	0	600,000	0	0	600,000
46	Corrections	200	Per Diem	12,837,008	0	0	0	0

	Agency	Prog	Description	General	Cash	Federal	Revolving	PSL
46	Corrections	200	Salary Increases	12,088,445	0	0	0	10,498,311
47	NET	908	KLNE (Lexington) Tower Lighting Project (NCCF)	0	0	0	160,000	0
47	NET	919	Emergency Alert System Project (NCCF)	0	0	0	170,000	0
47	NET	920	Max/Culbertson Translator Sites (NCCF)	0	0	0	210,000	0
50	State Colleges	48	Adjunct Pay Funding	423,515	0	0	0	0
50	State Colleges	48	Insurance Funding	176,078	0	0	0	0
50	State Colleges	48	Operating Inflation	735,604	0	0	0	0
53	Real Estate Appraisers	79	Health Insurance Cost	0	3,783	0	0	0
63	Public Accountancy	84	PSL	0	0	0	0	2,500
65	DAS	173	Microsoft Lic Cost Increase	0	0	0	2,677,900	0
65	DAS	173	Technology Fee/Network Rate	0	0	0	822,100	0
72	DED	601	Affordable Housing Trust Fund	0	10,000,000	0	0	0
72	DED	603	Site & Building Dev. Fund	0	4,000,000	0	0	0
72	DED	611	Reduce ARPA appropriation	0	0	(179,200,000)	0	0
			State Total	32,134,738	185,442,590	(172,485,024)	4,040,000	10,756,238

Bills Included in Enacted Budget

Bills Included in Enacted Mainline Budget Bills

Bill #	Introducer	One-liner	Budget Bill #	Agency	FY24	FY25
LB80	Aguilar	Appropriate funds: Veterans' Cemetery	814, 818	28	4,000,000	4,000,000
LB112	McDonnell	Appropriate funds: DHHS for child advocacy centers	814	25	8,000,000	8,000,000
LB125	Bostelman	Change provisions relating to interest earnings on the Surface Water Irrigation Infrastructure Fund	818	29	0	0
LB281	Jacobson	Require DED to provide grants for youth outdoor education camp facilities	814, 818	72	10,000,000	0
LB323	Linehan	Appropriate funds: Salary increase for legislative employees	814	3	1,426,272	1,434,765
LB361	Dorn	Appropriate funds: Precision Agriculture Infrastructure Grant Program	814, 818	14	2,000,000	0
LB433	Jacobson	State intent relating to behavioral health services	814	25	0	0
LB470	McDonnell	Appropriate funds: Increase in reimbursement rates for child welfare service providers (5% rates)	814	5, 25	8,517,057	14,365,436
LB474	Wayne	Appropriate funds: Fort Robinson State Park	814	33	10,000,000	10,000,000
LB506	Bostar	Appropriate funds: DNR for grants to cities of the primary class	814	29	177,200,000	0
LB511	Brewer	Appropriate funds: Department of Administrative Services for radios for volunteer departments	814, 818	65	26,000,000	0
LB539	Vargas	Appropriate funds: Nebraska Health Care Cash Fund for the Tobacco Prevention and Control Program	814	25	1,082,146	1,082,146
LB547	Conrad	Create the Capitol Preservation, Restoration, and Enhancement Endowment Fund	818	65	0	0
LB571	Lippincott	Appropriate funds: DEE for Water Well Standards Act	814	84	634,462	634,462
LB573	Hansen	Appropriate funds: DED for grants to cities for housing youth exiting foster care	814, 818	72	2,000,000	0
LB578	DeBoer	State intent to appropriate funds to State Auditor	814	10	0	0
LB608	McDonnell	Appropriate funds: DED for Shovel Ready	814, 818	72	40,000,000	30,000,000
LB609	McDonnell	Appropriate funds for construction of a Vietnam War memorial	814	28	2,500,000	0
LB610	Lippincott	Appropriate funds to the State Department of Education for career and technical education	814	13	5,316,000	5,316,000
LB613	McDonnell	Appropriate funds to the Department of Environment and Energy for lead service line replacement	814	84	10,000,000	0
LB615	McDonnell	Appropriate funds: State Fire Marshal for first responders	814, 818	21	1,125,000	1,125,000
LB617	McDonnell	Create the Economic Development Cash Fund to award grants	814, 818	72	5,000,000	15,000,000
LB654	McDonnell	Appropriate funds to the Legislative Council	814	3	30,000	0
LB681	Clements	Create the Education Future Fund and provide for transfers from the General Fund	818	13	1,000,000,000	250,000,000
LB684	Briese	Appropriate funds: DAS for review of services provided by state agencies	814	65	2,500,000	0
LB719	Dover	Appropriate funds to DED for grants to cities for riverfront improvement projects	814, 818	72	1,997,409	0
LB739	Raybould	Appropriate funds: DHHS for domestic violence services	814	25	3,000,000	3,000,000
LB744	Erdman	Earmark funds for wildlife damage payments	818	33	0	0
LB763	DeBoer	Adopt the Emergency Food Assistance Act	814	25	10,000,000	0
LB769	Holdcroft	Authorize use of the Critical Infrastructure Facilities Cash Fund	814, 818	29	10,000,000	0
LB785	McKinney	Appropriate funds: DED for Economic Recovery Act and DNR for water projects	814, 818	29, 72	240,000,000	210,000,000

Bill #	Introducer	One-liner	Budget Bill #	Agency	FY24	FY25
LB802	Vargas	Appropriate funds: Health Care Cash fund for pediatric cancer	814	51	3,200,000	3,200,000
LB812	Clements	Appropriate funds: DAS Capitol Commission for Capitol rotunda	814, 818	65	1,500,000	0
LB817	Arch	Appropriate funds for capital construction	814			
LB819	Arch	Change provisions of the Cash Reserve Fund	818			

*Totals in FY23-24 and FY24-25 include all fund sources.

DEFINITION OF TERMS

State Biennial Budget

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

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

Fiscal Year

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

Fund Types

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

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

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

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

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

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

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

Operations, State Aid, Construction

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

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

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

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

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

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

Agency and Program Structure

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

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

Budget Process and Chronology

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

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

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

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

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

Step 5 - Appropriations Committee Initial Review and Preliminary Budget From the middle of January to mid to late February, the Appropriations Committee reviews agency requests and develops a preliminary budget. This preliminary budget becomes the basis for the agency budget hearings as well as a

Preliminary Report required by legislative rules. This report is due 20-30 legislative days after the Governor's budget is submitted during odd numbered years (15-20 legislative days in even numbered years).

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

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

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

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

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

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

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

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

LEGISLATIVE FISCAL OFFICE

Agency Assignments and Staff

LFO Staff Assignments By Agency Numerical Listing

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

#47 Educational Telecommunications Commission	Bill Biven	471-0054	554
#48 Coordinating Comm for Postsecondary Ed	Suzanne Houlden	471-0057	557
#50 State Colleges	Suzanne Houlden	471-0057	557
#51 University of Nebraska	Suzanne Houlden	471-0057	557
#52 State Fair Board	Clint Verner	471-0056	556
#53 Real Property Appraisers Board	Shelly Glaser	471-0052	552
#54 Historical Society	Scott Danigole	471-0055	555
#56 Wheat Board	Clint Verner	471-0056	556
#57 Oil and Gas Conservation Commission	Scott Danigole	471-0055	555
#58 Brd of Examiners for Engineers and Architects	John Wiemer	471-0051	563
#59 Board of Geologists	John Wiemer	471-0051	563
#60 Ethanol Board	Clint Verner	471-0056	556
#61 Dairy Industry Development Board	Clint Verner	471-0056	556
#62 Board of Examiners for Land Surveyors	John Wiemer	471-0051	563
#63 Board of Public Accountancy	Shelly Glaser	471-0052	552
#64 State Patrol	Kenneth Boggs	471-0050	550
#65 DAS-Personnel and Risk Management	Suzanne Houlden	471-0057	557
#65 DAS-Building Division, Capitol Commission	Shelly Glaser	471-0052	552
#65 DAS-Admin, CIO, Acctng, Materiel, TSB, Budget	Scott Danigole	471-0055	555
#66 Abstractors Board of Examiners	John Wiemer	471-0051	563
#67 Equal Opportunity Commission	Nikki Swope	471-0042	542
#68 Latino American Commission	Mikayla Findlay	471-0062	562
#69 Nebraska Arts Council	Scott Danigole	471-0055	555
#70 Foster Care Review Office	Mikayla Findlay	471-0062	562
#72 Dept of Economic Development	Clint Verner	471-0056	556
#73 Bd of Examiners for Landscape Architects	John Wiemer	471-0051	563
#74 Power Review Board	Scott Danigole	471-0055	555
#75 Investment Council	Bill Biven	471-0054	554
#76 Commission on Indian Affairs	Mikayla Findlay	471-0062	562
#77 Commission of Industrial Relations	Nikki Swope	471-0042	542
#78 Crime Commission	Kenneth Boggs	471-0050	550
#81 Commission for the Blind and Visually Impaired	Nikki Swope	471-0042	542
#82 Commission on the Deaf and Hard of Hearing	Nikki Swope	471-0042	542
#83 Community Colleges	Suzanne Houlden	471-0057	557
#84 Dept of Environment and Energy	Clint Verner	471-0056	556
#85 Public Employees Retirement System	Bill Biven	471-0054	554
#86 Dry Bean Commission	Clint Verner	471-0056	556
#87 Political Accountability and Disclosure	Scott Danigole	471-0055	555
#88 Corn Board	Clint Verner	471-0056	556
#89 Hemp Commission	Clint Verner	471-0056	556

#90 African American Affairs Comm	Mikayla Findlay	471-0062	562
#91 Tourism Commission	Clint Verner	471-0056	556
#92 Grain Sorghum Board	Clint Verner	471-0056	556
#93 Tax Equalization and Review Commission	John Wiemer	471-0051	563
#94 Commission on Public Advocacy	Kenneth Boggs	471-0050	550
#95 Dry Pea & Lentil Commission	Clint Verner	471-0056	556

Legislative Fiscal Office Staff

Name	Phone	Email	Responsibilities
Patent, Keisha	471-0059	kpatent@leg.ne.gov	Director Fiscal Note Coordinator 03 – Legislative Council
McNally, Wanda	471-2263	wmcnally@leg.ne.gov	Fiscal Assistance
Diarrassouba, Malik	471-0061	mdiarrassouba@leg.ne.gov	Economic and Tax Research Analyst, Revenue Forecasting
Biven, Bill	471-0054	bbiven@leg.ne.gov	13 - Education, 32 - Educational Lands & Funds Board, 34 - Library Commission, 47 - Educational Television Commission, 75 - Investment Council, 85 - Public Employees Retirement Board TEEOA, K-12 Annual Financial Report AFR
Boggs, Kenneth	471-0050	kboggs@leg.ne.gov	5 - Supreme Court, 15 - Board of Pardons and Parole, 46 - Correctional Services, 64 - State Patrol, 78 - Crime Commission, 94 - Commission on Public Advocacy
Danigole, Scott	471-0055	sdanigole@leg.ne.gov	7 - Governor/PRO/Energy, 8 - Lt. Governor, 9 - Secretary of State, 10 - State Auditor, 11 - Attorney General, 12 - State Treasurer, 14 - Public Service Commission, 21 - State Fire Marshal, 23 - Labor, 30 - State Electrical Board, 54 - Historical Society, 57 - Oil & Gas Conservation Commission, 65 - DAS Administrative Services, 74 - Power Review Board, 87 - Accountability & Disclosure Commission
Findlay, Mikayla	471-0062	mfindlay@leg.ne.gov	25 - DHHS, 45 - Barber Examiners Board, 68 - Latino-American Commission, 70 - Foster Care Review Board, 76 - Indian Affairs Commission, 90 - Commission on African American Affairs

Name	Phone	Email	Responsibilities
Glaser, Shelly	471-0052	sglaser@leg.ne.gov	24 - Motor Vehicles, 27 - Transportation (includes Aeronautics), 31 - Military Department, 33 - Game & Parks Commission, 40 - Motor Vehicle Industry Licensing Board, 41 - Real Estate Commission, 53 - Real Property Appraisers Board, 63 - Public Accountancy Board, 65 - DAS Building Division, Task Force for Building Renewal, Capitol Commission, Capital Construction Coordinator
Houlden, Suzanne	471-0057	shoulden@leg.ne.gov	37 - Workers' Compensation Court, 48 - Postsecondary Ed Coordinating Comm 60 - State College System, 51 - University of Nebraska, 65 - DAS Personnel, Employee Relations, Risk Mgmt, State Claims, 77 - Commission on Industrial Relations, 83 - Community Colleges
Swope, Nikki	471-0042	nswope@leg.ne.gov	19 - Banking, 22 - Insurance, 25 - DHHS (Behavioral Health, DD) 28 - Veterans Affairs, 67 - Equal Opportunity Commission, 81 - Commission Blind and Visually Impaired, 82 - Hearing Impaired Commission
Verner, Clint	471-0056	cverner@leg.ne.gov	18 - Agriculture, 29 - Natural Resources, 39 - Brand Committee, 52 - Fair Board, 56 - Wheat Board, 60 - Ethanol Board, 61 - Dairy Industry Development Board, 69 - Arts Council, 72 - Economic Development, 84 - Environment & Energy, 86 - Dry Bean Commission, 88 - Corn Board, 89 - Hemp Commission, 91 - Tourism Commission, 92 - Grain Sorghum Board, 95 - Dry Pean & Lentil Commission.
Wiemer, John	471-0051	jwiemer@leg.ne.gov	16 - Revenue, 35 - Liquor Control Commission, 36 - Racing & Gaming Commission, 58 - Engineers & Architects Examiners Board,

Name	Phone	Email	Responsibilities
			59 - Geologists Board, 62 - Land Surveyors Examiners Board, 66 - Abstractors Examiners Board, 73 - Landscape Architects Examiners Board, 93 - Tax Equalization & Review Commission CTL Property Tax and Valuation (maintain database info)