

Appropriations Committee Budget Proposal

Mid-Biennium Budget Adjustments FY2023-24 and FY2024-25

March 2024

Members of the Appropriations Committee

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Overview

This report provides a projection of the state's General Fund financial picture for the current biennial budget, FY2023-24 and FY2024-25, and the following biennium, FY2025-26 and FY2026-27. The report aims to assist the Legislature with its fiscal planning as it considers 2024 revenue and spending adjustments.

The projections for the current biennium incorporate (1) the February 2024 revenue forecasts of the Nebraska Economic Forecasting Advisory Board, (2) appropriations as enacted in the 2023 legislative session, and (3) the Appropriations Committee 2024 recommended budget adjustments.

The projections for the following biennium incorporate revenue forecasts based on the average of the S&P Global and Moody's Analytics forecasts calculated by the Legislative Fiscal Office and the Nebraska Department of Revenue (see page 11), projected budget increases based on historical average increases and formula driven estimates for specific areas, and the annualized and on-going impacts of actions taken in the 2023 legislative session and the Committee Recommendation (see page 56). All such estimates are based on existing law, including the Tax Equity and Educational Opportunities Act (TEEOSA) school aid formula.

General Fund Financial Status

Overall, the financial status for the current biennium (FY24/FY25) has improved as compared to Sine Die of the 2023 Legislative Session. At Sine Die, the variance from the minimum General Fund reserve (commonly referred to as the surplus or shortfall) was estimated to be a surplus of \$275.8 million while the financial status from the November Tax Rate Review Committee (TRR) was a surplus of \$379.5 million. The improvement was largely due to two factors: (1) available funds were enhanced by the expiration and lapse of \$126.4 million of unexpended funds from the FY22/FY23 biennium, and (2) revised estimates of TEEOSA state aid indicated a reduction of \$2.1 million General Funds in FY2023-24 and \$28.8 million in FY24-25. The projected status went from a positive \$375.5 million at the November meeting of the TRR Committee to the current positive \$442.4 million per the Appropriations Committee preliminary budget.

The Appropriations Committee's final recommendation contains several changes from the preliminary budget, which overall, have a net effect of increasing the amount of General Funds available above the minimum reserve for the biennium. The projected status went from a positive \$442.4 million per the Appropriations Committee preliminary budget to the current positive \$574.9 million per the Appropriations Committee recommendation. Additionally, the Nebraska Economic Forecasting Board met on February 29, 2024, and revised the estimate of net receipts for FY2023-24 and FY2024-25, which resulted in a net gain of \$50 million over the biennium.

The largest Appropriations Committee adjustments from the preliminary recommendation, which increase General Funds available above the minimum reserve, include:

- Lapsing \$10 million in additional General Funds reappropriated from FY2022-23;
- New transfers in to the General Fund from Cash Funds of \$198 million in FY2023-24 and \$46.8 million in FY2024-25; and
- A transfer of \$3 million from the Cash Reserve Fund to the General Fund.

The largest Appropriations Committee adjustments from the preliminary recommendation, which decrease General Funds available above the minimum reserve, include:

- \$94.1 million increase in TEEOSA state aid in FY2024-25 pursuant to the January recalculation; and

- \$14.7 million increase in appropriation in FY2023-24 and \$15.4 million increase in appropriation in FY2024-25 for the homestead exemption program.

Following Biennium

The projected financial status for the ***following biennium*** shows a balance \$68.6 million above the minimum reserve.

Revenue growth (rate and base adjusted) in the next biennium is projected at a two-year average of 4.8% per year using the average of the four calculated revenue forecasts for the two-year time period. This methodology is used in the absence of an official forecast.

Calculation of the projected budget for the following biennium is shown in Appendix G on page 56. The projected budget increases are based on historical increases for specific areas and existing law in particular the TEEOSA school aid formula. The net result of the item by item calculation is an overall spending growth of 2.0% in FY2025-26 and 1.9% in FY2026-27, for a two-year average of 1.9%.

Mid-Biennium Appropriation Changes

Over the two-year period, the Appropriations Committee preliminary budget adjustments result in an increase in appropriations of \$56.7 million over the two-year period. This consists of increase of \$88 million in appropriations and \$31.3 million of lapsed General Fund reappropriations. A detailed listing of the individual items can be found in the appendices.

Difference between the Committee and Governor

The following table shows the total use of General Funds in the Appropriations Committee’s preliminary recommendation as compared to the Governor’s recommendation.

<u>Use of General Fund, Committee & Governor</u>	<u>FY2023-24</u>	<u>FY2024-25</u>	<u>Two Yr Total</u>
Committee Preliminary			
Gen Fund Appropriations	14,956,492	73,011,702	87,968,194
Gen Fund Lapsed Reappropriations	(31,300,000)	0	(31,300,000)
Gen Fund Transfers-Out	0	0	0
Total Use of Gen Funds	(16,343,508)	73,011,702	56,668,194
Governor’s recommendation			
Gen Fund Appropriations	14,596,673	(34,149,490)	(19,552,817)
Gen Fund Lapsed Reappropriations	(31,300,000)	0	(31,300,000)
Gen Fund Transfers-Out	2,134,335	18,881,755	21,016,090
Total Use of Gen Funds	(14,568,992)	(15,267,735)	(29,836,727)

The largest difference between the two recommendations is the recalculation of TEEOSA state aid. In the Governor’s recommendation and the Appropriations Committee preliminary budget, this item was a reduction of General Funds of \$28.9 million in FY2024-25. In the Appropriations Committee final recommendation, TEEOSA state aid is \$94.1 million higher, which is a net increase of \$65.3 million.

Cash Reserve Fund

At the end of the 2023 legislative session, the unobligated balance at the end of FY2024-25 was projected at \$828.8 million based on the revised April Nebraska Economic Forecasting Advisory Board (NEFAB) forecast for FY2022-23 being reduced and all enacted legislative transfers. The projected unobligated balance increased to \$831.8 million when FY2022-23 actual receipts were \$3 million above the April forecast.

The NEFAB revised the forecast for FY2023-24 in February 2024 and increased the estimated General Fund net receipts by \$575 million. The forecast for FY2023-24 now exceeds the certified forecast by \$582.9 million. For purposes of the Committee recommendation report, it is estimated that \$36.4 million of the \$582.9 million in excess above the certified forecast will be automatically transferred from the General Fund to the Cash Reserve Fund at the beginning of FY2024-25. A more detailed discussion of the Cash Reserve Fund is provided on page 6.

The table below compares the Governor's and Committee preliminary proposal for transfer from the CRF. The Governor's recommendation includes several transfers to the CRF and two transfers out, resulting in a net increase to the CRF of \$59.7 million over the biennium. This leaves the CRF with an unobligated balance of \$891.7 million. The Governor also does not include the projected automatic transfer in FY2024-25 due to the 16% restriction discussed on page 7.

The Appropriations Committee preliminary budget calls for a replenishment of CRF funds, with a net increase of \$36,046,245 over the biennium. Accounting for the estimated automatic transfer from the General Fund and Committee recommended transfers, this leaves the CRF with a projected unobligated ending balance in FY2024-25 of \$904.1 million.

<u>CRF Transfers</u>	<u>Governor</u>	<u>Committee</u>
To NCCF – State Patrol Crime Lab	(2,249,755)	(2,249,755)
NCCF - State Capitol 5th Floor (LB 1210)	0	(1,500,000)
Reduce NCCF – State Patrol Troop A hqts	18,200,000	18,200,000
From Gov's Emergency Fund	13,841,000	13,841,000
From JEDI Fund	35,000,000	28,000,000
To State Insurance Fund	(5,000,000)	(5,000,000)
To Public Safety Comm Revolving (LB1275/LB1378)	0	(2,245,000)
To Health and Human Services Cash	0	(10,000,000)
To General Fund (LB 1289)	0	(3,000,000)
Net Change	<u>\$59,791,245</u>	<u>\$36,046,245</u>

Bills Incorporated into the Committee Proposal

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

Available for Legislative Bills

The current financial status with the Committee proposed budget adjustments yields a projected balance that is \$574.9 million above the 3% minimum reserve.

The projected financial status for the ***following biennium*** shows a balance \$68.6 million above the minimum reserve and is significantly less than what's available in the current biennium. Using the \$68.6 million available as a target number would support additional budget actions averaging \$23 million per year.

General Fund Financial Status

Appropriations Committee Budget Proposal

	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	1,466,484,903	928,442,415	778,525,240
3 Cash Reserve transfers-automatic	(1,287,998,995)	(2,982,492)	(36,369,738)	0	0
4 Carryover obligations from FY23	0	(555,832,617)	0	0	0
4a Lapse FY23 carryover obligations	0	126,449,292	0	0	0
4b Lapses 2024 Committee Prelim	0	31,300,000	0	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	1,206,108,857	1,452,719,271	1,425,115,165	923,442,415	773,525,240
7 REVENUES & TRANSFERS					
8 Net Receipts	6,367,982,492	7,020,000,000	5,840,000,000	6,359,890,000	6,267,132,000
9 General Fund transfers-out (current law)	(518,053,459)	(1,399,760,000)	(944,091,886)	(952,417,382)	(976,636,640)
10 General Fund transfers-in (current law)	in actual	in forecast	in forecast	0	0
10a General Fund transfers-in (new)	0	198,016,542	46,776,716	0	0
11 Cash Reserve transfers	(50,000,000)	(440,000,000)	1,000,000	0	0
11a 2024 Cash Reserve transfers (new)	0	0	3,000,000	0	0
12 Accounting Adjustment	1,937,066	0	0	0	0
13 General Fund Net Revenues	5,801,866,099	5,378,256,542	4,946,684,830	5,407,472,618	5,290,495,360
14 APPROPRIATIONS					
15 Expenditures / Appropriations	5,154,189,868	5,125,672,253	5,125,672,253	5,125,672,253	5,125,672,253
16 Mainline Budget and A bills (2023 session)	0	223,762,165	244,673,625	244,673,625	244,673,625
17 Projected budget increase, following biennium	0	0	0	135,791,704	252,081,804
18 2024 TEEOSA adjustments	0	(2,134,335)	65,272,568	41,513,078	29,654,713
19 2024 "A" Bills	0	0	0	0	0
20 Committee Prelim Mid-biennium Adj (2024)	0	17,090,827	7,739,134	4,739,134	4,739,134
21 2024 State Claims (LB 1188)	0	100,000	0	0	0
21 General Fund Appropriations	5,154,189,868	5,364,490,910	5,443,357,580	5,552,389,794	5,656,821,529
22 ENDING BALANCE					
23 \$ Ending balance (per Financial Status)	1,853,785,088	1,466,484,903	928,442,415	778,525,240	407,199,070
24 \$ Ending balance (at Min. Reserve 3.0%)			353,574,007		338,633,312
25 Excess (shortfall) from Minimum Reserve			574,868,409		68,565,758
26 Biennial Reserve (%)			8.0%		3.6%
General Fund Appropriations					
27 Annual % Change - Appropriations (w/o deficits)	6.4%	4.7%	1.5%	2.0%	1.9%
28 Two Year Average	3.5%	--	3.1%	--	1.9%
29 Est. Revenue Growth (rate/base adjusted)	1.7%	6.5%	0.5%	6.0%	3.6%
30 Two Year Average	10.7%	--	3.5%	--	4.8%
31 Five Year Average	9.7%	--	8.4%	--	3.7%
32 Unadjusted % change over prior year	0.3%	10.2%	-16.8%	8.9%	-1.5%
33 On-Going Revenues vs Appropriations	726,193,847	453,765,632	(500,672,750)	(144,917,176)	(366,326,170)

Cash Reserve Fund

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the statutorily defined 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 1 Cash Reserve Fund

CASH RESERVE FUND	FY2022-23	FY2023-24	FY2024-25	Estimated	Estimated
				FY2025-26	FY2026-27
Beginning Balance	927,523,568	1,637,852,563	914,567,475	904,053,413	854,053,413
Excess of certified forecasts (line 3 in Status)	1,287,998,995	2,982,492	36,369,738	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/from Gen Fund (LB 1413)	0	0	(3,000,000)	0	0
To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(168,173,580)	(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	0	(52,000,000)	0	0	0
To Nebr Rural Projects Act	(50,000,000)	0	0	0	0
To Trail Develop/Improve Fund	(8,300,000)	0	0	0	0
To Rural Workforce Housing fund	(30,000,000)	0	0	0	0
To Surface Water Irrigation Fund	(50,000,000)	0	0	0	0
To Intern Nebraska Cash Fund	(20,000,000)	0	0	0	0
To Site & Building Fund	(20,000,000)	(2,000,000)	0	0	0
To Military Base Development fund	(30,000,000)	0	0	0	0
To Middle Income Housing fund	(20,000,000)	0	0	0	0
To Roads Operations Cash Fund	(100,000,000)	0	0	0	0
To State Indemnification Revolving Fund	(18,750,000)	0	0	0	0
From Gov Emergency Fund	0	15,841,000	0	0	0
To Econ Recovery Contingency	0	(240,000,000)	0	0	0
To Shovel Ready Capital Recovery Fund	0	(70,000,000)	0	0	0
To Critical Infrastructure Facilities Fund	0	(10,000,000)	0	0	0
To Economic Development Cash Fund	0	(20,000,000)	0	0	0
To Public Safety Fund	0	(1,115,000)	0	0	0
To Accounting Division Revolving Fund	0	(1,100,000)	0	0	0
To Health and Human Services Cash	0	(11,320,000)	(10,000,000)	0	0
To Risk Loss Trust (State Colleges)	0	(3,000,000)	0	0	0
To Youth Outdoor Education Fund	0	(10,000,000)	0	0	0
To Public Safety Comm Systems Revolving Fund	0	(5,000,000)	(2,425,000)	0	0
To Materiel Division Revolving Fund	0	(2,500,000)	0	0	0
To State Building Revolving Fund	0	(1,400,000)	0	0	0
To Revitalize Rural Nebraska Fund (LB531-2023)	(1,000,000)	0	0	0	0
To State Insurance Fund	0	0	(5,000,000)	0	0
To School Safety and Security Fund (LB705-2023)	0	(10,000,000)	0	0	0
Projected Unobligated Ending Balance	1,637,852,563	914,567,475	904,053,413	854,053,413	804,053,413
Ending Balance as % of Revenues	25.7%	13.0%	15.5%	13.4%	12.8%
Ending Balance as % of Expenditures	31.8%	17.0%	16.6%	15.4%	14.2%

Appropriations Committee Proposal

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. These would take place in July of the fiscal year following completion of that year.

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

The NEFAB revised the forecast for FY2023-24 in February 2024 and increased the estimated General Fund net receipts by \$575 million. The forecast for FY2023-24 now exceeds the certified forecast by \$582.9 million. For purposes of the Committee recommendation report, it is estimated that the transfer from the General Fund to the Cash Reserve Fund at the beginning of FY2024-25 will be less than the \$582.9 million excess above the certified forecast. Pursuant to section 77-4602, beginning in FY23-24, the method for automatic transfers to the Cash Reserve Fund is changed as follows:

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

There is estimated to be \$582.9 million above the July 2023 certified forecast. The unobligated ending balance in the Cash Reserve Fund for FY2023-24 is approximately 16.8% of the new budgeted General Fund appropriations for FY24-25. Additional items enacted by the Legislature will affect the FY2024-25 budgeted expenditures and the ending balance of the CRF at the completion of FY2023-24. Additionally, General Funds not expended in FY2023-24 will be reappropriated to FY2024-25, which will increase total General Fund budgeted expenditures.

The CRF automatic transfer related to the excess above the certified forecast will be reduced so the balance of the CRF does not exceed 16%. Therefore, if, for instance, reappropriated amounts from FY2023-24 total \$500 million, total General Fund budgeted expenditures will be equal to the new appropriation plus the \$500 million of reappropriated General Funds (for a total of \$5.943 billion). The CRF FY2023-24 projected unobligated ending balance as a percentage of that total is 15.4%, and the automatic transfer from the General Fund to the CRF would be \$36.4 million at the beginning

of FY2024-25. This is the calculated amount necessary to bring the CRF balance up to 16% of the total General Fund budgeted expenditures.

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. In the 2021 session, the budget included a \$50 million transfer from the General Fund in both FY2021-22 and FY2022-23 to help replenish the fund.

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

The Appropriations Committee recommendation includes an additional transfer of \$3 million in FY2024-25 to fund the provisions of LB1289. The funds will be used by the Military Department to award a grant to a municipal airport located in a city of the primary class. The grant shall only be used by the municipal airport for the maintenance, repair, and construction of runway facilities that serve the purposes of providing: (a) national and state military preparedness; (b) defense mission support; and (c) civilian passenger or cargo air services.

Transfers To & From Other Funds

In addition to the transfers to the General Fund, there are several transfers to and from the Cash Reserve Fund. These funds are listed in Table 1. For more detail on these funds, please refer to the 2023 Biennial Budget Report.

The Appropriations Committee preliminary budget calls six transfers, which result in a net increase of \$36,046,245.

From Governors Emergency Cash Fund

LB 1198 was enacted March 25, 2020 to provide funding to help cover the costs related to the COVID-19 outbreak. After this bill was enacted the Legislature suspended the session until July 20. The bill transferred \$83,619,600 from the Cash Reserve Fund to Governor's Emergency Cash Fund for FY2019-20. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act, P.L.116-136 (CARES Act) was enacted. In that law, Nebraska was allocated \$1.25 billion through the Coronavirus Relief Fund. These federal funds could be used for basically the same things that were authorized under LB1198. Because of this only \$19.2 million had been expended through FY19-20. LB1009 enacted in August transferred \$60 million of the unused funds back to the Cash Reserve Fund, and the enacted budget in 2023 transferred an additional \$2 million back to the CRF. The Committee proposal transfers the remaining unused amount of \$13.841 million back to the CRF.

From Jobs & Economic Development Initiative Fund (STARWARS)

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

A total of \$100 million has been transferred to the JEDI Fund to date from the CRF (\$80 million) and the General Fund (\$20 million). The Committee recommendation includes transferring \$28 million back to the Cash Reserve Fund.

To Nebraska Capital Construction Fund

The Committee recommendation includes three changes related to the transfer in FY2023-24 to the NCCF from the Cash Reserve Fund:

- The reduction of the transfer to the Nebraska Capital Construction Fund (NCCF) in FY2023-24 due to the savings in construction of the State Patrol Troop A headquarters;
- A transfer from the CRF to the Nebraska Capital Construction Fund (NCCF) of \$1.5 million for additional funding for the State Capitol 5th Floor renovation project (LB1210); and
- A transfer from the CRF to NCCF of \$2,249,775 for additional funding for the State Patrol Crime Lab project.

To Health and Human Services Cash Fund

The committee recommendation includes \$5 million in ARPA funds in FY2023-24 and \$10 million in cash funds in FY2024-25 from the Health and Human Services Cash Fund, transferred from the Cash Reserve Fund, for a grant program for heating, ventilation, and air conditioning system repair or restoration for a rehabilitation hospital.

To State Insurance Fund

The Appropriations Committee recommendation includes a \$2 million revolving fund appropriation in FY2024-25 for the state insurance program. The increase is primarily for property insurance premiums, driven mostly by wind and hail damage. Accompanying this increased appropriation is a proposed transfer of \$5 million in FY2024-25 from the Cash Reserve Fund to the State Insurance Fund.

Table 2 shows historical transfers and balances of the Cash Reserve Fund since FY2000-2001.

Table 2 Cash Reserve Fund – Historical Balances

	Beginning Balance	Automatic Transfers (1)	Legislative Transfers (2)		Ending Balance	EB as % of revenues	EB as % of expend
			Gen Fund	Other Funds			
FY2000-01	142,159,429	77,576,670	(24,500,000)	(25,000,000)	170,236,099	6.9%	6.9%
FY2001-02	170,236,099	0	(59,800,000)	(370,000)	110,066,099	4.7%	4.2%
FY2002-03	110,066,099	0	(87,400,000)	0	59,142,545	2.4%	2.3%
FY2003-04	59,142,545	0	(61,191,862)	(385,807)	87,028,337	3.2%	3.4%
FY2004-05	87,028,337	108,727,007	(26,000,000)	(758,180)	177,167,720	5.8%	6.5%
FY2005-06	177,167,720	261,715,297	0	(165,266,227)	273,616,790	8.2%	9.4%
FY2006-07	273,616,790	259,929,524	(15,674,107)	(1,784,416)	516,087,791	15.1%	16.5%
FY2007-08	516,087,791	191,436,773	(60,177,767)	(101,801,000)	545,545,797	15.6%	16.8%
FY2008-09	545,545,797	116,976,571	(54,990,505)	(29,340,000)	578,191,863	17.2%	17.4%
FY2009-10	578,191,863	0	(105,000,000)	(5,990,237)	467,201,626	14.6%	14.1%
FY2010-11	467,201,626	0	(154,000,000)	0	313,201,626	8.9%	9.4%
FY2011-12	313,201,626	145,155,092	(37,000,000)	3,560,802	428,878,372	11.6%	12.4%
FY2012-13	428,878,372	104,789,781	(78,000,000)	(76,008,427)	384,121,402	9.5%	10.7%
FY2013-14	384,121,402	285,292,610	49,400,000	251,294	719,065,306	17.5%	18.7%
FY2014-15	719,065,306	96,721,232	(67,701,112)	(20,250,000)	727,835,426	16.9%	18.1%
FY2015-16	727,835,426	84,599,532	0	(81,779,850)	730,655,108	17.0%	17.4%
FY2016-17	730,655,108	0	0	(50,000,000)	680,655,108	16.0%	15.7%
FY2017-18	680,655,108	0	(225,000,000)	(115,930,772)	339,990,065	7.4%	7.8%
FY2018-19	339,990,065	61,995,773	(48,000,000)	(20,436,714)	333,549,124	6.8%	7.6%
FY2019-20	333,549,124	176,378,178	0	(83,619,600)	426,307,702	8.6%	9.2%
FY2020-21	426,307,702	10,655,528	(30,000,000)	60,000,972	466,964,202	7.8%	10.3%
FY2021-22	466,964,202	535,259,366	50,000,000	(124,700,000)	927,523,568	14.6%	19.9%
FY2022-23	927,523,568	1,287,998,995	40,000,000	(617,670,000)	1,637,852,563	25.7%	31.8%
FY2023-24 Est	1,637,852,563	2,982,492	440,000,000	(1,166,267,580)	914,567,475	13.0%	17.0%
FY2024-25 Est	914,567,475	36,369,738	(4,000,000)	(42,883,800)	904,053,413	15.5%	16.6%
FY2025-26 Est	904,053,413	0	0	(50,000,000)	854,053,413	13.4%	15.4%
FY2026-27 Est	854,053,413	0	0	(50,000,000)	804,053,413	12.8%	14.2%

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

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

General Fund Revenues

Revenue Forecasts

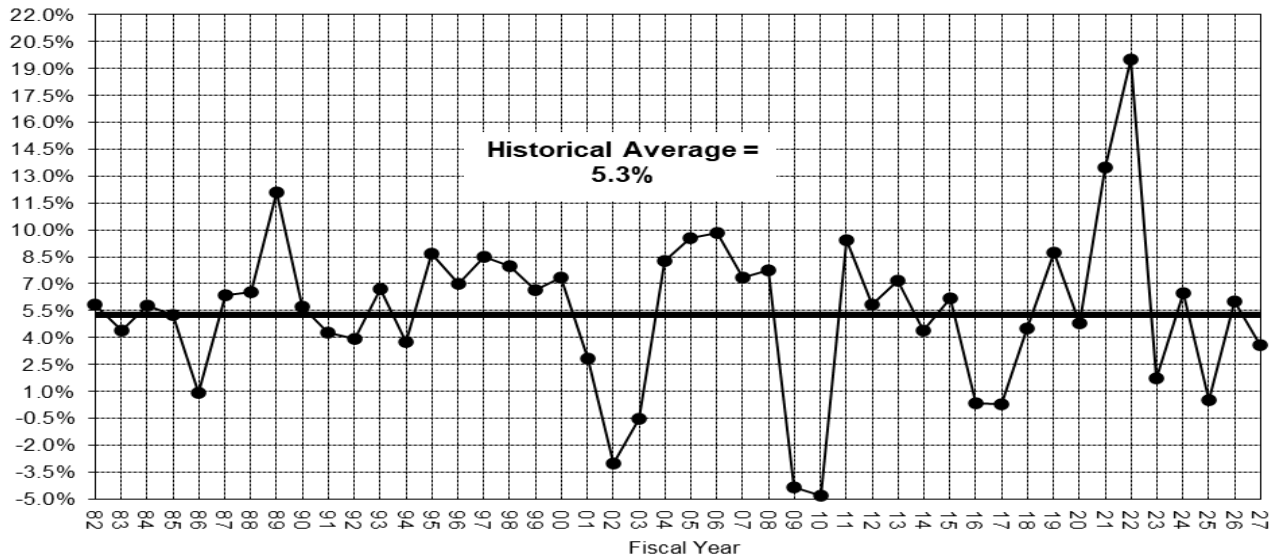
Revenue estimates for FY2023-24 and FY2024-25 are the February 2024 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 6.5% in FY2023-24 and 0.4% in FY2024-25, an average growth of 3.5%.

The NEFAB forecasts and projected “out year” revenue estimates are shown in Table 3. LFO Prelim estimates for FY2025-26 and FY2026-27 are the average of all forecasts (LFO S&P GLOBAL, LFO Moody’s, NDR S&P GLOBAL, and NDR Moody’s). Rate and base adjusted growth in FY2025-26 is 6.0% and in FY2026-27 is 3.6% for a two-year average of 4.8%. Five-year average growth for the status period is 3.7%.

Table 3 - General Fund Revenue Forecasts

	Actual FY2022-23	NEFAB FY2023-24	NEFAB FY2024-25	LFO Prelim FY2025-26	LFO Prelim FY2026-27
<u>Actual/Forecast</u>					
Sales and Use Tax	2,335,899,936	2,500,000,000	2,600,000,000	2,658,679,000	2,763,256,000
Individual Income Tax	3,005,952,059	2,800,000,000	2,230,000,000	2,959,377,000	2,794,599,000
Corporate Income Tax	692,964,729	1,400,000,000	740,000,000	515,698,000	497,574,000
Miscellaneous receipts	333,165,768	320,000,000	270,000,000	226,136,000	211,703,000
Total General Fund Revenues	6,367,982,492	7,020,000,000	5,840,000,000	6,359,890,000	6,267,132,000
<u>Adjusted Growth</u>					
Sales and Use Tax	4.1%	7.0%	4.1%	2.2%	4.3%
Individual Income Tax	-2.1%	4.0%	2.9%	15.1%	3.0%
Corporate Income Tax	2.3%	19.3%	-13.0%	-17.9%	5.6%
Miscellaneous receipts	37.9%	-4.2%	-14.4%	-8.2%	-0.8%
Total General Fund Revenues	1.7%	6.5%	0.5%	6.0%	3.6%
Two Yr Average	10.7%	--	3.5%	--	4.8%
Five Yr Average	9.7%	--	8.4%	--	3.7%
<u>Unadjusted Growth</u>					
Sales and Use Tax	9.5%	7.0%	4.0%	2.3%	3.9%
Individual Income Tax	-7.3%	-6.9%	-20.4%	32.7%	-5.6%
Corporate Income Tax	-3.1%	102.0%	-47.1%	-30.3%	-3.5%
Miscellaneous receipts	29.4%	-4.0%	-15.6%	-16.2%	-6.4%
Total General Fund Revenues	0.3%	10.2%	-16.8%	8.9%	-1.5%
Two Yr Average	3.4%	--	-3.3%	--	3.7%
Five Yr Average	7.1%	--	4.2%	--	0.2%

General Fund Adjusted Revenue Growth



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 over the past 40 years is 5.3%. 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. It reflects 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 5.3% growth.

Table 4 shows actual and projected General Fund revenues since FY2000-01. For illustration purposes, the table includes the adjusted growth rate, described above, and the unadjusted growth rate that does not account for changes to the tax base or tax rates, including reductions to individual and corporate income tax rates and adjustments relative to pass-through entity provisions enacted in 2023. As shown in the table, the unadjusted growth rate in estimated revenue fluctuates considerably due to the effect of these tax changes. The adjusted growth rate, which accounts for these legislative changes, is positive each year and averages 4.1% per year over the four year period that includes the current biennium and following biennium.

Table 4 Actual and Projected General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Tax	Total Net Receipts	Unadj. % Change	Adjusted Growth
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%	19.5%
FY 2022-23	2,335,899,936	3,005,952,059	692,964,729	333,165,768	6,367,982,492	0.3%	1.7%
FY 2023-24 NEFAB	2,500,000,000	2,800,000,000	1,400,000,000	320,000,000	7,020,000,000	10.2%	6.5%
FY 2024-25 NEFAB	2,600,000,000	2,230,000,000	740,000,000	270,000,000	5,840,000,000	-16.8%	0.5%
FY 2025-26 Prelim	2,658,679,000	2,959,377,000	515,698,000	226,136,000	6,359,890,000	8.9%	6.0%
FY 2026-27 Prelim	2,763,256,000	2,794,599,000	497,574,000	211,703,000	6,267,132,000	-1.5%	3.6%
Current 5 Year Status	1.7%	6.5%	0.5%	6.0%	3.6%		
Above Average Years	6.0%	9.7%	14.2%	3.9%	8.1%		
Below Average Years	2.3%	2.8%	-2.5%	1.8%	2.0%		
Historical Average	4.4%	6.1%	6.2%	2.0%	5.3%		

Chronology of Revenue Forecasts

Table 5 contains a chronology of the revenue forecasts for FY2022-23 through FY2024-25. The first column shows the total revenue forecast while 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, or simply a change in the revenue expectations (base). Note that in FY23 the amounts in the "Other" column relate to changes in the LB1107 income tax credit for property taxes paid which are affected by the change in the prior year forecast.

Table 5 General Fund Revenue Chronology

	Total Forecast	Change in Forecast			Total
		Base	Bills	Other	
FY2022-23					
Board Est-Oct 2020	5,275,000				
Board Est-Feb 2021	5,368,000	93,000	0	0	93,000
Board Est-April 2021	5,368,000	0	0	0	0
Sine Die-2021 Session	5,127,358	0	(51,121)	(189,522)	(240,642)
Board Est-October 2021	5,555,000	427,642	0	0	427,642
Board Est-February 2022	5,960,000	405,000	0	0	405,000
Sine Die-2022 Session	5,824,375	0	(135,625)	0	(135,625)
Board Est-October 2022	6,445,000	620,625	0	0	620,625
Board Est-February 2023	6,445,000	0	0	0	0
Board Est-April 2023	6,365,000	(80,000)	0	0	(80,000)
Sine Die 2023 Session	6,375,000	0	10,000	0	10,000
Actual Receipts FY2022-23	6,367,983	(7,017)	0	0	(7,017)
Change: First NEFAB to Actual	1,092,983	1,459,251	(176,747)	(189,522)	1,092,983
FY2023-24					
Board Est-October 2022	6,475,000				
Board Est-February 2023	6,475,000	0	0	0	0
Board Est-April 2023	6,500,000	25,000	0	0	25,000
Sine Die 2023 Session	6,437,126	0	(62,874)	0	(62,874)
Board Est-October 2023	6,445,000	7,874	0	0	7,874
Board Est-Feb 2024	7,020,000	575,000	0	0	575,000
Change: First NEFAB to Actual	545,000	607,874	(62,874)	0	545,000
FY2024-25					
Board Est-October 2022	6,555,000				
Board Est-February 2023	6,555,000	0	0	0	0
Board Est-April 2023	6,610,000	55,000	0	0	55,000
Sine Die 2023 Session	6,378,285	(0)	(231,715)	0	(231,715)
Board Est-October 2023	6,365,000	(13,285)	0	0	(13,285)
Board Est-Feb 2024	5,840,000	(525,000)	0	0	(525,000)
Change: First NEFAB to Actual	(715,000)	(483,285)	(231,715)	0	(715,000)

General Fund Transfers-Out

General Fund Transfers-Out accounts for funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation but are not expended from the General Fund as such and therefore are shown under the revenue category as transfers-out from the General Fund and subsequently expended from the receiving fund.

The Appropriations Committee proposed budget includes four changes amounting to a net reduction in transfers out of \$1,918,000 for FY2024-25.

- Reduce Water Sustainability Fund transfer by \$8,481,000;
- Eliminate \$1.5 million transfer to the Community College Future Fund; and
- Increase estimated General Fund transfer to the Community College Future Fund.

Table 6 General Fund Transfers-Out

	FY2022-23	Biennial Budget		Following Biennium	
		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	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Water Sustainability Fund	(11,000,000)	(11,000,000)	(2,582,000)	(11,000,000)	(11,000,000)
Nebraska Revolving Loan Fund	(5,000,000)	0	0	0	0
Hall of Fame Trust Fund	(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	(5,000,000)	(5,000,000)	0	0	0
Shovel-Ready Capital Recovery/Invest Act	(15,000,000)	0	0	0	0
Water Recreation Enhancement Fund	(100,000,000)	0	0	0	0
NCCF	(40,723,459)	0	0	0	0
Jobs & Econ Development Initiative (STARWARS)	(20,000,000)	0	0	0	0
Governors Emergency Fund	(5,000,000)	0	0	0	0
Nebr Environmental Response Act	(300,000)	0	0	0	0
Community College State Dependents Fund	(1,000,000)	(1,000,000)	0	0	0
Economic Recovery Act	0	(10,000,000)	(40,000,000)	0	0
Education Future Fund	0	(1,000,000,000)	(250,000,000)	(250,000,000)	(250,000,000)
DEE LEAD Cash Fund	0	(10,000,000)	0	0	0
Nuclear & Hydrogen Dev. Fund	(200,000)	0	0	0	0
Workers' Compensation Court Cash	0	(750,000)	0	0	0
Community College Future Fund	0	0	(254,499,886)	(263,407,382)	(272,626,640)
General Fund Transfers-Out	(518,053,459)	(1,399,760,000)	(944,091,886)	(952,417,382)	(976,636,640)

Changes in Transfers-Out

Community College State Dependents Fund

This program offers tuition reimbursement for dependents of state employees enrolled in one of the state's 6 community colleges. The program began in FY2021-22, and increased transfers out of the General Fund were included in the FY2023-25 biennial budget in the 2023 session. This program is designed to target dependents who begin their program of study between ages of 18-25 years old, and would provide tuition reimbursement (a maximum of 65 credit hours per student) for those dependents of state employees who earn a grade of C or higher upon completion of a course. Reimbursement checks would be administered by DAS Benefits Administration (Prog 606) and would be issued directly to state employees. A separate cash fund would be established to account for the expenditures. Due to the

amount of available funding from transfers relative to expected expenditures through FY2024-25, a reduction of the enacted transfer of \$1.5 million was included in the Appropriations Committee recommendation. More time has been needed than originally anticipated to achieve maximize usage, and current funding is sufficient to last through the biennium.

Water Sustainability Fund

The Committee approved three items in the Governor’s budget recommendation relating to the Water Sustainability Fund:

- Decreased the transfer from the General Fund to the Water Sustainability Fund from \$11,000,000 in FY2024-25 to \$2,519,000, a delta of \$8,481,000;
- Added an earmark prohibiting the Water Sustainability Fund to be expended on the Cedar/Knox Rural Drinking Water Project; and
- Reduced the base re-appropriation of the Water Sustainability Fund by \$8,481,000.

The Water Sustainability Fund was established in 2014 by LB1098 with initial transfer of \$21 million. The total funds transferred into the Water Sustainability Fund over the past decade is approximately \$100 million with approximately \$80 million worth of projects having been awarded. Current fund balance is approximately \$40 million. The Natural Resources Commission is tasked with awarding Water Sustainability Fund Projects with the scoring prescribed in statute under 2-1508. The Cedar/Knox County project was awarded \$8,481,000 in October of 2022 with the contract being signed in March of 2023. Once contracts are awarded under the Water Sustainability Fund the Department is statutorily required to create a subaccount corresponding to the project (2-1507), the intent is this would reduce the appropriation and fund balance of that subaccount thus voiding the contract through absence of state appropriation.

Community College Future Fund

LB 243 (2023) created the Community College Future Fund, which is funded by transfers from the General Fund equal to the amount of community college aid certified by the Postsecondary Coordinating Commission by August 15 of each year. The total amount transferred, originally estimated to be \$246,499,886, is now estimated to be approximately \$8 million higher for FY2024-25 based on information presented at the agency hearing. In the first year, aid is determined by the (1) property taxes levied for FY2023-24; or (2) property tax valuation multiplied by 7.5 cents; whichever is greater, and then increased by 3.5% or the percentage increase in the reimbursable education units (REUs) by community college area, whichever is greater. Updated estimates on growth in REU’s lead to an increased estimate for aid required under the act. In future years, total certified aid continues to increase from the prior year at 3.5% or the percentage increase in REU’s, whichever is greater. For purposes of the General Fund financial status, increases in the total amount transferred in FY2025-26 and FY2026-27 is estimated to grow at 3.5%.

Historical General Fund Transfers-Out

The total amount of funds transferred out of the General Fund has grown significantly over time, and most notably since FY2020-21. Actual transfers out of the General fund are shown in Table 7. In 2007, the Property Tax Credit Act was enacted and funded through a transfer to the Property Tax Credit Cash Fund. Transfers for this program constituted 80-96% of all transfers out of the General Fund until FY2021-22.

In FY2021-22, there was a 41% increase in transfers out, as compared to FY2020-21, followed by an 18% increase in FY2022-23, and a 170% increase in FY2023-24. A large portion of the 41% increase in FY2021-22 included funds transferred to the NCCF for construction of prison facilities. In FY2022-23, additional transfers to the NCCF, to the Water Recreation Enhancement Fund and JEDI Fund for the STARWARS projects, and to the Shovel-Ready Capital Investment Fund contributed to an 18% increase in funds transferred out. Beginning in FY2023-24, the transfer to the Education Future Fund for special education and foundation aid expenses contributed to the large 170% increase.

Estimates for transfers out in FY2024-25 through FY2026-27 indicate 40-45% of funds transferred will be to the Property Tax Credit Fund, 26% of funds transferred will be to the Education Future Fund, and about 27% of funds transferred will be to the Community College Future Fund for aid to community colleges.

Table 7 Historical General Fund Transfers-Out

Fiscal Year	Total Transfers Out	% Change from Prior Year	Total Prop Tax Credit Fund	% of Total Prop Tax Credit Fund	Total Education Future Fund	% of Total EFF	Total Comm College Future Fund	% of Total CCFF
FY1995-96	(8,910,000)		0	0.00%	0	0.00%	0	0.00%
FY1996-97	(8,660,000)	-2.81%	0	0.00%	0	0.00%	0	0.00%
FY1997-98	(7,660,000)	-11.55%	0	0.00%	0	0.00%	0	0.00%
FY1998-99	(14,373,587)	87.64%	0	0.00%	0	0.00%	0	0.00%
FY1999-00	(13,507,109)	-6.03%	0	0.00%	0	0.00%	0	0.00%
FY2000-01	(5,640,000)	-58.24%	0	0.00%	0	0.00%	0	0.00%
FY2001-02	(3,650,000)	-35.28%	0	0.00%	0	0.00%	0	0.00%
FY2002-03	(5,300,000)	45.21%	0	0.00%	0	0.00%	0	0.00%
FY2003-04	(1,640,000)	-69.06%	0	0.00%	0	0.00%	0	0.00%
FY2004-05	(1,640,000)	0.00%	0	0.00%	0	0.00%	0	0.00%
FY2005-06	(9,140,000)	457.32%	0	0.00%	0	0.00%	0	0.00%
FY2006-07	(9,140,000)	0.00%	0	0.00%	0	0.00%	0	0.00%
FY2007-08	(128,730,000)	1308.42%	(105,000,000)	81.57%	0	0.00%	0	0.00%
FY2008-09	(120,200,000)	-6.63%	(115,000,000)	95.67%	0	0.00%	0	0.00%
FY2009-10	(126,050,000)	4.87%	(112,000,000)	88.85%	0	0.00%	0	0.00%
FY2010-11	(120,725,000)	-4.22%	(112,000,000)	92.77%	0	0.00%	0	0.00%
FY2011-12	(140,800,000)	16.63%	(110,000,000)	78.13%	0	0.00%	0	0.00%
FY2012-13	(114,700,000)	-18.54%	(110,000,000)	95.90%	0	0.00%	0	0.00%
FY2013-14	(121,300,000)	5.75%	(113,000,000)	93.16%	0	0.00%	0	0.00%
FY2014-15	(188,350,000)	55.28%	(138,000,000)	73.27%	0	0.00%	0	0.00%
FY2015-16	(222,400,000)	18.08%	(202,000,000)	90.83%	0	0.00%	0	0.00%
FY2016-17	(217,100,000)	-2.38%	(202,000,000)	93.04%	0	0.00%	0	0.00%
FY2017-18	(233,470,000)	7.54%	(221,000,000)	94.66%	0	0.00%	0	0.00%
FY2018-19	(230,300,000)	-1.36%	(221,000,000)	95.96%	0	0.00%	0	0.00%
FY2019-20	(286,800,000)	24.53%	(272,000,000)	94.84%	0	0.00%	0	0.00%
FY2020-21	(310,600,000)	8.30%	(272,000,000)	87.57%	0	0.00%	0	0.00%
FY2021-22	(440,830,000)	41.93%	(297,000,000)	67.37%	0	0.00%	0	0.00%
FY2022-23	(518,053,459)	17.52%	(310,000,000)	59.84%	0	0.00%	0	0.00%
FY2023-24	(1,399,760,000)	170.20%	(360,000,000)	25.72%	(1,000,000,000)	71.44%	0	0.00%
FY2024-25	(944,091,886)	-32.55%	(395,000,000)	41.84%	(250,000,000)	26.48%	(254,499,886)	26.96%
FY2025-26	(952,417,382)	0.88%	(427,000,000)	44.83%	(250,000,000)	26.25%	(263,407,382)	27.66%
FY2026-27	(976,636,640)	2.54%	(442,000,000)	45.26%	(250,000,000)	25.60%	(272,626,640)	27.91%

General Fund Transfers-In

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

Such transfers for the biennial budget are shown in Table 8 along with amounts that were transferred in FY2022-23, which were enacted in the 2021 and 2022 legislative sessions and are already included in FY2022-23 actual receipts.

Historically there have been transfers from three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. In the 2021 session, the enacted budget included transfers-in of \$33.3 million in FY2021-22 and \$39.3 million in FY2022-23. Also included was cancellation of a \$2.25 million of the \$28 million FY21 transfer of Securities Act funds due to lack of adequate cash flow.

In the 2023 session, transfers into the General Fund in the enacted budget equaled the same amount as in FY2022-23. These transfer amounts are already incorporated into the “Net Receipts” figures of the NEFAB forecasts.

The Governor’s recommendation includes \$213.5 million in funds transferred to the General Fund in FY2023-24 and an additional \$60.3 million in FY2024-25. These amounts include reduction of enacted transfers in FY2024-25 and transfers in from numerous agency cash funds.

The Appropriations Committee 2024 preliminary budget includes additional transfers into the General Fund of \$198,016,542 in FY2023-24 and \$46,776,716 in FY2024-25.

The total amount of transfers included in the recommendation is \$237,312,499 in FY2023-24 and \$86,072,673 in FY2024-25, which includes those amounts enacted in 2023 and included in the General Fund net revenue forecast.

Table 8 General Fund Transfers-In Already in Forecast (Enacted 2023)

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

Table 9 New General Fund Transfers-In

	Biennial Budget		Following Biennium	
	FY2023-24	FY2024-25	FY2025-26	FY2026-27
Securities Act Cash Fund	15,500,000	15,500,000	0	0
Dept of Insurance Cash Fund	24,000,000	4,000,000	0	0
Tobacco Products Admin Cash Fund	8,000,000	2,000,000	0	0
State Settlement Cash Fund	10,000,000	5,000,000	0	0
Universal Services Fund (interest)	0	interest	Interest	interest
Records Management Cash Fund	3,000,000	0	0	0
Revenue Enforcement Fund	4,000,000	1,000,000	0	0
Charitable Gaming Operations Fund	7,000,000	1,500,000	0	0
Civic and Community Center Fund	0	4,000,000	0	0
State Visitors Promotion Fund	0	5,000,000	0	0
Water Recreation Enhancement Fund	6,500,000	0	0	0
Contractor & Professional Employer Org Reg.	1,000,000	0	0	0
Dept of Motor Vehicles Cash Fund	1,166,542	526,716	0	0
Site and Building Development Fund	9,000,000	0	0	0
Job Training Cash Fund	2,600,000	0	0	0
State Unemployment Insurance Trust	70,000,000	0	0	0
Employment Security Contingency	2,500,000	2,500,000	0	0
Training and Support Fund	1,000,000	0	0	0
Behavioral Health Services Cash	11,000,000	4,000,000	0	0
Health and Human Services Cash	14,750,000	1,750,000	0	0
HHS Professional & Occupational Credentialing	7,000,000	0	0	0
Transfers-In (new)	198,016,542	46,776,716	0	0

Increases in Existing Transfers-In

Securities Act Cash Fund

The Securities Act Cash Fund transfer to the General Fund was increased by \$15.5 million per year for a total of \$39.5 million per year for FY24 and FY25. Projected fund balance at the end of FY2024-25 will be approximately \$15.3 million.

Insurance Cash Fund

The Insurance Cash Fund transfer to the General Fund was increased by \$24 million for FY24 and \$4 million for FY25. The total transfer is \$32 million for FY24 and \$12 million for FY25. Projected fund balance at the end of FY2024-25 will be approximately \$7.3 million.

Tobacco Products Administration Cash Fund

The Appropriations Committee recommendation includes an increase to the transfers from the Tobacco Products Administration Cash Fund to the General Fund. The proposed budget increases this transfer from \$7 million to \$15 million in FY24 and \$7 million to \$9 million in FY25. The Tobacco Products Administration Cash Fund receives tobacco tax revenue with administrative expenditures connected to this tax paid out of the fund. Projected fund balance at the end of FY2024-25 will be approximately \$1.4 million.

State Settlement Cash Fund

The 2023 enacted budget included a transfer to the General Fund from the State Settlement Cash Fund of \$295,957 each year. The Committee recommendation includes transferring an additional \$10 million in FY2023-24 and \$5 million in FY2024-25 due to the high unobligated balance in the State Settlement Cash Fund. Funds in the State Settlement Cash

Fund originate from court ordered settlements for prior cases. Projected fund balance at the end of FY2024-25 will be approximately \$12.2 million.

New General Fund Transfers-In

Universal Services Fund

Beginning in FY2024-25, all interest earned on the Universal Service Fund, minus any amount transferred to the 211 Cash Fund, is transferred to the General Fund. This is an ongoing provision, not limited to FY2024-25. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$127.3 million.

Records Management Cash Fund

The Committee recommendation includes a transfer of \$3 million from the Records Management Cash Fund to the General Fund in FY2023-24. Funds in the Records Management Cash Fund originate from fees for services provided. Projected fund balance at the end of FY2024-25 will be approximately \$3.7 million.

Department of Revenue Enforcement Cash Fund

The Appropriations Committee proposed budget includes transfers from the Department of Revenue Enforcement Cash Fund to the General Fund of \$4 million in FY24 and \$1 million in FY25. This fund is permitted to be used for operational expenses related to revenue enforcement. Projected fund balance at the end of FY2024-25 will be approximately \$2.1 million.

Charitable Gaming Operations Fund

The Appropriations Committee proposed budget includes transfers from the Charitable Gaming Operations Fund to the General Fund of \$7 million in FY24 and \$1.5 million in FY25. 40% of taxes collected under the acts the Charitable Gaming Division of the Department of Revenue is responsible for are available for administering and enforcing the acts; the remaining 60% is transferred to the General Fund. This Cash Fund is also used to provide support for the Nebraska Commission on Problem Gambling. Projected fund balance at the end of FY2024-25 will be approximately \$500,000.

Civic and Community Center Fund

The Committee recommendation includes a transfer of \$4 million from the Civic and Community Center Financing Fund (CCCCF) in FY2024-25 to the General Fund. The CCCCFF receives 30% of the revenue certified under the Convention Center Facility Financing Act, a sales-tax turnback used for financing Convention Centers. The CCCCFF is used to award grants for the construction of new civic and recreation centers, renovation of existing centers, preservation of historic buildings or districts, upgrading public spaces including demolition of substandard or abandoned buildings, technical studies related to upgrading civic spaces, and in assisting creative arts districts. Projected fund balance at the end of FY2024-25 will be approximately \$1.6 million.

State Visitors Promotion Fund

The Appropriations Committee recommendation includes a transfer of \$5 million in FY2024-25 from the State Visitors Promotion Fund. Revenue in the fund is from the state lodging excise tax and used by the Commission for operating expenses and promotion of tourism. The funds transferred in FY2024-25 are intended to fund the new appropriation to the Department of Economic Development for a statewide marketing campaign. Projected fund balance at the end of FY2024-25 will be approximately \$1.6 million.

Water Recreation Enhancement Fund

The Water Recreation and Enhancement Fund was funded by a \$100 million transfer from the General Fund in FY22-23. This fund is used to support the Statewide Tourism and Recreational Water Access and Resource Sustainability (STARWARS) initiatives at three state park areas as proposed by the STARWARS Legislative special committee (Lewis and

Clark State Recreation Area, Niobrara State Park, and Lake McConaughy State Recreation Area) for the purpose of increasing access to water resources, outdoor recreational opportunities, and tourism. The \$6.5 million transfer and corresponding reappropriation lapse of the same amount both narrow the scope of projects slightly by eliminating authorization for projects to increase access to the parks. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$88.3 million.

Contractor and Professional Employer Organization Regulation Fund

The Committee recommendation includes a transfer of \$1 million from the Contractor and Professional Employer Organization Registration Cash Fund in fiscal year 2023/24 to the General Fund. Funds in the Contractor and PEO fund originate from fees collected pursuant to the Farm Labor Contractors Act, the Contractor Registration Act, and the Professional Employer Organization Registration Act. Projected fund balance at the end of FY2024-25 will be approximately \$500,000.

Department of Motor Vehicles Cash Fund

The Committee recommendation includes a transfer of \$1,166,542 in FY2023-24 and \$526,716 in FY2024-25 from the Department of Motor Vehicles Cash Fund. The transfer amounts equal the savings resulting to the agency from reduced OCIO rates in each fiscal year. Revenue in the fund is from fees related to motor vehicles, including drivers' licenses, registration, license plates, issuance of title, and ignition interlock permits, and is used for administration expenses of the department. Projected fund balance at the end of FY2024-25 will be approximately \$10 million.

Site and Building Development Fund

The Committee recommendation includes a transfer of \$9 million in FY24-25 from the Site and Building Development Fund to the General Fund in FY2024-25. The Fund was established in 2011 by LB388 and has historically been funded by a portion of the Documentary Stamp Tax though recently has received large transfers from the General and Cash Reserve Funds approved by the Legislature. The primary purpose of the fund has been to issue grants to municipalities to assist in making sites ready for industrial development, though there have been projects earmarked for special purposes within the fund. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$5 million.

Job Training Cash Fund

The Job Training Cash Fund Cash Fund, in its current form, was established via a transfer of \$15 million from the Cash Reserve Fund in 2005 (LB427). The Committee recommendation includes a transfer of the balance of the fund as it exists at the end of FY2024-25. Current balance in the fund is approximately \$2.6 million. The Department of Economic Development has been in the process of winding down the fund with the fund balance being unable to continue the program in FY2025-26. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be zero.

State Unemployment Insurance Trust Fund

The Committee recommendation includes a transfer of \$70 million from the State Unemployment Insurance Trust Fund (SUIT) in FY2023-24 to the General Fund. Of this amount, \$10 million is transferred to fund the \$10 million General Fund appropriation to continue the Department of Labor's workforce development program. Funds in the SUIT Fund originate from all state unemployment insurance tax collected under sections 48-648 to 48-661. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$7.2 million.

Employment Security Special Contingent Fund

The Committee recommendation includes a transfer of \$2.5 million each fiscal year from the Employment Security Special Contingent Fund to the General Fund. Funds in the Employment Security Special Contingent Fund originate from interest on delinquent unemployment insurance contributions. The transfers require amending the provisions of the

fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$3.7 million.

Training and Support Fund

The Committee recommendation includes a transfer of \$1 million from the Training and Support Cash Fund in FY2023-24 to the General Fund. Funds in the Training and Support Cash Fund originate from interest earned on the SUIT Fund. The transfer requires amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$2.2 million.

Behavioral Health Services Cash Fund

The Committee recommendation includes a transfer \$11 million in FY2023-24 and \$4 million in FY2024-25 from the Behavioral Health Services Fund to the General Fund. This fund receives a portion of the Documentary Stamp Tax, approximately \$5 million in the past two years. The balance has grown over time as expenditures on aid have remained flat at approximately \$3 million. The transfers require amending the provisions of the fund to allow transfer to the General Fund. Projected fund balance at the end of FY2024-25 will be approximately \$1.2 million.

Health and Human Services Cash Fund

The Committee recommendation includes a transfer \$14,750,000 in FY2023-24 and \$1,750,000 in FY2024-25 from the Health and Human Services Cash Fund to the General Fund. The total is composed of transfers from the following sub-funds: \$8 million in FY2023-24 only from the HHS MMIS Fund, \$2.75 million in FY2023-24 and \$750,000 in FY2024-25 from the X-Ray Fund, \$2 million in FY2023-24 and \$500,000 in FY2024-25 from the Pharmacy Fund, and \$2 million in FY2023-24 and \$500,000 in FY2024-25 from the Wholesale Drug Distributor Fund. Projected fund balance at the end of FY2024-25 will be approximately \$5 million.

Professional and Occupational Credentialing Cash Fund

The Committee recommendation includes a transfer \$7 million in FY2023-24 from the Professional and Occupational Credentialing Cash Fund to the General Fund. The fund collects revenue from fees imposed on 43 different professions and occupations that are overseen by DHHS. Revenue fluctuates on a two-year basis due to biennial renewals. The balance has grown over time as revenues have grown while expenditures on operations remain flat. Projected fund balance at the end of FY2024-25 will be approximately \$5.6 million.

Historical General Fund Transfers-In

Table 10 shows historical transfers from cash funds, not including the Cash Reserve Fund, to the General Fund. In times of economic downturn, the amounts are generally higher (i.e. FY2009-10, FY2010-11, FY2017-18, and FY2018-19).

Table 10 Historical General Fund Transfers-In

Fiscal Year	Fiscal Year End Cash Fund Balances	Annual % Change CF Balance	Total Fiscal Year GF Transfers-In	GF transfers-in as % of Cash Balance
FY06-07	703,953,655		26,750,000	3.80%
FY07-08	784,089,055	11.38%	14,350,000	1.83%
FY08-09	783,844,862	-0.03%	34,000,000	4.34%
FY09-10	830,080,007	5.90%	73,010,000	8.80%
FY10-11	898,463,791	8.24%	72,158,100	8.03%
FY11-12	980,149,585	9.09%	37,897,500	3.87%
FY12-13	1,039,318,217	6.04%	33,300,000	3.20%
FY13-14	1,113,368,176	7.12%	37,200,000	3.34%
FY14-15	1,186,428,822	6.56%	44,000,000	3.71%
FY15-16	1,169,967,853	-1.39%	55,645,000	4.76%
FY16-17	1,209,813,774	3.41%	48,800,000	4.03%
FY17-18	1,235,730,547	2.14%	107,829,101	8.73%
FY18-19	1,335,267,411	8.05%	97,589,933	7.31%
FY19-20	1,493,155,555	11.82%	48,795,957	3.27%
FY20-21	1,754,898,719	17.53%	49,045,957	2.79%
FY21-22	1,989,682,173	13.38%	33,295,957	1.67%
FY22-23	2,528,892,295	27.10%	39,295,957	1.55%
FY23-24*	2,679,435,245	5.95%	237,312,499	8.86%
FY24-25*	2,838,939,897	5.95%	86,072,673	3.03%

* Fiscal year end cash fund balance is estimated.

General Fund Appropriations – Current Biennium

The financial status shown in this section includes the Appropriations Committee budget recommendations for current year deficits (FY2023-24) and adjustments for FY2024-25, the second year of the biennial budget. A listing of the most significant General Fund adjustments is shown on the next page. The amount of mid-biennium budget adjustments in the Committee budget is a net \$88 million increase over the two year period. This does not include the \$31.3 million lapsed reappropriations of prior year unexpended funds.

<i>FY2023-24</i>	Operations	State Aid	Construction	Total
FY22-23 Base	1,873,192,160	3,228,558,483	23,921,610	5,125,672,253
Appropriations Committee Budget	2,043,668,315	3,279,955,601	21,303,928	5,344,927,844
Floor Amendments / Corrections	850,037	(4,395,923)	0	(3,545,886)
Governor Vetoes	(2,239,794)	(9,150,000)	0	(11,389,794)
Veto Overrides	309,461	0	0	309,461
Subtotal-Mainline Budget Bills	2,042,588,019	3,266,409,678	21,303,928	5,330,301,625
"A" Bills	15,424,545	3,708,248	0	19,132,793
Total Per 2023 Session	2,058,012,564	3,270,117,926	21,303,928	5,349,434,418
2024 Session-Committee Preliminary	7,842,200	(7,337,728)	0	504,472
2024 Session-Post Hearing Adjustments	(753,987)	15,206,007	0	14,452,020
2024 Session State Claims	100,000	0	0	100,000
2024 Session - Deficits	7,188,213	7,868,279	0	15,056,492
Final Appropriation with deficits	2,065,200,777	3,277,986,205	21,303,928	5,364,490,910
Change over prior year (excluding deficits)				
Dollar	184,820,404	41,559,443	(2,617,682)	223,762,165
Percent	9.9%	1.3%	-10.9%	4.4%

<i>FY2024-25</i>	Operations	State Aid	Construction	Total
FY22-23 Base	1,873,192,160	3,228,558,483	23,921,610	5,125,672,253
Appropriations Committee Budget	2,137,396,565	3,202,644,620	21,303,928	5,361,345,113
Floor Amendments / Corrections	866,235	(9,101,123)	0	(8,234,888)
Governor Vetoes	(4,650,002)	(22,412,397)	0	(27,062,399)
Veto Overrides	539,242	0	0	539,242
Subtotal-Mainline Budget Bills	2,134,152,040	3,171,131,100	21,303,928	5,326,587,068
"A" Bills	14,835,092	28,923,718	0	43,758,810
Total Per 2023 Session	2,148,987,132	3,200,054,818	21,303,928	5,370,345,878
2024 Session-Committee Preliminary	824,025	(54,065,548)	0	(53,241,523)
2024 Session-Post Hearing Adjustments	3,717,902	122,535,323	0	126,253,225
2024 Session - Midbiennium Adjustments	4,541,927	68,469,775	0	73,011,702
Total Per 2024 Session	2,153,529,059	3,268,524,593	21,303,928	5,443,357,580
Change over prior year (excluding deficits)				
Dollar	95,516,495	(1,593,333)	0	93,923,162
Percent	4.6%	0.0%	0.0%	1.8%

Table 11 Summary of FY2023-24 and FY2024-25 General Fund Budget

	W/o deficits FY2022-23	Per 2023 Session		Per 2024 Session		Per 2024 Session	
		Enacted FY2023-24	Enacted FY2024-25	Prelim Adj FY2023-24	Prelim Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
Agency Operations							
University & State /Colleges	704,132,488	724,181,629	758,983,840	0	0	724,181,629	758,983,840
Health & Human Services	291,885,024	346,126,184	359,340,835	7,308,832	(3,896,385)	353,435,016	355,444,450
Correctional Services	289,961,758	342,518,271	353,230,798	(910,506)	(436,685)	341,607,765	352,794,113
Courts	204,357,073	219,392,861	232,452,664	(74,755)	(13,530)	219,318,106	232,439,134
State Patrol	70,282,670	82,859,249	87,039,432	94,412	920,611	82,953,661	87,960,043
Retirement Board	57,826,161	60,972,169	63,139,000	0	3,561,303	60,972,169	66,700,303
Revenue	30,222,159	32,404,613	33,115,321	(1,360,155)	(233,361)	31,044,458	32,881,960
Other 39 Agencies	224,524,827	249,412,838	261,540,492	2,030,385	4,639,974	236,991,203	266,180,466
Total-GF Operations	1,873,192,160	2,057,867,814	2,148,842,382	7,088,213	4,541,927	2,050,504,007	2,153,384,309
State Aid to Individuals/Others							
Workforce Development	0	10,000,000	0	0	10,000,000	10,000,000	10,000,000
Medicaid	991,653,018	1,007,479,783	1,012,640,639	0	0	1,007,479,783	1,012,640,639
Child Welfare Aid	179,864,054	182,837,350	182,756,746	20,000,000	0	202,837,350	182,756,746
Developmental disabilities aid	174,638,509	175,955,731	197,567,183	10,000,000	0	185,955,731	197,567,183
Public Assistance	89,156,005	86,130,054	86,380,054	(20,000,000)	(10,000,000)	66,130,054	76,380,054
Behavioral Health aid	74,311,162	84,505,211	85,382,211	(15,000,000)	(15,000,000)	69,505,211	70,382,211
Childrens Health Insurance (SCHIP)	26,433,262	26,384,947	26,246,298	0	0	26,384,947	26,246,298
Nebr Broadband Bridge Act	19,795,788	19,795,788	19,795,788	0	0	19,795,788	19,795,788
Business Innovation Act	19,251,162	19,234,402	19,234,402	0	0	19,234,402	19,234,402
Aging Programs	11,722,579	11,722,579	11,722,579	0	0	11,722,579	11,722,579
Public Health Aid	11,314,060	11,314,060	11,314,060	0	0	11,314,060	11,314,060
Nebraska Career Scholarships	14,050,000	19,107,500	20,240,000	0	0	19,107,500	20,240,000
Higher Ed Student Aid programs	9,093,430	9,593,430	9,593,430	0	0	9,593,430	9,593,430
Health Aid	6,877,196	6,877,196	6,877,196	0	0	6,877,196	6,877,196
Nebraska Rural Projects Act	4,896,460	4,896,460	4,896,460	0	0	4,896,460	4,896,460
All Other Aid to Individuals/Other	33,937,821	44,978,130	32,804,893	47,207	47,207	44,755,337	42,582,100
Total-GF Aid to Individuals/Other	1,666,849,756	1,710,812,621	1,727,451,939	(4,952,793)	(24,952,793)	1,705,589,828	1,712,229,146
State Aid to Local Govts							
State Aid to Schools (TEEOSA)	1,038,686,234	1,030,190,990	944,862,755	(2,134,335)	65,272,568	1,028,056,655	1,010,135,323
Property Tax Credit	313 mil (transfer)	363 mil (transfer)	398 mil (transfer)	0	0	363 mil (transfer)	398 mil (transfer)
Community College Future Fund	0	0	246 mil (transfer)	0	8 mil est	0	254 mil (transfer)
Special Education - General Fund	235,724,474	235,724,474	235,724,474	0	0	235,724,474	235,724,474
Special Education - Ed Future Fund	0	199 mil (transfer)	206 mil (transfer)	27.5 mil	0	227 mil (transfer)	206 mil (transfer)
Aid to Community Colleges	109,804,330	111,939,172	114,116,711	0	0	111,939,172	114,116,711
Homestead Exemption	121,300,000	128,000,000	133,600,000	14,700,000	15,400,000	142,700,000	149,000,000
Aid to ESU's	13,613,976	13,613,976	13,613,976	0	0	13,613,976	13,613,976
Aid to Counties programs	2,000,000	0	0	0	0	0	0
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0	2,342,962	2,342,962
Early Childhood programs	11,119,357	11,119,357	11,119,357	0	0	11,119,357	11,119,357
Community Based Juvenile Services	5,798,000	5,798,000	5,798,000	0	0	5,798,000	5,798,000
Governors Emergency Program	5,000,000	5,000,000	5,000,000	0	0	5,000,000	5,000,000
Resources Development Fund	0	0	0	0	0	0	0
Other Aid to Local Govt	16,319,394	15,721,124	6,569,394	255,407	2,750,000	15,976,531	9,319,394
Total-GF Aid to Local Govt	1,561,708,727	1,559,450,055	1,472,747,629	12,821,072	83,422,568	1,572,271,127	1,556,170,197
Capital Construction	23,921,610	21,303,928	21,303,928	0	0	21,303,928	21,303,928
TOTAL-MAINLINE BUDGET	5,125,672,253	5,349,434,418	5,370,345,878	14,956,492	63,011,702	5,349,668,890	5,443,087,580

Table 12 Significant General Fund Budget Adjustments – 2024 Session

Agency	Prog	Item	Committee	
			FY2023-24	FY2024-25
Education	Mult	Salary Adjustments	415,704	580,863
Education	158	Maintenance of Equity - ESSRS	505,407	0
Education	158	TEEOSA Adjustment - Jan recalc	(2,134,355)	65,272,568
Revenue	108	Additional Forecasted Homestead Exemption	14,700,000	15,400,000
Labor	31	Workforce Development	0	10,000,000
DHHS	38	Base Reduction: Behavioral Health	(15,000,000)	(15,000,000)
DHHS	347	Base Reduction: Public Assistance	(20,000,000)	(10,000,000)
DHHS	354	Increase Child Welfare Aid	20,000,000	0
DHHS	365	Regional Centers Increased Staff Costs	15,000,000	0
DHHS	424	Adjust Developmental Disabilities Provider Rate Funding	10,000,000	0
Military	544	Grant for runway project	0	3,000,000
State Patrol	100	Salary Compression Adjustments	0	935,261
Econ Dev	603	State Marketing Campaign	0	5,000,000
Econ Dev	603	Bioeconomy Initiative	2,500,000	0
Environ & Energy	513	Dredge and Fill Program	(804,136)	(1,588,372)
Mult Agencies	--	OCIO Costs	(10,488,281)	(3,547,866)
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(1,023,942)
Retirement	515	Additional Retirement Contribution	0	3,561,303
--	--	All Other	262,153	421,887
Total General Funds –New Appropriations			14,956,492	73,011,702

The financial status shown includes the Appropriations Committee recommendation for current year deficits (FY2023-24) and adjustments for FY2024-25, the second year of the biennial budget. A complete listing of all General Fund adjustments can be found in Appendix A on pages 44-45.

TEEOSA State Aid

The State Department of Education issued the FY2024-25 TEEOSA state aid estimate in November of 2023 based on assumptions and estimates discussed at the joint meeting with DAS Budget and LFO. The total TEEOSA aid was estimated to be \$1.070 billion with \$916 million paid from the General Fund. A recalculation is done annually each December and the results of the recalculation are released the following January. Actual financial data replaces the estimated data Fall Membership data is replaced with the Average Daily Membership (ADM) data.

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

Accounting for all additional changes in the recalculation, total equalization aid increased by 23.04%, total amount of General Funds need increased by 10.29%, and total TEEOSA aid increased by 8.73%.

Table 13 TEEOSA State Aid Components November 2023 and January 2024

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

Table 14 TEEOSA State Aid Estimates FY2024-25, FY2025-26, and FY2026-27

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

Employee Salary – Department of Education

The Committee recommendation includes funds for salaries for an additional 75 employees, which were not included in their biennial budget request in the 2023 session. The budgeted salary increases for agency employees was calculated using provided data on employees. However, some vacant positions were not accounted for, leading to a need for additional funds as the positions were filled.

The Committee recommendation also includes LB 858, which, as amended, provides funds for one additional staff person in the Department of Education office of finance and administrative services.

Department of Revenue – Homestead Exemption

The Appropriations Committee proposed budget reflects the projected increase for appropriations needed to fully reimburse local governments for losses associated with homestead exemptions. The forecast for FY24 and FY25 projects an increase of \$14.7 million and \$15.4 million needed for homestead exemptions, respectively. This would make the appropriation for homestead exemptions \$142.7 million in FY24 and \$149.0 million in FY25.

Department of Labor – Workforce Development

The Committee recommendation includes \$10 million from the General Fund to fund Workforce Development Grants in FY2024-25. This provides additional funding that was funded by \$10 million in ARPA Coronavirus State Fiscal Recovery Funds in FY2022-23 and was funded by a \$10 million General Fund appropriation in FY2023-24. To fund the additional year of the program, \$10 million is transferred from the State Unemployment Insurance Trust (SUIT) Fund to the General Fund, resulting in a net \$0 General Fund impact. The SUIT Fund is comprised of all state unemployment insurance tax collected under sections 48-648 to 48-661.

DHHS Base Adjustments

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

The Committee recommendation also includes a \$20 million reduction in FY2023-24 and a \$10 million reduction in FY2024-25 in the base appropriation for the Public Assistance program. The reduction of \$10 million each year aligns the appropriation with post-pandemic spend patterns. DHHS has requested an additional \$10 million reduction in FY2023-24 due to availability of ARPA funding which offsets the need for these funds.

DHHS Regional Centers Staffing Costs

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

DHHS Child Welfare

The Committee recommendation includes the agency request of \$20 million of additional funds in FY2023-24 for the Child Welfare program. The Department indicates increased monthly expenses in FY2023-24, averaging \$18 million per month up from \$16 million per month in FY2022-23.

DHHS Developmental Disabilities Provider Rates

The Committee recommendation includes the agency request for the Developmental Disabilities (DD) aid program to allow the Department to pay for provider rate increases, originally authorized in LB 1014 (2022) with ARPA funds, via the typical process of a mix of General Funds and Federal Medicaid Funds instead of utilizing \$27.5 million in ARPA. In LB 1014, a total of \$47.5 million was appropriated and intent was included to designate \$20 million in ARPA FY2022-23 and \$27.5 million total for the current biennium (\$15 million for FY2023-24 and \$12.5 million for FY2024-25). The typical method of funding provider rates consists of using both state General Funds and Federal Funds based on the Federal

Medical Assistance Percentage (FMAP). In this case, the fund mix is \$10 million General Funds and \$17.5 million in Federal Funds. The General Funds for the DD provider rates are located in Program 424 and the Federal Funds were located in Program 348. Due to the incorporation of LB 1264 into the Committee's recommendation, discussed in the section on Federal Funds, the federal funds used for developmental disability services will be reported in Program 424.

Military Department

The Committee recommendation includes additional funding for tuition assistance for Service Members in the amount of \$47,207 to meet their current statutory annual cap of \$900,000.

Provisions of LB 1289 were included in the budget bill to include an appropriation of state aid in the amount of \$3,000,000 in FY2024-25 to award a grant to a municipal airport located in a city of the primary class. The grant shall only be used by the municipal airport for the maintenance, repair, and construction of runway facilities that serve the purposes of providing: (a) national and state military preparedness; (b) defense mission support; and (c) civilian passenger or cargo air services. The General Fund appropriation is funded by the one-time transfer of \$3 million from the Cash Reserve Fund in FY2024-25.

State Patrol Salary Compression Adjustments

At the beginning of Fiscal Year 2024, the SLEBC Labor Union, which includes Troopers, Sergeants, Investigative Officers, and Investigative Sergeants, received a historic salary increase of 22.1%. This significant adjustment set a new precedent for salary enhancements within the union. To prevent salary compression between union members and their higher-ranking, non-union supervisory counterparts, similar salary adjustments were also applied to non-union personnel. Initially, the agency mitigated the financial impact of these increases by utilizing funds from currently vacant positions. The request specifically aims to cover the costs associated with the salary increases that surpass the standard raises given to non-union State of Nebraska employees effective July 1, 2023. The total amount included in the recommendation for this purpose is \$1,114,030 (\$935,261 in General Funds).

Department of Economic Development – LB1333

LB1333 amends the Business Innovation Act section related to application planning grants. LB1333 increases the grant award ceiling from \$100,000 to \$150,000 for a business receiving a phase one grant under the federal grant program and creates a grant for \$300,000 for a business receiving a phase two grant under the federal grant program.

Department of Economic Development – State Marketing Campaign

A \$5 million General Fund appropriation in FY2024-25 for a marketing campaign targeting talented professionals to consider moving to the state of Nebraska. The program was initiated in the fall of 2021 with a \$10 million CARES Act Grant. Funds are transferred from the State Visitors Promotion Fund to the General Fund to provide the funding for this program in FY2024-25.

Department of Economic Development – Bioeconomic Initiative

A one-time \$2,500,000 appropriation of General Funds with the intent to contract with an entity to assist in growing Nebraska's bioeconomy, including expansions in the biomanufacturing and biotechnology segments.

Department of Environment and Energy – Dredge and Fill Program

The Committee recommendation includes a reduction in appropriation of \$804,136 General Funds in FY2023-24 and \$1,588,732 General Funds in FY2024-25. Appropriated funds were related to the LB809 (2022) which granted the Department authority to issue permits relating to dredge and fill of waters of the United States. The program was in the process of becoming active, this lapse of appropriation will cease the program. The Agency has testified that with changes to the definitions of waters of the United States a state operated program is no longer necessary. Dredge and

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

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

The Governor's recommendation included lapsing FY2022-23 General Funds, which were reappropriated for the current biennium in the 2023 budget, from the following:

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

The Committee has approved recommendations from the governor regarding financial adjustments within two distinct agencies. For the Supreme Court, programs 52 and 435, a reduction in the excess unexpended General Fund reappropriation amounting to \$10 million was approved. Similarly, for the Nebraska Crime Commission, the Committee agreed to a recommendation that decreases the surplus unexpended General Fund reappropriation in the agency's Law Enforcement Training Center Program by \$1.3 million. Finally, the Committee recommendation includes lapsing \$20 million from the Governor's Emergency Program in the Military Department. Total appropriated funds for this program exceeded \$60 million for FY2023-24.

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

Total Appropriations – All Funds

Table 15 shows the total appropriation from all fund sources as enacted in the 2023 legislative session with the Appropriations Committee proposal for budget adjustments in the 2024 session.

Table 15 Total Appropriations - All Funds

FY2022-23	General	Cash	Federal	Rev/Other	Total
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	5,159,222,974	3,533,700,385	5,094,762,528	1,220,534,608	15,008,220,495
Change over prior year (without 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%
FY2023-24	General	Cash	Federal	Rev/Other	Total
<i>Mainline Budget Bills</i>	5,330,301,625	3,598,433,463	4,739,057,455	1,298,301,375	14,966,093,918
"A" Bills	19,132,793	338,052,990	15,613,009	0	372,798,792
Total Per 2023 Session	5,349,434,418	3,936,486,453	4,754,670,464	1,298,301,375	15,338,892,710
2024 Session-Committee Proposed	14,956,492	103,782,123	49,099,749	(16,626,383)	151,211,981
2024 Session State Claims	100,000	0	0	225,000	325,000
2024 Session "A" bills	0	0	0	0	0
<i>2024 Session Midbiennium Actions</i>	15,056,492	103,782,123	49,099,749	(16,401,383)	151,536,981
Final Total - 2024 Session	5,364,490,910	4,040,268,576	4,803,770,213	1,281,899,992	15,490,429,691
Change over prior year (without deficits)					
Dollar	223,762,165	588,228,658	(512,114,901)	101,009,267	400,885,189
Percent	4.4%	17.6%	-9.7%	8.4%	2.7%
FY2024-25	General	Cash	Federal	Rev/Other	Total
<i>Mainline Budget Bills</i>	5,326,587,068	3,476,876,249	4,491,942,828	1,280,892,009	14,576,298,154
"A" Bills	43,758,810	586,418,952	20,631,504	0	650,809,266
Total Per 2023 Session	5,370,345,878	4,063,295,201	4,512,574,332	1,280,892,009	15,227,107,420
2024 Session-Committee Proposed	73,011,702	33,324,760	7,637,487	3,267,465	117,241,414
2024 Session "A" bills	0	0	0	0	0
<i>2024 Session Midbiennium Actions</i>	73,011,702	33,324,760	7,637,487	3,267,465	117,241,414
Total Per 2024 Session	5,443,357,580	4,096,619,961	4,520,211,819	1,284,159,474	15,344,348,834
Change over prior year (without deficits)					
Dollar	93,923,162	160,133,508	(234,458,645)	(14,141,901)	5,456,124
Percent	1.8%	4.1%	-4.9%	-1.1%	0.0%

Cash Funds

The preliminary budget contains adjustments of \$103,782,123 in FY2023-24 and \$27,324,760 in FY2024-25 in cash funds. Nearly all of these amounts can be attributed to the following:

- (1) An increase special education to the Department of Education, totaling \$27.5 million in FY2023-24 pursuant to the estimate of 80% of total reimbursable costs for school districts as required by LB 243 (2023);
- (2) An appropriation of cash funds for the Department of Economic Development for the Economic Recovery Act related to interest transferred to the fund (LB 531, 2023) and not previously appropriated, totaling \$45 million FY2023-24 and \$20 million in FY2024-25;
- (3) An appropriation of cash funds for the Department of Economic Development for the U.S. Strategic Command project grant in FY2023-24;
- (4) Cash authority increases for Department of Health and Human Services of \$3.5 million from the Opioid settlement funds each fiscal year and increase in FY2023-24 only of \$4.5 million for cash fund expenditures at Beatrice State Developmental Center;
- (5) An appropriation of \$10 million in FY2024-25 for a grant to a rehabilitation hospital for HVAC repair;
- (6) A reduction in appropriation of \$1 million in FY2023-24 and \$20 million in FY2024-25 for the JEDI fund;
- (7) An appropriation of \$5 million to Game and Parks Commission for the Nebraska Environmental Trust program;
- (8) An appropriation of \$1.5 million in cash funds for the Tourism Commission for marketing in FY2024-25 only; and
- (9) An increase of \$2.25 million per year for the Attorney General for litigation expenses.

Table 16 Significant Cash Fund Budget Adjustments – 2024 Session

Agency	Prg	Item	Committee	
			FY2023-24	FY2024-25
Education	158	Special Education calculation	27,539,228	0
Atty General	290	Litigation authority	2,250,000	2,250,000
Banking	65	Financial examiner salaries	0	791,289
Motor Vehicles	90	License plate production	1,562,626	411,538
DHHS	38	Opioid Settlement cash authority	3,500,000	3,500,000
DHHS	347	NE Homeless Assistance cash authority	0	1,200,000
DHHS	421	HHS Cash Fund BSDC	4,500,000	0
DHHS	514	LB 1125 - home visitation program	1,400,000	1,400,000
DHHS	514	LB 1209 - grant for rehabilitation hospital HVAC	0	10,000,000
Nat Resources	319	STARWARS Lake	(1,000,000)	(20,000,000)
Game & Parks	162	Environmental Trust aid	0	5,000,000
Game & Parks	549	Parks operations	1,900,000	1,900,000
Game & Parks	550	Chief Standing Bear grants	0	750,000
Eng & Arch	82	New staff position	0	80,514
State Patrol	100	Human trafficking software	200,000	338,000
State Patrol	100	Salary compression adjustments	0	133,220
Econ Dev	603	US Stratcom Facility	20,000,000	0
Econ Dev	611	Economic Recovery Act interest authority	45,000,000	20,000,000
Comm College	152	Community College Aid	0	\$8 Mil Est
Retirement	515	Retirement payout	78,879	0
Tourism	618	Spending authority	0	1,500,000
Public Advcy	425	Salary increase	0	69,090
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(736,562)
Mult Agencies	--	OCIO Costs	(3,299,518)	(1,309,874)
--	--	All Other	150,908	47,545
Total Cash Funds –New Appropriations			103,782,123	27,324,760

A full listing of cash appropriations adjustments in the preliminary budget is listed in Appendix D on page 53.

Department of Education – Special Education Expenses

Table 17 shows the change in special education reimbursements for FY2023-24, including the new appropriation adjustment of \$27.5 million cash funds in the Committee’s recommended budget, including the fund split between General Funds and cash funds from the Education Future Fund for these costs.

Table 17 Special Education Costs by Fund Source by Year

		FY23-24	FY24-25	FY25-26	FY26-27
General	Special Education - 80%	235,724,474	235,724,474	238,270,298	240,843,618
Cash	Special Education - 80%	226,580,280	206,007,489	213,217,751	220,680,372
Total Special Education Funds		462,304,754	441,731,963	451,488,049	461,523,990
% of Total - General Funds		50.99%	53.36%	52.77%	52.18%

Transfers into the Education Future Fund

The Committee recommendation includes two transfers into the Education Future Fund. Firstly, there are transfers from the Nebraska Education Improvement Fund of \$7 million in FY2023-24 and \$5 million in FY2024-25 of unused lottery funds to the Education Future Fund. Projected fund balance of Nebraska Education Improvement Fund at the end of FY2024-25 will be approximately \$2.7 million.

Secondly, the Committee recommendation also includes a transfer of \$500,000 from the Professional Practices Commission Fund in FY2023-24. Projected fund balance of the Professional Practices Commission Fund at the end of FY2024-25 will be approximately \$2.5 million.

The Education Future Fund was created in 2023 and is used for special education expenses, 24% of foundation aid paid through TEEOSA, the Nebraska Teacher Apprenticeship Program, the Nebraska Teacher Recruitment and Retention Act, career and technical education aid, and the extraordinary increases in special education. The following table shows total income through FY2026-27 and anticipated appropriations.

Table 18 Education Future Fund Projected Revenue and Appropriations by Year

Bill #		FY2023-24	FY2024-25	FY2025-26	FY2026-27
LB 818	Transfers In	1,000,000,000	250,000,000	250,000,000	250,000,000
	Transfers In (2024)	7,500,000	5,000,000		
	Investment Income*	22,400,000	19,140,000	17,690,000	15,660,000
	Total Revenue	1,029,900,000	274,140,000	267,690,000	265,660,000
LB 705	Extraordinary Increases in Special Education	2,500,000	2,500,000	2,500,000	2,500,000
LB 705	Nebraska Teacher Apprenticeship Program	1,000,000	1,000,000	1,000,000	1,000,000
LB 705	Nebraska Teacher Recruitment & Retention Act	5,000,000	5,000,000	5,000,000	5,000,000
LB 583	Special Education - 80%	226,580,330	206,007,489	213,217,751	220,680,372
LB 583	24% of Foundation Aid	112,353,248	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:	352,749,578	332,968,781	341,031,797	349,411,962
	Fund Balance:	677,150,422	618,321,641	544,979,844	461,227,882

DHHS - Cash Spending Authority for Opioid Settlements

The Department of Health and Human Services, Division of Behavioral Health (Program 38), requested a \$25 million increase in each fiscal year for the distribution of national opioid settlement funds awarded to Nebraska. The money will be utilized primarily for opioid abuse prevention, some to be used for treatment, and a small amount for law enforcement. Per LB 1184 (2020), which enacted the Nebraska Opioid Prevention and Treatment Act, the settlement funds will be deposited into the Opioid Recovery Fund. To date, Nebraska has received \$18.8 million in settlement funding and additional funding is expected.

The Committee recommendation includes an increase in cash fund appropriation by \$3.5 million in FY24 and FY25 of Opioid Settlement Funds in Program 38, Behavioral Health Aid. The previous appropriation out of this cash fund was \$6.5 million. After the increase, the new appropriation is \$10 million for each year. Additional settlements have been finalized and increased authority is expected to be needed to spend the funds.

DHHS – Cash Spending Authority for BSDC

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

DHHS – LB 1124 and LB 1125

The Committee recommendation includes an increase in cash fund appropriation by \$1.4 million total in both FY24 and FY25, \$900,000 each year for evidence-based early intervention home visitation programs and \$500,000 each year for evidence-based early intervention nurse home visitation programs. The fund source for this appropriation is the Medicaid Managed Care Excess Profit Fund, which is amended in LB1413 to include evidence-based early intervention home visitation programs. The additional funding will enable DHHS to access additional federal match funding offered by the reauthorization of the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program.

DHHS – Nebraska Homeless Assistance

The Committee recommendation includes an increase in cash fund appropriation by \$1.2 million in FY25 in alignment with available funding for Nebraska Homeless Assistance Program within Program 347, Public Assistance Aid. The previous appropriation out of this cash fund was \$3.3m. After the increase, the new appropriation is \$4.5 million. DHHS has identified plans for this funding which include case management, legal services, various levels of housing assistance, a Homeless Management Information System, and more.

Department of Natural Resources – Jobs and Economic Development Initiative Fund

The Committee approved the following items relating to the Jobs and Economic Development Initiative (JEDI) Fund:

- A reduction of Cash Fund appropriation of \$1 million in FY2023-24 and a reduction of Cash Fund appropriation of \$20 million in FY2024-25;
- An earmark of \$6 million in FY2024-25 for a feasibility study for lake project out outlined in the JEDI Act;
- A transfer of \$50 million from the JEDI Fund to the Roads Operation Cash Fund in FY2023-24; and
- A transfer of \$28 million from the JEDI Fund to the Cash Reserve Fund in FY2023-24.

The transfers require amending the provisions of the fund to allow transfer to the Cash Reserve Fund and the Roads Operation Cash Fund. The Legislative Fiscal Office estimates the fund balance for JEDI at the beginning of FY2024-25 will be approximately \$30 million, sufficient to pay fund obligations and for the Department of Natural Resources to initiate an engineering and feasibility study for the lake project as outlined in the JEDI Act. The JEDI Act was created in response to a Legislative special Committee that found potential benefits to construction of a large lake between Lincoln and Omaha along the Platte River. \$100 million in transfers were approved by the Legislature in 2022 with \$20 million from the General Fund (LB1011) and \$80 million from the Cash Reserve Fund (LB1013). In addition to the General Fund and

Cash Reserve Fund transfers, the fund receives an annual transfer of the interest holdings in the Water Recreation Enhancement Fund (37-1804).

Department of Economic Development – Affordable Housing Trust Fund

The Committee approved the following items relating to the Affordable Housing Trust Fund (AHTF):

- A transfer of \$20 million to the Rural Workforce Housing Investment Fund (RWHIF) in FY2024-25;
- A transfer of \$5 million to the Middle Income Workforce Housing Investment Fund (MIWHIF) in FY2024-25; and
- Amendments to the earmark language relating to the aid and operations portions of the AHTF.

The Rural Workforce Housing Investment Fund was created in 2017 by LB518 with a transfer of \$7,300,00 from the Affordable Housing Trust Fund. A history of transfers and appropriations to the program is as follows:

- FY2020-21: \$10 million transferred from the General Fund;
- FY2021-22: \$6 million appropriated from American Rescue Plan Act State Fiscal Recovery Funds;
- FY2022-23: \$4 million appropriated from American Rescue Plan Act State Fiscal Recovery Funds; and
- FY2022-23: \$30 million transferred from the Cash Reserve Fund.

This transfer would bring the total transfers from the AHTF to the RWHIF to \$27.3 million since FY2017-18, \$40 million from the General and Cash Reserve Funds, plus \$10 million in appropriations of ARPA Funds.

The Middle Income Workforce Housing Investment Fund was created in 2020 by LB866 with a transfer of \$10 million from the General Fund. The MIWHIF received a subsequent transfer of \$20 million in FY2022-23 from the Cash Reserve Fund.

In addition to the AHTF, RWHIF, and MIWHIF, the Legislature approved significant housing appropriations through the American Rescue Plan Act in LB1014 (2021):

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

Projected fund balance of the AHTF at the beginning of FY2024-25 is estimated to be approximately \$16 million. The transfers require amending the provisions of the fund to allow transfer to the Middle Income Workforce Housing Investment Fund.

Department of Economic Development – LB975

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

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

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

Department of Environment and Energy – LB1245

LB1245 changes provisions of the Lead Service Line Cash Fund. The bill caps the amount of the fund used on training programs at 20% of the fund and specifies the remainder of the fund is to be used for removing and replacing lead

service lines, repaying debt incurred by the Metropolitan Utilities District for the purpose of replacing lead service lines, providing residents information on lead service lines, performing necessary construction or other services related to removing and replacing lead service lines, and acquiring equipment related to removing and replacing lead service lines. Funding is already in place; the earmark is to clarify intent.

Department of Banking

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

Attorney General – Litigation Expenses

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

Department of Motor Vehicles

The Committee recommendation includes an increase in cash fund appropriation of \$1,562,626 cash funding in FY2023-24 and \$411,538 cash funding in FY2024-25 for Department of Motor Vehicles' Program 90 – License Plates. This program pays for the manufacturing of all license plates and stickers, then provides them to the Nebraska counties, ensuring there are adequate plates and validation stickers delivered and available at the counties. Plate production is funded by a transfer from the Highway Trust Fund to the License Plate Cash Fund. Then, after receiving payment from the recipients of the plates/stickers, the money flows back to the Highway Trust Fund.

Game and Parks Commission Operations

The Committee recommendation includes an increase in cash fund appropriation of \$1,900,000 in Park Cash Funds for both FY2023-24 and FY2024-25 to annualize a prior approved deficit request for the same amount in FY2022-23. This increase to the base was necessary to cover the inflationary rise of operating costs associated with product and service expenses for all the statewide park and recreation areas. Additionally, the Committee recommendation includes funds for a Mayhew Cabin Engineering Study in the amount of \$125,000 in cash funds for FY2023-24. This is for a complete engineering study to be performed of the structures, cave, tunnel, and site, in order to obtain an estimated cost of the complete rehabilitation necessary to make it safe for public and educational use. This study should examine the water damage, mold, soil erosion, plus damaged drainage systems, sanitation lines, and sewer lines.

Game and Parks – LB 1233

The Appropriations Committee recommendation includes the provisions of LB 1233, as amended, which pertain to the agency requirements to construct and maintain a museum honoring Chief Standing Bear. The recommendation includes statutory changes amend language requiring Game and Parks to build and maintain the museum and to provide for grants to a federally recognized tribe. The amended bill also creates a separate cash fund for this purpose and transfers \$750,000 in FY2024-25 and \$15 million in FY2025-26 for these purposes. For this biennium, \$750,000 is appropriated for a grant for exhibit fabrication and historical development purposes.

Nebraska Environmental Trust

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

Federal Funds

Many of the federal funds issues relate to a redistribution of American Rescue Plan Act Coronavirus State Fiscal Recovery Funds (SFRF). These funds, totaling \$1.04 billion, were allocated to the state in 2021 and first appropriated by the Legislature in 2022 in LB 1014 and a handful of other bills. Table 19 shows a listing of all SFRF appropriations made by the Legislature, beginning with fiscal year 2021-22, and including the 2024 session adjustments.

Table 19 Total ARPA State Coronavirus Fiscal Recovery Funds Appropriations (FY2021-22 to FY2024-25)

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

2022 Session	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Total ARPA SFRF
LB 805 Noxious Weed Control Act	0	2,000,000	2,000,000	2,000,000	6,000,000
LB 1024 Economic Recovery Act	1,000,000	249,000,000	0	0	250,000,000
LB 1068 Behavioral Health, toxic chemical	0	1,000,000	0	0	1,000,000
LB 1144 Changes Broadband Bridge Act	0	0	324,875	316,738	641,613
Total - 2022 Session enacted	287,000,000	746,137,675	2,316,738	2,000,000	1,037,454,413
2023 Session	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Total ARPA SFRF
LB 813 Military for DHHS technology	0	4,000,000	0	0	4,000,000
LB 813 Reduce Economic Recovery Act	0	(179,200,000)	0	0	(179,200,000)
LB 814 PSC no earmark for ARPA	0	0	(316,738)	0	(316,738)
LB 814 Reduce Noxious Weed Control Act	0	0	(2,000,000)	(2,000,000)	(4,000,000)
LB 814 DNR for Lincoln water project	0	0	177,200,000	0	177,200,000
LB 814 DNR for Norfolk riverfront	0	0	2,000,000	0	2,000,000
LB 814 DNR for enhanced data collection	0	0	1,200,000	1,200,000	2,400,000
Total - 2023 Session Adjustments	0	(175,200,000)	178,083,262	(800,000)	2,083,262
2024 Session	FY2021-22	FY2022-23	FY2023-24	FY2024-25	Total ARPA SFRF
Reduce behavioral health acute care beds	0	0	(2,500,000)	0	(2,500,000)
Reduce military administrative costs	0	0	(4,000,000)	0	(4,000,000)
Reduce dairy industry study	0	0	(32,500)	0	(32,500)
Reduce nuclear study	0	0	(137,000)	0	(137,000)
Reduce DHHS DD provider rates	0	0	(27,500,000)	0	(27,500,000)
Reduce PSC Broadband	0	0	(324,875)	0	(324,875)
Language change - Deaf/Hard of Hearing	0	0	0	0	0
LB 1099 - Nursing scholarships language	0	0	0	0	0
Language change - rural ambulance program	0	0	0	0	0
LB 850 - Change rural housing language	0	0	0	0	0
Corrections recidivism	0	0	500,000	500,000	1,000,000
DED Regional Development	0	0	3,000,000	0	3,000,000
LB 1209 - grant to residential facility	0	0	2,000,000	0	2,000,000
LB 1380 – grant to state-owned cemetery	0	0	375,000	0	375,000
Rehab hospital HVAC	0	0	5,000,000	0	5,000,000
LB 1077 - workforce facility expansion	0	0	900,000	0	900,000
LB 1242 - rainwater study	0	0	350,000	0	350,000
LB 941 - rural assisted living rates	0	0	1,499,657	0	1,499,657
NDOT surface transportation	0	0	20,832,043	0	20,832,043
Total - 2024 Session Adjustments	0	0	(37,675)	500,000	462,325
Total - ARPA (SFRF)	287,000,000	570,937,675	180,362,325	1,700,000	1,040,000,000

Department of Labor – LB 1077

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

Department of Health and Human Services – ARPA Adjustments

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

The Committee recommendation includes \$2 million in ARPA funds in FY24 to Program 514, Health and Medical Assistance Aid, for CEDARS Home for Children to enhance emergency shelter facilities, pursuant to LB 1209.

The Committee recommendation includes LB 941, which as amended, appropriates \$1,499,657 in ARPA funds in FY24 to Program 514, Health and Medical Assistance Aid, to increase the daily rate of reimbursement for rural assisted-living facilities under the medical assistance program to \$67.03. This is an increase of \$4.30, nearly 7% above the current rural assisted-living daily rate of \$62.73.

The Committee recommendation includes \$5 million in ARPA funds in FY24 and \$10 million in cash funds from the Health and Human Services Cash Fund, transferred from the Cash Reserve Fund, to Program 514, Health and Medical Assistance Aid, for a grant program for heating, ventilation, and air conditioning system repair or restoration for Madonna Rehabilitation Hospital.

The Committee recommendation includes modification of the allowable uses of reappropriated ARPA funding for rural ambulance replacement to also allow purchase emergency medical services equipment and services. \$20 million of ARPA was designated for this program.

The Committee recommendation includes modification of the allowable uses of reappropriated ARPA funding for nursing scholarships, including the provisions of LB 1099. The changes expand the program to Nebraska residents in all types of nursing programs, require recipients to agree in writing to work as nurses in Nebraska for two years upon completion of their program, and specifies that students in quarterly programs can receive \$3,500 per quarter whereas students in semesterly programs can receive \$5,000 per semester. Five million of ARPA was designated for this program, which originally restricted recipients to accelerated nursing programs with a limit of \$2,500 per semester.

Finally, the Committee recommendation includes a reduction of reappropriated funds for developmental disability provider rates of \$27.5 million ARPA funds. The recommendation replaces these ARPA funds with \$10 million General Funds and \$17.5 federal Medicaid funds in FY2023-24 to pay for the rate increases.

Department of Transportation – Surface Transportation projects

This is a new appropriation of federal American Rescue Plan Act (ARPA) funds to the Department of Transportation in FY23-24 of \$20,832,043 for Program 569 - Construction. These ARPA funds are to be used for the preservation and restoration of the state's highways. This appropriation is possible, due to the reallocation of ARPA funds from other agencies which would not be able to fully contract and utilize the ARPA funding by the deadlines.

Military Department - Administration

The Military Department was appropriated \$10M in FY 2021-22 and \$9M in FY 2022-23 for administrative costs relative to the utilization of ARPA funds by identified state agencies. After utilization of the funds for the intended purposes, the reappropriation was reduced by \$4 million for other uses of ARPA funding.

Department of Correctional Services – Recidivism Mitigation

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

University of Nebraska – LB 1242

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

Department of Administrative Services – LB 1380

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

Department of Economic Development - LB850

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

Department of Economic Development – Workforce Development

The Committee recommendation includes a \$3,000,000 appropriation of ARPA funds in FY2023-24. The initiative will establish a core team in each community college region of the state to conduct asset mapping to identify strengths for economic growth. The initiative has a private match in place.

Commission for the Deaf and Hard of Hearing

The Committee recommendation includes modification of the use of reappropriated ARPA funds to allow utilization of ARPA funds for auxiliary aids and for interpreting services in both rural and urban areas.

Federal Funds (non-ARPA)

The Committee recommendation includes a handful of changes to federal funds appropriations, which are not related to the ARPA Coronavirus State Fiscal Recovery Funds, as shown in Table 18. The most significant of which affects the developmental disability program, where:

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

Significant federal funds items, other than ARPA items, are shown in Table 20, and a listing of all federal funds appropriations is in Appendix E on page 54.

Table 20 Significant Federal Fund Budget Adjustments (non-ARPA) – 2024 Session

Agency	Prog	Item	Committee	
			FY2023-24	FY2024-25
Education	25	Child Care Development Grant	0	2,360,063
Education	158	Child Care Development Grant	0	2,118,750
Education	158	Pass-Through Aid	6,608,811	6,608,811
Education	Mult	Salary adjustments	245,045	139,638
Education	Mult	Retirement payout	33,251	0
DHHS	348	LB 1264 - Reporting of DD federal funds	(269,767,174)	(284,003,064)
DHHS	424	LB 1264 - Reporting of DD federal funds	269,767,174	284,003,064
DHHS	348	Developmental Disabilities Provider Rates	17,500,000	0
State Patrol	100	Salary compression adjustments	0	21,918
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(133,826)
Mult Agencies	--	OCIO Costs	(9,744,058)	(3,977,867)
Total Federal Funds –New Appropriations			14,643,049	7,137,487

Revolving Funds

Significant revolving funds items are shown in Table 21, and a listing of all revolving funds appropriations is in Appendix F on page 55.

Table 21 Significant Revolving Fund Budget Adjustments – 2024 Session

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

Department of Administrative Services – LB 1275 and LB 1378

The Appropriations Committee recommendation includes \$2,425,000 of revolving funds to the OCIO to purchase interoperable communication equipment for local fire departments to utilize the Statewide Radio System and includes a corresponding transfer from the CRF of the same amount. This adds to an appropriation of \$5,000,000 from FY24. Of the total new funds, \$425,000 are earmarked for specific volunteer fire departments.

Department of Administrative Services – State Insurance Fund

The Appropriations Committee recommendation includes a \$2 million revolving fund appropriation in FY2024-25 for the state insurance program. The increase is primarily for property insurance premiums, driven mostly by wind and hail damage. Accompanying this increased appropriation is a proposed transfer of \$5 million in FY2024-25 from the Cash Reserve Fund to the State Insurance Fund.

Department of Administrative Services – Office of Chief Information Officer Rates

The Appropriations Committee recommendation includes savings of revolving fund appropriation in FY2024-25 due to a surplus in the fund associated with mainframe charges, OCIO temporarily paused these charges for state agencies. When resumed, rates will be reduced from the previous level. This issue affected numerous agencies and resulted in savings across all fund types. Total savings across all fund types are \$33 million in FY2023-24 and \$12 million in FY2024-25.

Department of Administrative Services - Staffing

The agency requested, and the Governor recommended, an increase to the state’s Personnel program by \$538,250 for FY24-25. This would be used for the SOS Temporary employee program, to ensure that hiring will be facilitated for key jobs through the end of the biennium. \$500,000 is for salaries, and \$38,250 for associated FICA expense.

Capital Construction

Table 22 Capital Construction Appropriation Adjustments (FY2023-24 and FY2024-25)

Agency	Prog	Item	Governor		Committee		Difference from Governor	
			FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25
Game & Parks	973	Fish Hatchery Upgrades	0	4,000,000	0	4,000,000	0	0
Game & Parks	972	Alliance Office Upgrades	0	2,000,000	0	2,000,000	0	0
State Patrol	904	Crime Lab	9,249,755	0	9,249,755	0	0	0
DAS	901	Capitol 5th Floor	0	0	0	1,500,000	0	1,500,000
DAS	921	Troop A Headquarters	(18,200,000)	0	(18,200,000)	0	0	0
TOTAL		New Appropriations	(8,950,245)	6,000,000	(8,950,245)	7,500,000	0	1,500,000
Game & Parks	965	STARWARS projects	(6,500,000)	0	(6,500,000)	0	0	0
TOTAL		Reappropriations	(6,500,000)	0	(6,500,000)	0	0	0

State Patrol - Crime Lab Expansion

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

DAS – Troop A Headquarters

The Department of Administrative services was appropriated \$32.2 million to construct a State Patrol Troop A headquarters in 2023. In cooperation with patrol, a suitable location was found to purchase and remodel for \$14 million. The resulting savings is \$18.2 million in FY2023-34.

DAS – State Capitol Fifth Floor

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

Game and Parks – Alliance Office Upgrades

Acquired in 1963, this concrete building has become a health-risk to both the customers and staff. Additional ventilation has not been enough to combat the increasing volume of sewer gas to which the customers and staff are being exposed. Due to the age and structure of the building, the most-economical course of action is to tear out and replace the damaged lines under the foundation and rebuild. With the rebuild, the new office can be made larger to meet the current needs, built to be ADA compliant, and add a necropsy lab.

Game and Parks – Fishery Upgrades

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

Appendix A

General Fund Appropriations Adjustments

Agency	Prg	Item	Committee		Estimate For Following Biennium	
			FY2023-24	FY2024-25	FY2025-26	FY2026-27
Education	Mult	Salary Adjustments	415,704	580,863	580,863	580,863
Education	Mult	Add'l Appropriation/PSL for Vacation/Sick Payouts	7,205	0	0	0
Education	Mult	Add'l Appropriation for OCIO's Cost Analysis	35,123	40,956	40,956	40,956
Education	25	LB 858 - Office of Finance	0	120,662	120,662	120,662
Education	158	Maintenance of Equity – ESSRS	505,407	0	0	0
Education	158	Adjust TEEOSA - Nov mtg recal	0	(28,862,755)	(58,516,804)	(61,917,044)
Education	158	Adjust TEEOSA - premium tax	(2,116,070)	0	0	0
Education	158	Reduce Appropriation for TEEOSA State Aid	(18,865)	0	0	0
Education	158	TEEOSA Adjustment - Jan recal	600	94,135,323	100,029,882	91,571,757
Education	402	Annualize 2023 Deficit for School of Deaf/Blind	166,724	166,724	166,724	166,724
PSC	54	Railroad Track Inspector	50,149	127,613	127,613	127,613
Revenue	108	Additional Forecasted Homestead Exemption	14,700,000	15,400,000	15,400,000	15,400,000
Labor	31	Workforce Development	0	10,000,000	10,000,000	10,000,000
DHHS	38	Base Reduction: Behavioral Health	(15,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
DHHS	347	Base Reduction: Public Assistance	(20,000,000)	(10,000,000)	(10,000,000)	(10,000,000)
DHHS	354	Increase Child Welfare Aid	20,000,000	0	0	0
DHHS	365	Regional Centers Increased Staff Costs	15,000,000	0	0	0
DHHS	424	Developmental Disabilities Provider Rate Funding	10,000,000	0	0	0
Military	544	Grant for runway project	0	3,000,000	0	0
Military	548	State Tuition Assistance Program Increase	47,207	47,207	47,207	47,207
Hist Soc	648	Skeletal Remains	20,000	0	0	0
State Patrol	100	Evidence Facility Upgrades	75,000	0	0	0
State Patrol	100	Law Enforcement Professional Liability Insurance	110,725	110,725	110,725	110,725
State Patrol	100	Salary Compression Adjustments	0	935,261	935,261	935,261
Econ Dev	603	State Marketing Campaign	0	5,000,000	5,000,000	5,000,000
Econ Dev	603	Bioeconomy Initiative	2,500,000	0	0	0
Econ Dev	603	Aid Authority for Nuclear & Hydrogen Grants	(250,000)	(250,000)	(250,000)	(250,000)
Crime Comm	203	Jail Standards staff	0	58,000	58,000	58,000
Envirn/Energy	513	Dredge and Fill Program	(804,136)	(1,588,372)	(1,588,372)	(1,588,372)
Mult	--	OCIO Costs	(10,488,281)	(3,547,866)	(3,547,866)	(3,547,866)
Mult	--	Consolidation of Center for Operational Excellence	0	(1,023,942)	(1,023,942)	(1,023,942)
Retirement	515	Contribution: 2% of Salary - Class V Schools	0	539,634	539,634	539,634
Retirement	515	Contribution: 2% of Salary – Judges	0	31,712	31,712	31,712
Retirement	515	Contribution: 2% of Salary - State Patrol	0	2,553,460	2,553,460	2,553,460
Retirement	515	Contribution: 2% of Salary - State Schools	0	734,715	734,715	734,715
Retirement	515	Contribution: Omaha Service Annuity	0	(298,218)	(298,218)	(298,218)
Total General Funds –New Appropriations			14,956,492	73,011,702	46,252,212	34,393,847

General Fund – Lapsed Reappropriations

Agency	Prg	Item	FY2023-24
Supreme Court	52	Lapse Reappropriated Funds	(5,000,000)
Supreme Court	435	Lapse Reappropriated Funds	(5,000,000)
Military Dept	192	Lapse Reappropriated Funds	(20,000,000)
Crime Comm	199	Lapse Reappropriated Funds	(1,300,000)
Total General Funds – Reappropriations			(31,300,000)

Appendix B

General Fund Appropriations by Agency

			Per 2023 Session		Per 2024 Session		Per 2024 Session		Change vs Prior Year (w/o deficits)		
		w/o Deficits	Enacted	Enacted	Prelim Adj	Prelim Adj	Adj Total	Adj Total	FY24 vs Prior Yr	FY25 vs Prior Yr	
Type		FY2022-23	FY2023-24	FY2024-25	FY2023-24	FY2024-25	FY2023-24	FY2024-25	% Chnge	% Chnge	
#03	Legislative Council	Oper	24,042,798	26,499,433	27,803,022	0	0	26,499,433	27,803,022	10.2%	4.9%
#03	Legislative Council	Total	24,042,798	26,499,433	27,803,022	0	0	26,499,433	27,803,022	10.2%	4.9%
#05	Supreme Court	Aid	270,000	270,000	270,000	0	0	270,000	270,000	0.0%	0.0%
#05	Supreme Court	Oper	204,357,073	219,392,861	232,452,664	(74,755)	(13,530)	219,318,106	232,439,134	7.3%	5.9%
#05	Supreme Court	Total	204,627,073	219,662,861	232,722,664	(74,755)	(13,530)	219,588,106	232,709,134	7.3%	5.9%
#07	Governor	Oper	2,310,976	2,211,929	2,211,929	0	0	2,211,929	2,211,929	-4.3%	0.0%
#07	Governor	Total	2,310,976	2,211,929	2,211,929	0	0	2,211,929	2,211,929	8.0%	0.0%
#08	Lt. Governor	Oper	156,422	158,750	160,838	0	0	158,750	160,838	1.5%	1.3%
#08	Lt. Governor	Total	156,422	158,750	160,838	0	0	158,750	160,838	1.5%	1.3%
#09	Secretary of State	Oper	2,126,915	3,643,499	3,149,647	0	0	3,643,499	3,149,647	71.3%	-13.6%
#09	Secretary of State	Total	2,126,915	3,643,499	3,149,647	0	0	3,643,499	3,149,647	71.3%	-13.6%
#10	State Auditor	Oper	3,132,140	3,624,560	3,989,059	0	0	3,624,560	3,989,059	15.7%	10.1%
#10	State Auditor	Total	3,132,140	3,624,560	3,989,059	0	0	3,624,560	3,989,059	15.7%	10.1%
#11	Attorney General	Oper	7,356,990	7,763,172	8,061,298	0	0	7,763,172	8,061,298	5.5%	3.8%
#11	Attorney General	Total	7,356,990	7,763,172	8,061,298	0	0	7,763,172	8,061,298	5.5%	3.8%
#12	State Treasurer	Aid	2,000,000	0	0	0	0	0	0	-100.0%	na
#12	State Treasurer	Oper	1,226,555	1,280,827	1,320,027	0	0	1,280,827	1,320,027	4.4%	3.1%
#12	State Treasurer	Total	3,226,555	1,280,827	1,320,027	0	0	1,280,827	1,320,027	-60.3%	3.1%
#13	Education	Aid	1,311,105,386	1,302,610,142	1,217,281,907	(1,628,928)	65,272,568	1,300,981,214	1,282,554,475	-0.8%	-1.5%
#13	Education	Oper	30,245,296	33,185,214	34,082,281	575,361	907,747	33,760,575	34,990,028	11.6%	5.4%
#13	Education	Total	1,341,350,682	1,335,795,356	1,251,364,188	(1,053,567)	66,180,315	1,334,741,789	1,317,544,503	-0.5%	-1.4%
#14	Public Service Comm	Aid	19,795,788	20,702,266	20,697,004	0	0	20,702,266	20,697,004	4.6%	0.0%
#14	Public Service Comm	Oper	2,550,729	2,598,034	2,680,792	50,149	127,613	2,648,183	2,808,405	3.8%	8.1%
#14	Public Service Comm	Total	22,346,517	23,300,300	23,377,796	50,149	127,613	23,350,449	23,505,409	4.5%	0.9%
#15	Parole Board	Oper	8,402,902	9,098,692	9,969,596	0	0	9,098,692	9,969,596	8.3%	9.6%
#15	Parole Board	Total	8,402,902	9,098,692	9,969,596	0	0	9,098,692	9,969,596	8.3%	9.6%
#16	Revenue	Aid	121,300,000	128,000,000	133,600,000	14,700,000	15,400,000	142,700,000	149,000,000	17.6%	16.4%
#16	Revenue	Oper	30,222,159	32,404,613	33,115,321	(1,360,155)	(233,361)	31,044,458	32,881,960	2.7%	1.5%
#16	Revenue	Total	151,522,159	160,404,613	166,715,321	13,339,845	15,166,639	173,744,458	181,881,960	14.7%	13.4%

			Per 2023 Session			Per 2024 Session		Per 2024 Session		Change vs Prior Year (w/o deficits)	
		Type	w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Prelim Adj FY2023-24	Prelim Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25	FY24 vs Prior Yr % Chnge	FY25 vs Prior Yr % Chnge
#18	Agriculture	Aid	1,006,000	1,006,000	1,006,000	0	0	1,006,000	1,006,000	0.0%	0.0%
#18	Agriculture	Oper	7,146,588	7,010,695	6,824,995	(18,434)	(74,520)	6,992,261	6,750,475	-2.2%	-3.7%
#18	Agriculture	Total	8,152,588	8,016,695	7,830,995	(18,434)	(74,520)	7,998,261	7,756,475	-1.9%	-3.2%
#21	Fire Marshal	Oper	4,557,974	5,268,621	5,433,134	(64,702)	(18,073)	5,203,919	5,415,061	14.2%	2.8%
#21	Fire Marshal	Total	4,557,974	5,268,621	5,433,134	(64,702)	(18,073)	5,203,919	5,415,061	14.2%	2.8%
#23	Labor	Aid		10,000,000	0	0	10,000,000	10,000,000	10,000,000	na	0.0%
#23	Labor	Oper	680,670	714,525	739,805	0	0	714,525	739,805	5.0%	3.5%
#23	Labor	Total	680,670	10,714,525	739,805	0	10,000,000	10,714,525	10,739,805	1474.1%	0.2%
#25	DHHS	Aid	1,569,287,020	1,596,668,836	1,624,348,891	(5,000,000)	(25,000,000)	1,591,668,836	1,599,348,891	1.4%	0.2%
#25	DHHS	Oper	291,885,024	346,126,184	359,340,835	7,308,832	(3,896,385)	353,435,016	355,444,450	21.1%	2.7%
#25	DHHS	Total	1,861,172,044	1,942,795,020	1,983,689,726	2,308,832	(28,896,385)	1,945,103,852	1,954,793,341	4.5%	0.6%
#28	Veterans Affairs	Aid	0	2,500,000	0	0	0	2,500,000	0	na	-100.0%
#28	Veterans Affairs	Oper	39,858,125	47,400,624	54,989,268	(27,264)	(95,508)	47,373,360	54,893,760	18.9%	15.8%
#28	Veterans Affairs	Total	39,858,125	49,900,624	54,989,268	(27,264)	(95,508)	49,873,360	54,893,760	25.1%	10.0%
#29	Natural Resources	Aid	1,806,112	1,806,112	1,806,112	0	0	1,806,112	1,806,112	0.0%	0.0%
#29	Natural Resources	Oper	11,311,269	11,837,784	12,223,866	(127,396)	(2,445)	11,710,388	12,221,421	3.5%	3.2%
#29	Natural Resources	Total	13,117,381	13,643,896	14,029,978	(127,396)	(2,445)	13,516,500	14,027,533	3.0%	2.8%
#31	Military Dept	Aid	5,852,793	5,852,793	5,852,793	47,207	3,047,207	5,900,000	8,900,000	0.8%	52.1%
#31	Military Dept	Oper	4,650,086	5,118,485	5,234,211	0	0	5,118,485	5,234,211	10.1%	2.3%
#31	Military Dept	Total	10,502,879	10,971,278	11,087,004	47,207	3,047,207	11,018,485	14,134,211	4.9%	28.8%
#32	Ed Lands & Funds	Oper	436,967	462,359	481,080	0	0	462,359	481,080	5.8%	4.0%
#32	Ed Lands & Funds	Total	436,967	462,359	481,080	0	0	462,359	481,080	5.8%	4.0%
#33	Game & Parks	Aid	50,000	52,500	52,500	0	0	52,500	52,500	5.0%	0.0%
#33	Game & Parks	Oper	12,289,028	12,907,811	13,332,647	0	0	12,907,811	13,332,647	5.0%	3.3%
#33	Game & Parks	Total	12,339,028	12,960,311	13,385,147	0	0	12,960,311	13,385,147	5.0%	3.3%
#34	Library Commission	Aid	1,367,061	1,404,136	1,435,711	0	0	1,404,136	1,435,711	2.7%	2.2%
#34	Library Commission	Oper	2,906,583	3,072,928	3,197,880	0	0	3,072,928	3,197,880	5.7%	4.1%
#34	Library Commission	Total	4,273,644	4,477,064	4,633,591	0	0	4,477,064	4,633,591	4.8%	3.5%
#35	Liquor Control	Oper	1,847,798	1,952,388	2,015,297	(73,193)	(5,490)	1,879,195	2,009,807	1.7%	2.9%
#35	Liquor Control	Total	1,847,798	1,952,388	2,015,297	(73,193)	(5,490)	1,879,195	2,009,807	1.7%	2.9%
#36	Racing Commission	Oper	177	0	0	0	0	0	0	-100.0%	na
#36	Racing Commission	Total	177	0	0	0	0	0	0	-100.0%	na

			Per 2023 Session			Per 2024 Session		Per 2024 Session		Change vs Prior Year (w/o deficits)	
		Type	w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Prelim Adj FY2023-24	Prelim Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25	FY24 vs Prior Yr % Chnge	FY25 vs Prior Yr % Chnge
#46	Correctional Services	Aid	4,000,000	4,000,000	4,000,000	0	0	4,000,000	4,000,000	0.0%	0.0%
#46	Correctional Services	Oper	289,961,758	342,518,271	353,230,798	(910,506)	(436,685)	341,607,765	352,794,113	17.8%	3.0%
#46	Correctional Services	Total	293,961,758	346,518,271	357,230,798	(910,506)	(436,685)	345,607,765	356,794,113	17.6%	3.0%
#47	NETC	Oper	10,775,854	11,456,877	11,557,557	0	0	11,456,877	11,557,557	6.3%	0.9%
#47	NETC	Total	10,775,854	11,456,877	11,557,557	0	0	11,456,877	11,557,557	6.3%	0.9%
#48	Coordinating Comm	Aid	9,093,430	9,593,430	9,593,430	0	0	9,593,430	9,593,430	5.5%	0.0%
#48	Coordinating Comm	Oper	1,423,401	1,517,411	1,575,026	0	0	1,517,411	1,575,026	6.6%	3.8%
#48	Coordinating Comm	Total	10,516,831	11,110,841	11,168,456	0	0	11,110,841	11,168,456	5.6%	0.5%
#50	State Colleges	Aid	3,050,000	4,407,500	4,840,000	0	0	4,407,500	4,840,000	44.5%	9.8%
#50	State Colleges	Oper	60,289,787	64,242,223	67,940,555	0	0	64,242,223	67,940,555	6.6%	5.8%
#50	State Colleges	Total	63,339,787	68,649,723	72,780,555	0	0	68,649,723	72,780,555	8.4%	6.0%
#51	University of Nebraska	Aid	6,000,000	8,000,000	8,000,000	0	0	8,000,000	8,000,000	33.3%	0.0%
#51	University of Nebraska	Oper	643,842,701	659,939,406	691,043,285	0	0	659,939,406	691,043,285	2.5%	4.7%
#51	University of Nebraska	Total	649,842,701	667,939,406	699,043,285	0	0	667,939,406	699,043,285	2.8%	4.7%
#54	Historical Society	Oper	5,338,950	5,120,464	5,286,038	20,000	0	5,140,464	5,286,038	-3.7%	3.2%
#54	Historical Society	Total	5,338,950	5,120,464	5,286,038	20,000	0	5,140,464	5,286,038	-3.7%	3.2%
#57	Oil & Gas Comm.	Oper	175,000	175,000	175,000	0	0	175,000	175,000	0.0%	0.0%
#57	Oil & Gas Comm.	Total	175,000	175,000	175,000	0	0	175,000	175,000	0.0%	0.0%
#64	State Patrol	Oper	70,282,670	82,859,249	87,039,432	94,412	920,611	82,953,661	87,960,043	18.0%	6.2%
#64	State Patrol	Total	70,282,670	82,859,249	87,039,432	94,412	920,611	82,953,661	87,960,043	18.0%	6.2%
#65	Admin Services (DAS)	Oper	9,671,699	9,660,243	9,919,827	0	372,816	9,660,243	10,292,643	-0.1%	6.5%
#65	Admin Services (DAS)	Total	9,671,699	9,660,243	9,919,827	0	372,816	9,660,243	10,292,643	-0.1%	6.5%
#67	Equal Opportunity	Oper	1,358,170	1,443,415	1,456,854	0	0	1,443,415	1,456,854	6.3%	0.9%
#67	Equal Opportunity	Total	1,358,170	1,443,415	1,456,854	0	0	1,443,415	1,456,854	6.3%	0.9%
#68	Latino American Comm.	Oper	273,586	288,554	299,086	0	0	288,554	299,086	5.5%	3.6%
#68	Latino American Comm.	Total	273,586	288,554	299,086	0	0	288,554	299,086	5.5%	3.6%
#69	Arts Council	Aid	9,405,346	1,851,819	1,849,209	0	0	1,851,819	1,849,209	-80.3%	-0.1%
#69	Arts Council	Oper	696,706	748,558	779,570	0	0	748,558	779,570	7.4%	4.1%
#69	Arts Council	Total	10,102,052	2,600,377	2,628,779	0	0	2,600,377	2,628,779	-74.3%	1.1%
#70	Foster Care Review	Aid	500,000	500,000	500,000	0	0	500,000	500,000	0.0%	0.0%
#70	Foster Care Review	Oper	2,266,151	2,490,533	2,586,432	0	0	2,490,533	2,586,432	9.9%	3.9%
#70	Foster Care Review	Total	2,766,151	2,990,533	3,086,432	0	0	2,990,533	3,086,432	8.1%	3.2%

			Per 2023 Session			Per 2024 Session		Per 2024 Session		Change vs Prior Year (w/o deficits)	
		Type	w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Prelim Adj FY2023-24	Prelim Adj FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25	FY24 vs Prior Yr % Chnge	FY25 vs Prior Yr % Chnge
#72	Economic Development	Aid	40,147,622	46,410,294	38,261,624	(250,000)	(250,000)	46,160,294	38,011,624	15.0%	-18.1%
#72	Economic Development	Oper	8,304,408	9,913,270	9,402,840	2,500,000	4,981,242	12,413,270	14,384,082	49.5%	45.1%
#72	Economic Development	Total	48,452,030	56,323,564	47,664,464	2,250,000	4,731,242	58,573,564	52,395,706	20.9%	-7.0%
#76	Indian Affairs Commission	Oper	264,199	283,511	295,530	0	0	283,511	295,530	7.3%	4.2%
#76	Indian Affairs Commission	Total	264,199	283,511	295,530	0	0	283,511	295,530	7.3%	4.2%
#77	Industrial Relations	Oper	313,831	325,401	333,982	0	0	325,401	333,982	3.7%	2.6%
#77	Industrial Relations	Total	313,831	325,401	333,982	0	0	325,401	333,982	3.7%	2.6%
#78	Crime Commission	Aid	12,305,805	12,305,805	12,305,805	0	0	12,305,805	12,305,805	0.0%	0.0%
#78	Crime Commission	Oper	6,118,421	6,532,950	6,462,741	0	36,846	6,532,950	6,499,587	6.8%	-0.5%
#78	Crime Commission	Total	18,424,226	18,838,755	18,768,546	0	36,846	18,838,755	18,805,392	2.2%	-0.2%
#81	Blind & Visually Impaired	Aid	311,790	381,871	381,871	0	0	381,871	381,871	22.5%	0.0%
#81	Blind & Visually Impaired	Oper	1,761,676	2,233,686	2,406,221	0	0	2,233,686	2,406,221	26.8%	7.7%
#81	Blind & Visually Impaired	Total	2,073,466	2,615,557	2,788,092	0	0	2,615,557	2,788,092	26.1%	6.6%
#82	Deaf & Hard of Hearing	Oper	1,100,351	1,164,268	1,211,665	0	0	1,164,268	1,211,665	5.8%	4.1%
#82	Deaf & Hard of Hearing	Total	1,100,351	1,164,268	1,211,665	0	0	1,164,268	1,211,665	5.8%	4.1%
#83	Community Colleges	Aid	109,804,330	111,939,172	114,116,711	0	0	111,939,172	114,116,711	1.9%	1.9%
#83	Community Colleges	Total	109,804,330	111,939,172	114,116,711	0	0	111,939,172	114,116,711	1.9%	1.9%
#84	Environment & Energy	Aid	100,000	0	0	0	0	0	0	-100.0%	na
#84	Environment & Energy	Oper	5,618,429	7,906,337	7,448,556	(804,136)	(1,590,254)	7,102,201	5,858,302	26.4%	-25.9%
#84	Environment & Energy	Total	5,718,429	7,906,337	7,448,556	(804,136)	(1,590,254)	7,102,201	5,858,302	24.2%	-25.9%
#85	Retirement Board	Oper	57,826,161	60,972,169	63,139,000	0	3,561,303	60,972,169	66,700,303	5.4%	9.4%
#85	Retirement Board	Total	57,826,161	60,972,169	63,139,000	0	3,561,303	60,972,169	66,700,303	5.4%	9.4%
#87	Account/Disclosure	Oper	618,857	653,612	673,169	0	0	653,612	673,169	5.6%	3.0%
#87	Account/Disclosure	Total	618,857	653,612	673,169	0	0	653,612	673,169	5.6%	3.0%
#90	African American Affairs	Oper	262,599	277,053	287,760	0	0	277,053	287,760	5.5%	3.9%
#90	African American Affairs	Total	262,599	277,053	287,760	0	0	277,053	287,760	5.5%	3.9%
#93	Tax Equal/Review Comm	Oper	945,551	1,411,365	1,481,966	0	0	1,411,365	1,481,966	49.3%	5.0%
#93	Tax Equal/Review Comm	Total	945,551	1,411,365	1,481,966	0	0	1,411,365	1,481,966	49.3%	5.0%
	Construction-Reaffirm	Const	20,825,938	21,303,928	21,303,928	0	0	21,303,928	21,303,928	2.3%	0.0%
	Construction-New	Const	3,095,672	0	0	0	0	0	0	-100.0%	na
	Construction-Total	Total	23,921,610	21,303,928	21,303,928	0	0	21,303,928	21,303,928	-10.9%	0.0%
	TOTAL GENERAL FUNDS		5,125,672,253	5,349,434,418	5,370,345,878	14,956,492	73,011,701	5,349,938,890	5,317,104,355	4.4%	-0.6%

Appendix C

General Fund Appropriations by State Aid Program

Ag #	Agency	Aid Program	Type	FY2022-23	Per 2023 Session		Per 2024 Session			
				w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Committee FY2023-24	Committee FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
#12	Treasurer	Aid to Counties	Local	2,000,000	0	0	0	0	0	0
#13	Education	Teach in Nebraska Today Program	Ind/Other	5,000,000	5,000,000	5,000,000	0	0	5,000,000	5,000,000
#13	Education	TEEOSA State Aid to Education	Local	1,038,686,234	1,030,190,990	944,862,755	(2,134,335)	65,272,568	1,028,056,655	1,010,135,323
#13	Education	Special Education	Local	235,724,474	235,724,474	235,724,474	0	0	235,724,474	235,724,474
#13	Education	Aid to ESU's	Local	13,613,976	13,613,976	13,613,976	0	0	13,613,976	13,613,976
#13	Education	High ability learner programs	Local	2,342,962	2,342,962	2,342,962	0	0	2,342,962	2,342,962
#13	Education	Early Childhood grant program	Local	3,619,357	3,619,357	3,619,357	0	0	3,619,357	3,619,357
#13	Education	Early Childhood Endowment	Local	7,500,000	7,500,000	7,500,000	0	0	7,500,000	7,500,000
#13	Education	Nurturing Healthy Behaviors	Local	400,000	400,000	400,000	0	0	400,000	400,000
#13	Education	School Lunch	Local	392,032	392,032	392,032	0	0	392,032	392,032
#13	Education	Textbook loan program	Local	1,465,500	1,465,500	1,465,500	0	0	1,465,500	1,465,500
#13	Education	School Breakfast reimbursement	Local	617,898	617,898	617,898	0	0	617,898	617,898
#13	Education	Adult Education	Local	214,664	214,664	214,664	0	0	214,664	214,664
#13	Education	Learning Communities Aid	Local	470,000	470,000	470,000	0	0	470,000	470,000
#13	Education	Summer Food Service grants	Local	90,000	90,000	90,000	0	0	90,000	90,000
#13	Education	High School Equivalency Assistance	Local	750,000	750,000	750,000	0	0	750,000	750,000
#13	Education	Step Up to Quality - Scholarships	Local	100,000	100,000	100,000	0	0	100,000	100,000
#13	Education	Step Up to Quality - Bonuses	Local	69,000	69,000	69,000	0	0	69,000	69,000
#13	Education	Maintenance of Equity	Local	0	0	0	505,407	0	505,407	0
#13	Education	Vocational Rehabilitation	Ind/Other	49,289	49,289	49,289	0	0	49,289	49,289
#14	Public Service	Precision Ag	Ind/Other	0	906,478	901,216	0	0	906,478	901,216
#14	Public Service	Nebr Broadband Bridge Act	Ind/Other	19,795,788	19,795,788	19,795,788	0	0	19,795,788	19,795,788
#16	Revenue	Homestead Exemption	Local	121,300,000	128,000,000	133,600,000	14,700,000	15,400,000	142,700,000	149,000,000
#18	Agriculture	Riparian Vegetation grants	Local	706,000	706,000	706,000	0	0	706,000	706,000
#18	Agriculture	Nebraska AgrAbility program	Ind/Other	300,000	300,000	300,000	0	0	300,000	300,000
#23	Labor	Workforce Development	Ind/Other	0	10,000,000	0	0	10,000,000	10,000,000	10,000,000
#25	DHHS	Behavioral Health Aid	Ind/Other	74,311,162	84,505,211	85,382,211	(15,000,000)	(15,000,000)	69,505,211	70,382,211
#25	DHHS	Medical student assistance/RHOP	Ind/Other	2,180,723	2,180,723	2,180,723	0	0	2,180,723	2,180,723
#25	DHHS	Children's Health Insurance (SCHIP)	Ind/Other	26,433,262	26,384,947	26,246,298	0	0	26,384,947	26,246,298
#25	DHHS	Public Assistance	Ind/Other	89,156,005	86,130,054	86,380,054	(20,000,000)	(10,000,000)	66,130,054	76,380,054
#25	DHHS	Medicaid	Ind/Other	991,653,018	1,007,479,783	1,012,640,639	0	0	1,007,479,783	1,012,640,639
#25	DHHS	Child Welfare aid	Ind/Other	179,864,054	182,837,350	182,756,746	20,000,000	0	202,837,350	182,756,746

Ag #	Agency	Aid Program	Type	FY2022-23	Per 2023 Session		Per 2024 Session			
				w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Committee FY2023-24	Committee FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
#25	DHHS	Youth in Transition aid	Ind/Other	1,281,202	1,281,202	1,281,202	0	0	1,281,202	1,281,202
#25	DHHS	Developmental disabilities aid	Ind/Other	174,638,509	175,955,731	197,567,183	10,000,000	0	185,955,731	197,567,183
#25	DHHS	Public Health aid	Ind/Other	11,314,060	11,314,060	11,314,060	0	0	11,314,060	11,314,060
#25	DHHS	Health Aid	Ind/Other	6,877,196	6,877,196	6,877,196	0	0	6,877,196	6,877,196
#25	DHHS	Care Management	Ind/Other	2,315,560	2,315,560	2,315,560	0	0	2,315,560	2,315,560
#25	DHHS	Area agencies on aging	Ind/Other	9,407,019	9,407,019	9,407,019	0	0	9,407,019	9,407,019
#28	Vets Affairs	Grants for war memorial	Ind/Other	0	2,500,000	0	0	0	2,500,000	0
#29	Nat Resources	Nebr Water Conservation Fund	Ind/Other	1,806,112	1,806,112	1,806,112	0	0	1,806,112	1,806,112
#31	Military Dept	Governors Emergency Program	Local	5,000,000	5,000,000	5,000,000	0	0	5,000,000	5,000,000
#31	Military Dept	Grants for military preparedness	Local	0	0	0	0	3,000,000	0	3,000,000
#31	Military Dept	Guard tuition assistance	Ind/Other	852,793	852,793	852,793	47,207	47,207	900,000	900,000
#33	Game & Parks	Niobrara Council	Ind/Other	50,000	52,500	52,500	0	0	52,500	52,500
#34	Library Comm	Local libraries	Ind/Other	1,367,061	1,404,136	1,435,711	0	0	1,404,136	1,435,711
#46	Corrections	Vocational and Life Skills Program	Ind/Other	4,000,000	4,000,000	4,000,000	0	0	4,000,000	4,000,000
#48	Coord. Comm	Nebr Opportunity Grant Program	Ind/Other	7,593,430	8,093,430	8,093,430	0	0	8,093,430	8,093,430
#48	Coord. Comm	Access College Early Scholarship	Ind/Other	1,500,000	1,500,000	1,500,000	0	0	1,500,000	1,500,000
#50	State Colleges	Nebraska Career Scholarships	Ind/Other	3,050,000	4,107,500	4,240,000	0	0	4,107,500	4,240,000
#50	State Colleges	RHOP/PHEAST Scholarship	Ind/Other	0	300,000	600,000	0	0	300,000	600,000
#51	University	Nebraska Career Scholarships	Ind/Other	6,000,000	8,000,000	8,000,000	0	0	8,000,000	8,000,000
#69	Arts Council	Museum of Nebraska Arts assistance	Ind/Other	7,500,000	0	0	0	0	0	0
#69	Arts Council	Aid to arts programs	Ind/Other	1,905,346	1,851,819	1,849,209	0	0	1,851,819	1,849,209
#70	Foster Care	Court Appointed Special Advocate	Ind/Other	500,000	500,000	500,000	0	0	500,000	500,000
#72	Econ Develop	State aid to development districts	Ind/Other	1,000,000	1,000,000	1,000,000	0	0	1,000,000	1,000,000
#72	Econ Develop	Nebraska Rural Projects Act	Ind/Other	4,896,460	4,896,460	4,896,460	0	0	4,896,460	4,896,460
#72	Econ Develop	Mentorship Program	Ind/Other	0	4,877,702	4,880,762	0	0	4,877,702	4,880,762
#72	Econ Develop	Business Innovation Act	Ind/Other	19,251,162	19,234,402	19,234,402	0	0	19,234,402	19,234,402
#72	Econ Develop	Nebraska Career Scholarships	Ind/Other	5,000,000	7,000,000	8,000,000	0	0	7,000,000	8,000,000
#72	Econ Develop	Public Power hydrogen hub grants	Local		250,000	250,000	(250,000)	(250,000)	0	0
#72	Econ Develop	Economic Recovery Act grants	Local	10,000,000	9,151,730	0	0	0	9,151,730	0
#78	Crime Comm	Juvenile services grants	Local	564,300	564,300	564,300	0	0	564,300	564,300
#78	Crime Comm	Community Based Juvenile Services	Local	5,798,000	5,798,000	5,798,000	0	0	5,798,000	5,798,000
#78	Crime Comm	Crimestoppers program	Ind/Other	12,919	12,919	12,919	0	0	12,919	12,919
#78	Crime Comm	County Justice Reinvestment Grants	Local	480,000	480,000	480,000	0	0	480,000	480,000
#78	Crime Comm	Attraction and Retention incentives	Ind/Other	4,789,769	4,789,769	4,789,769	0	0	4,789,769	4,789,769
#78	Crime Comm	Victim Witness assistance	Ind/Other	50,457	50,457	50,457	0	0	50,457	50,457

				FY2022-23	Per 2023 Session		Per 2024 Session			
Ag #	Agency	Aid Program	Type	w/o Deficits FY2022-23	Enacted FY2023-24	Enacted FY2024-25	Committee FY2023-24	Committee FY2024-25	Adj Total FY2023-24	Adj Total FY2024-25
#78	Crime Comm	Crime Victims reparations	Ind/Other	19,200	19,200	19,200	0	0	19,200	19,200
#78	Crime Comm	Violence Prevention Grants	Ind/Other	591,160	591,160	591,160	0	0	591,160	591,160
#81	Blind & Vis Imp	Blind rehabilitation	Ind/Other	311,790	381,871	381,871	0	0	381,871	381,871
#83	Colleges	Aid to Community Colleges	Local	109,804,330	111,939,172	114,116,711	0	0	111,939,172	114,116,711
#84	Environ/Energy	Energy assistance	Ind/Other	100,000	0	0	0	0	0	0
Total State Aid				3,228,703,233	3,270,262,676	3,200,199,568	7,868,279	68,469,775	3,277,860,955	3,268,399,343

Appendix D

Cash Funds Appropriation Adjustments

Agency	Prog	Item	Committee		Estimate For Following Biennium	
			FY2023-24	FY2024-25	FY2025-26	FY2026-27
Supreme Court	434	Office of Public Guardian Cash Fund	18,000	18,000	18,000	18,000
Education	25	CTE aid to operations	356,960	356,960	356,960	356,960
Education	158	CTE aid to operations	(356,960)	(356,960)	(356,960)	(356,960)
Education	158	Special Education calculation	27,539,228	0	0	0
Education	Mult	Salary adjustments	7,908	4,545	4,545	4,545
Atty General	290	Litigation authority	2,250,000	2,250,000	2,250,000	2,250,000
Banking	65	Financial examiner salaries	0	791,289	791,289	791,289
Motor Vehicles	90	License plate production	1,562,626	411,538	411,538	411,538
DHHS	38	Opioid Settlement cash authority	3,500,000	3,500,000	3,500,000	3,500,000
DHHS	348	Managed Care Excess Profit fund authority	0	0	0	0
DHHS	347	NE Homeless Assistance cash authority	0	1,200,000	1,200,000	1,200,000
DHHS	421	HHS Cash Fund BSDC	4,500,000	0	0	0
DHHS	514	LB 1125 - home visitation program	1,400,000	1,400,000	1,400,000	1,400,000
DHHS	514	LB 1209 - grant for rehabilitation hospital HVAC	0	10,000,000	0	0
Nat Resources	314	Lincoln water project	0	0	0	0
Nat Resources	319	STARWARS Lake	(1,000,000)	(20,000,000)	(20,000,000)	(20,000,000)
Game & Parks	162	Environmental Trust aid	0	5,000,000	5,000,000	5,000,000
Game & Parks	549	Parks operations	1,900,000	1,900,000	1,900,000	1,900,000
Game & Parks	549	Mayhew Cabin Study	125,000	0	0	0
Game & Parks	550	Chief Standing Bear grants	0	750,000	15,000,000	0
Engin & Arch	82	New staff position	0	80,514	80,514	80,514
State Patrol	100	Human trafficking software	200,000	338,000	338,000	338,000
State Patrol	100	Salary compression adjustments	0	133,220	133,220	133,220
Econ Dev	603	US Strategic Command, Control, and Communications Facility	20,000,000	0	0	0
Econ Dev	611	Economic Recovery Act interest authority	45,000,000	20,000,000	20,000,000	20,000,000
Comm College	162	Community College Aid	0	\$8 mil est	\$8 mil est	\$8 mil est
Retirement	515	Retirement payout	78,879	0	0	0
African Amer Comm	863	New cash fund appropriation	0	25,000	25,000	25,000
Tourism	618	Spending authority	0	1,500,000	1,500,000	1,500,000
Public Advocacy	425	Salary increases	0	69,090	69,090	69,090
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(736,562)	(736,562)	(736,562)
Mult Agencies	--	OCIO Costs	(3,299,518)	(1,309,874)	(1,309,874)	(1,309,874)
Game & Parks	972	Alliance Office Upgrades (Construction)	0	2,000,000	0	0
Game & Parks	973	Fishery Upgrades (Construction)	0	4,000,000	0	0
Total Cash Funds –New Appropriations			103,782,123	33,324,760	31,574,760	16,574,760

Cash Fund – Lapsed Reappropriations

Agency	Prog	Item	FY2023-24
Natural Resources	313	Water Sustainability Fund lapse	(8,481,000)
Game & Parks	965	Water Recreational Enhancement lapse (Construction)	(6,500,000)
Total Cash Funds – Reappropriations			(14,981,000)

Appendix E

Federal Funds Appropriation Adjustments

Agency	Prg	Item	Committee		Estimate For Following Biennium	
			FY2023-24	FY2024-25	FY2025-26	FY2026-27
Auditor	506	ARPA audit language	0	0	0	0
Education	25	Child Care Development Grant	0	2,360,063	2,360,063	2,360,063
Education	158	Child Care Development Grant	0	2,118,750	2,118,750	2,118,750
Education	158	Pass-Through Aid	6,608,811	6,608,811	6,608,811	6,608,811
Education	Mult	Salary adjustments	245,045	139,638	139,638	139,638
Education	Mult	Retirement payout	33,251	0	0	0
Labor	31	LB 1099 - workforce facility expansion	900,000	0	0	0
DHHS	348	LB 1264 - Reporting of DD federal funds	(269,767,174)	(284,003,064)	(284,003,064)	(284,003,064)
DHHS	424	LB 1264 - Reporting of DD federal funds	269,767,174	284,003,064	284,003,064	284,003,064
DHHS	514	Grant for rehabilitation hospital HVAC	5,000,000	0	0	0
DHHS	348	Developmental Disabilities Provider Rates	17,500,000	0	0	0
DHHS	176	LB 1099 - ARPA earmark for nursing scholarships	0	0	0	0
DHHS	514	ARPA earmark for rural ambulance	0	0	0	0
DHHS	514	LB 1209 - ARPA grant for Cedars	2,000,000	0	0	0
DHHS	514	LB 941 - ARPA for rural asst living rates	1,499,657	0	0	0
Transportation	569	ARPA Surface Transportation	20,832,043	0	0	0
Nat Resources	192	Reduce ARPA Lincoln water project	0	0	0	0
Corrections	200	ARPA Recidivism mitigation	500,000	500,000	0	0
University	781	LB 1242 - ARPA for rainwater study	350,000	0	0	0
State Patrol	100	Salary compression adjustments	0	21,918	21,918	21,918
DAS	560	LB 1380 - ARPA for Wyuka cemetery	375,000	0	0	0
Econ Dev	601	LB 850 - ARPA earmark for rural housing	0	0	0	0
Econ Dev	603	ARPA Regional development initiative	3,000,000	0	0	0
Econ Dev	603	Reduce ARPA for nuclear study	0	0	0	0
Deaf/Hard Hearing	578	Expand ARPA earmark	0	0	0	0
Mult Agencies	--	Consolidate Center for Operational Excellence	0	(133,826)	(133,826)	(133,826)
Mult Agencies	--	OCIO Costs	(9,744,058)	(3,977,867)	(3,977,867)	(3,977,867)
Total Federal Funds –New Appropriations			49,099,749	7,637,487	7,137,487	7,137,487

Federal Funds – Lapsed Reappropriations

Agency	Prog	Item	FY2023-24
PSC	793	Reduce ARPA LB1144A	(324,875)
Agriculture	78	Reduce ARPA dairy industry study	(32,500)
Military	191	Reduce ARPA military administrative costs	(4,000,000)
DHHS	514	Reduce ARPA behavioral health acute care beds	(2,500,000)
DHHS	424	Reduce ARPA DD aid provider rates	(27,500,000)
Econ Dev	603	Reduce ARPA nuclear study	(137,000)
Total Federal Funds – Reappropriations			(34,494,375)

Appendix F

Revolving Funds Appropriation Adjustments

Agency	Prog	Item	Committee		Estimate for Following Biennium	
			FY2023-24	FY2024-25	FY2025-26	FY2026-27
State Patrol	100	Salary compression adjustments	0	23,631	23,631	23,631
State Patrol	630	Capitol Security	36,969	36,969	36,969	36,969
DAS	605	State SOS program	0	538,250	538,250	538,250
DAS	567	State accounting staffing	0	311,147	311,147	311,147
DAS	594	State insurance fund	0	2,000,000	0	0
DAS	245	LB 1275 - volunteer dept radios	0	2,000,000	0	0
DAS	245	LB 1378 - volunteer fire dept radios	0	425,000	0	0
Mult Agencies	--	Consolidation of Center for Operational Excellence	0	(328,598)	(328,598)	(328,598)
Mult Agencies	--	OCIO Costs	(7,713,107)	(3,238,934)	(3,238,934)	(3,238,934)
Total Revolving Funds –New Appropriations			(7,676,138)	1,767,465	(2,657,535)	(2,657,535)
State Patrol	904	Crime Lab Expansion Costs	9,249,755	0	0	0
DAS	921	Troop A Headquarters	(18,200,000)	0	0	0
DAS	901	State Capitol 5 th Floor	0	1,500,000	0	0
Total NCCF Funds –New Appropriations			(8,950,245)	1,500,000	0	0
Total Revolving and NCCF			(16,626,383)	3,627,465	(2,657,535)	(2,657,535)

Appendix G

General Fund Spending Assumptions - Following Biennium

For the “**following biennium**” (FY2025-26 and FY2026-27), the increase reflects the annualized impact of the 2023 budget actions plus an estimate of future year increases in entitlement programs, salary and health insurance increases, and other funding requirements that are normally not optional. It is an estimate based on “current law”, i.e. an estimate of future obligations with no change to underlying law that creates the obligation. These estimates incorporate the anticipated fiscal impact due to enacted 2023 legislation, but do not include the annualized costs of 2024 budget adjustments.

Table 14 Estimated Appropriations by Category FY2025-26 and FY2026-27

	Annual % Change		\$ Change from FY24-25		Two Yr Total
	FY2025-26	FY2026-27	FY2025-26	FY2026-27	
<u>AID TO LOCAL GOVT</u>					
Aid to K-12 Schools (TEEOSA GF only)*	1.43%	2.3%	13,549,663	36,032,500	49,582,163
Special Education	1.0%	1.0%	2,545,824	5,119,144	7,664,968
Community Colleges	2.0%	2.0%	2,282,334	4,610,315	6,892,649
Homestead Exemption	6.0%	6.0%	8,016,000	16,512,960	24,528,960
Governors Emergency program	0.0%	0.0%	0	0	0
All Other (Aid-Local)	0.0%	0.0%	0	0	0
<u>AID TO INDIVIDUALS</u>					
Medicaid	2.0%	2.0%	20,546,729	41,504,392	62,051,121
Public Assistance	0.0%	1.0%	0	863,801	863,801
Child Welfare Aid	2.0%	2.0%	12,753,363	16,660,670	29,414,033
Developmental Disability aid	2.0%	2.0%	3,951,344	7,981,714	11,933,058
Behavioral Health aid	2.0%	2.0%	2,991,333	5,857,896	8,849,229
Children's Health Insurance (SCHIP)	2.0%	2.0%	624,926	1,262,350	1,887,276
Public Health Programs	0.0%	0.0%	0	0	0
Nebraska Career Scholarships	0.0%	0.0%	0	0	0
All Other (Aid-Ind)	Fixed	Fixed	(250,000)	(250,000)	(500,000)
<u>AGENCY OPERATIONS</u>					
Employee Salaries (agencies)	3.0%	3.0%	25,404,867	51,571,879	76,976,746
Employee Health Insurance (agencies)	4.0%	4.0%	4,440,454	9,058,525	13,498,979
University/Colleges increased funding	2.2%	2.3%	16,395,194	33,302,365	49,697,559
Operations increase (all agencies)	3.0%	3.0%	5,196,454	10,548,801	15,745,254
Staffing/pop changes/medical (Corrections)	2.0%	2.0%	3,722,530	7,445,060	11,167,590
Retirement (Schools, Patrol, Judges)	Fixed	Fixed	(66,831)	2,100,000	2,033,169
All Other (Oper)	Fixed	Fixed	(453,375)	1,899,432	1,446,057
<u>CONSTRUCTION</u>			<u>14,140,896</u>	<u>0</u>	<u>14,140,896</u>
<u>TOTAL GENERAL FUND (Biennial Basis)</u>			135,791,704	252,081,804	387,873,508

* Does not include the impact of the 2023 Nov TEEOSA estimate meeting

Table 15 Total Estimated Appropriations FY25-26 and FY26-27

Operations	2,203,481,674	2,264,768,444
State Aid to Ind/Other	1,768,069,633	1,801,332,762
State Aid to Local Govt	1,499,141,451	1,535,022,548
Construction	35,444,824	21,303,928
2024 Adjustments	46,252,212	34,393,847
	<hr/>	<hr/>
Total (w/o deficits)	5,552,389,794	5,656,821,529
Annual \$ Change - Appropriations	109,032,214	104,431,736
 Estimated Growth Rates for Appropriations		
Operations	2.5%	2.8%
State Aid to Ind/Other	2.4%	1.9%
State Aid to Local Govt	1.8%	2.4%
Construction	66.4%	-39.9%
	<hr/>	<hr/>
Annual % Change - Appropriations (w/o deficits)	2.0%	1.9%

Aid to Local Governments

State Aid to Schools (TEEOSA) The estimates for FY26 and FY27 shown in this table are the out-year estimates from the end of the 2023 session, including enactment of LB 583. The changes in the FY26 and FY27 estimates are shown in a separate line on the General Fund financial status, and discussed in the TEEOSA state aid section. The amount is factored into the 2024 adjustments shown in Table 15.

Special Education Increases reflect the historical average for the increase in General Fund expenditures.

Aid to Community Colleges For the following biennium, a 2.0% per year increase is included reflecting state aid to support operations budget increases. This increase amounts to a \$2.3 million per year increase and is similar to the historical average for General Fund appropriation growth (1.8% 10 yr average).

Homestead Exemption A 6% per year annual increase is included for the following biennium budget reflecting the historical average (6.0% 10 yr average).

Aid to Individuals

Medicaid For the following biennium, the growth is 2.1% in FY25-26 and 2.0% in FY26-27. The growth rate is slightly higher in FY25-26 to reflect increases due to added costs of LB 276 (2023) that year. Historical average growth is 2.2% (10 yr average). This estimate also assumes no change in the federal match rate.

Public Assistance A basic growth rate of 0.0% is used in FY25-26 and 1.0% in FY26-27, reflecting historical average growth that is nearly flat.

Child Welfare A growth rate of 7.0% is utilized for FY25-26 and 2.0% for the following biennium. This reflects the anticipated increase in FY25-26 for provider rates that are funded by ARPA funds in the FY23-24/FY24-25 biennium being funded by General Funds in the following biennium as ARAP funds are no longer available. The anticipated increase in the second year of the biennium is closer to the historical average (2.9% 10 yr average).

Children’s Health Insurance (CHIP) For the following biennium, a 2.0% per year increase is used.

Developmental Disability Aid A 2.0% per year increase is included. This is lower than the historical average of 3.7% (10 yr average).

Behavioral Health Aid. This area includes substance abuse and mental health aid. The increases in the following biennium reflect a 3.5% increase in FY23-24 and a 3.2% increase in FY24-25, which is higher than the historical average but also includes the anticipated costs of LB 276 (2023) (2.4% 10 yr average).

Nebraska Career Scholarships. 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 program has been codified, and originally intended increases have been enacted through FY24 (now appropriated at \$20.2 million through the three agencies). As such, specific increase is not factored into the estimates.

Agency Operations / Construction

Employee Salary Increases Although salary increases will be the result of bargaining, some level of increase is factored in more for illustration than planning purposes. A 3.0% per year increase is included, approximating inflation.

Employee Health Insurance For planning purposes, an 4.0% per year increase in health insurance is included for the following biennium, similar to the prior biennium.

University and State Colleges Funding The calculated amounts are based on applying the same salary and health insurance increases as noted for state employees planning purposes, and applying them to both the University and State Colleges. Included for FY26 is a 2.2% increase and for FY27, a 2.3% increase.

Operations Inflation Included in the projected status is a general 3% increase in agency non-personnel operating costs. Although not provided as an across the board increase, this amount includes operations expenses related to enacted A bills and also historically covers increases in utility costs at state and higher education facilities as well as food and other inflationary cost increases at 24/7 state facilities such as veterans homes, BSDC, etc...

Inmate Per Diem Costs While some costs at the Dept. of Correctional Services such as staffing are “fixed” within a range of inmate population, some costs change directly with each inmate. This includes food, clothing, and medical care. A 2% per year increase is included to reflect these increases. (3.2% 10 yr average).

Defined Benefit Retirement Plans The increase in funding for the defined benefit retirement plans for FY26 and FY27 reflects the estimated increase in the state’s retirement plans.

Capital Construction General Fund dollars included in the projected budget for capital construction reflect reaffirmations only. These are dollar amounts needed to complete funding of projects approved in previous legislative sessions.