



Cash Reserve Fund Status

The Cash Reserve Fund was created in 1983 to provide a source of funds for temporary transfers to the State General Fund when balances are not sufficient to process expenditure transactions. There have been several instances in which money was moved to and from the Cash Reserve Fund to accomplish policy initiatives. The Legislature has also used the Cash Reserve Fund to finance one-time new capital construction projects. Current law provides that actual General Fund revenues in excess of the certified forecast at the end of the fiscal year are to be transferred to the Cash Reserve Fund. There are no requirements for a minimum or maximum balance in the Cash Reserve Fund.

FY 2011-12 actual net General Fund tax receipts exceeded the FY 2011-12 certified forecast by \$104.8 million. That amount was automatically transferred by operation of state law to the separate Cash Reserve Fund in July 2012. In October 2012, the Nebraska Economic Forecasting Advisory Board increased its estimate of net General Fund tax receipts for FY 2012-13 by \$57.9 million which is shown as an automatic transfer to the Cash Reserve Fund in FY 2013-14.

Transfers to/from the Cash Reserve Fund scheduled under current law for FY 2012-13 include: \$4,990,198 reimbursement from the Water Contingency Cash Fund; \$4,461,676 reimbursement from the Ethanol Production Incentive Cash Fund; \$1,000,000 to the Affordable Housing Trust Fund; \$80,000,000 to the Nebraska Capital Construction Fund; and \$78,000,000 to the General Fund.

The Governor's 2013-2015 recommendations include a transfer of up to \$47.0 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund to finance the State's cost share for construction of a new Central Nebraska Veterans' Home to replace the existing Veterans' Home in Grand Island. The Governor's proposal provides for a \$47.0 million reimbursement to the Cash Reserve Fund from the General Fund upon completion of the project.

The projected ending balance for the Cash Reserve Fund is \$442 million. No additional transfers from the Cash Reserve Fund are recommended.

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	Current	Next Biennium		Following Biennium	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Beginning Balance	428,878,372	384,120,028	395,038,569	395,038,569	395,038,569
Transfer Amounts Above Forecasts	104,789,781	57,934,000			
To/From General Fund	(78,000,000)	0	0		
From Water Contingency Cash Fund	4,990,198				
To/From Ethanol Production Incentive Cash Fund	4,461,676				
To NCCF for higher ed construction/Centennial Mall	(80,000,000)				
To Affordable Housing Trust Fund	(1,000,000)				
To NCCF for Central Nebraska Vets Home construction	_____	(47,015,459)	_____	_____	47,015,459
Ending Balance	384,120,028	395,038,569	395,038,569	395,038,569	442,054,028