

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.

Transfers from the Cash Reserve Fund scheduled under current law for FY 2016-17 include: \$43 million to the Nebraska Capital Construction Fund and \$50 million to the Transportation Infrastructure Bank Fund.

The Governor's recommendations this legislative session for budget adjustments in FY 2016-17 include a transfer from the Cash Reserve Fund to the General Fund of \$92 million.

The Governor's recommendation for additional transfers of \$21.5 million to the General Fund and the anticipated \$11.2 million in additional sales tax receipts from online sales in FY 2016-17 are considered in excess of the certified tax receipt forecast for FY 2016-17 and pursuant to state law are shown as an automatic transfer from the General Fund to the Cash Reserve Fund in FY 2017-18. An additional transfer of \$17.5 million is proposed from the General Fund to the Cash Reserve Fund in FY 2018-19 to maintain an unobligated ending balance in the Cash Reserve Fund of \$500 million.

The Governor recommends transfer of \$75.2 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) in FY 2017-18 to finance the Department of Corrections Reception and Treatment Center capital construction project. The Governor also recommends a \$10 million transfer from the Cash Reserve Fund to the NCCF fund for the continuing costs of the previously approved State Capitol Building HVAC project; a future transfer of \$10.4 million is recognized to occur in FY 2020-21.

No additional transfers are recommended. The ending unobligated Cash Reserve Fund balance is \$500 million.

Cash Reserve Fund Status

	Current	Next Biennium		Following Biennium	
	FY2016-17	FY2017-18	FY2018-19	FY2019-20	FY2020-21
1 Beginning Balance	730,655,108	545,639,649	503,134,439	510,629,310	510,629,310
2 Transfer Amounts Above Forecasts		32,710,103			
3 To/From General Fund	(92,000,000)		17,500,000		
4 To NCCF for Central NE Veterans Home	(43,015,459)				
5 To Transportation Infrastructure Bank	(50,000,000)				
6 To NCCF for DCS for Reception and Treatment Center		(75,215,313)			
7 To NCCF for Capitol HVAC			(10,005,129)		(10,431,585)
8 Ending Balance	545,639,649	503,134,439	510,629,310	510,629,310	500,197,725