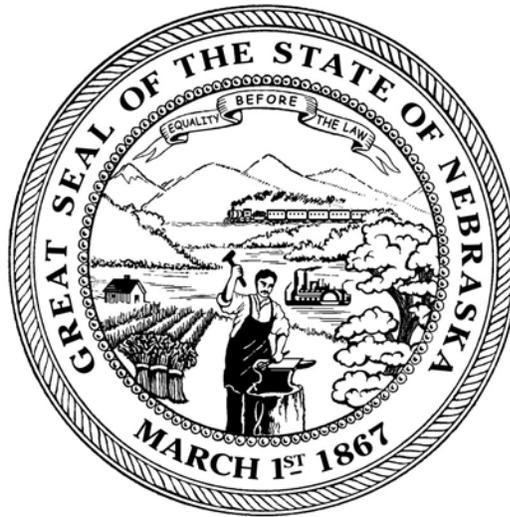


State of Nebraska



**Governor's
Budget Recommendations**

One Hundred Eighth Legislature
Special Session



A handwritten signature in black ink that reads "Jim Pillen".

Jim Pillen
Governor

July 25, 2024

Governor's Budget Recommendations

One Hundred Eighth Legislature
First Special Session

Presented by
Administrative Services – State Budget Division
(402) 471-2526
das.nebraska.gov/budget

Presented July 25, 2024



Jim Pillen
Governor

STATE OF NEBRASKA

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July 25, 2024

Mr. President, Mr. Speaker,
and Members of the Legislature
State Capitol Building
Lincoln, NE 68509

Dear Mr. President and Members of the Legislature:

Today, I am presenting adjustments to the 2023 – 2025 Biennium budget accompanied with a proposal (Nebraska Plan) to finally address the property tax crisis in our state. It is critical that those who have grown up in Nebraska, raised their families here and want to retire, are not kicked out their homes due to high property taxes. We must stop this game of rising valuations and propped up levies and ensure that what people pay is **LESS** than what they paid the year before.

We now find ourselves at a crisis level. Soon, property taxes collections will reach a \$1 million a day -- a problem that is growing exponentially. It took the state 118 years to reach \$1 billion in property tax collections. Today, we are on track to reach this metric in three short years. This is unsustainable to homeowners and renters, young and old, urban and rural dwellers, business owners, farmers and others.

To solve it, we need a systematic and sustainable fix. The Nebraska Plan calls for a hard cap on cities and counties of 0% or CPI, while allowing for limited exceptions for public health, public safety and new growth. It also provides localities the ultimate form of local control by allowing for an override of these limitations by a vote of the people.

My budget recommendation reduces General Fund carryover by \$116.7 million and proposes further budget reductions of \$83 million, annually. This \$200 million in savings is fundamental to this plan, and demonstrates how the state can make cuts, while maintaining quality services for the people of Nebraska. The recommendation also includes leveraging existing government cash funds to finance relief at an additional \$200 million annually. We have a spending problem at every level of government. As a state, we can lead by example by utilizing excess funds and cutting costs. This represents under 5% of our cash totals in the state. This is sustainable practice, and we have more improved services on the way that will save Nebraska hundreds of millions more.

The Nebraska Plan ensures that the state finally stops quitting on its kids. For far too long, the state has abdicated its full responsibility in financing public education. Taxpayers have instead, borne that burden. When I assumed office, Nebraska was 43rd in the nation for providing state aid to K-12 schools. While lawmakers acted in the 2023 Legislative Session to remedy that shortcoming, there is more we can do to fund our schools, boost teacher pay, limit bloat at the administrative level, and finally put the focus on where it needs to be – educating our kids!

The initiative to have the state assume more school funding is not an effort to have the state assume more control over those schools. It is important that superintendents and school boards maintain

their autonomy in deciding how best to educate students. What this plan should help do is alleviate some of the worry and demand about where and how to obtain critical funding. It is fundamentally unfair that when valuations in a school district go up, state aid goes down. It is imperative that we give schools a steady and reliable source of revenue.

The Nebraska Plan calls for retooling existing LB 1107 (2020) property tax incentive credits and frontloading them on every taxpayer's property tax statement. Today, nearly 45% of Nebraskans are not receiving this credit. The plan also utilizes the school portion of the Property Tax Credit Cash Fund to phase down the General Fund levy for schools.

Nebraska's tax code is in desperate need of reform. The Nebraska Plan calls for eliminating decades of increasing sales tax exemptions that have been given to special interest groups and acknowledges the growing service economy in our state. These items will go 100% toward funding K-12 education and reducing property taxes.

When it comes to identifying potential sales tax revenue, the Nebraska Plan incorporates several core principles:

- No sales tax on food
- No sales tax on medicines used for human treatment
- No taxing services or goods provided through nonprofits
- No sales tax on ag inputs or manufacturing materials (defined as physical economic resources used to create goods to be sold to an end user)
- No sales tax on services or items that are exempt in all other states
- No sales tax on services or items that are exempt in all surrounding states
- No double taxation

Building on previous legislative successes, **this proposal is an overall tax decrease**. In 2023, between income, sales, and property taxes the state collected \$12.045 billion. It is estimated that the state will collect \$11.132 billion in 2027 (\$912 million reduction) by adopting the proposals contained in this plan.

We must finally address this mounting crisis with the acknowledgment that we cannot wait another year, two years, or three years to get it done. There are members of our Legislature who have made addressing the state's property tax crisis central to their legislative pursuits. I know they have the passion and the experience to make progress here and now. I look forward to our partnership in making that happen.

Thank you for your service to our state and I look forward to our discussions ahead.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Pillen". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jim Pillen
Governor

STATE OF NEBRASKA



Proclamation

BY VIRTUE OF THE AUTHORITY VESTED in the Governor by Article IV, Section 8, of the Constitution of the State of Nebraska, I, Jim Pillen, as Governor of the State of Nebraska, believing that an extraordinary occasion has arisen, DO HEREBY CALL the Legislature of Nebraska to convene in extraordinary session at the State Capitol on July 25, 2024, at 10:00 AM, for the purpose of considering and enacting legislation relating only to the following subjects:

1. Making the following changes to appropriations approved by the 108th Legislature:
 - a. Reducing general fund appropriations and reappropriations approved by the 108th Legislature;
 - b. Lapsing cash fund balances and reallocate cash fund revenue and interest as approved by the 108th Legislature;
 - c. Modifying fees and assessments to replace general fund appropriations as approved by the 108th Legislature;
 - d. Creating cash and revolving funds and expanding eligible uses of specific funds to support general fund appropriation reductions approved by the 108th Legislature;
 - e. Modifying cash fund, revolving fund, and federal fund appropriations to support general fund reductions approved by the 108th Legislature;
 - f. Transferring funds to the General Fund and Education Future Fund;
 - g. Transferring funds between cash funds to support specific general fund reductions approved by the 108th Legislature;
 - h. Transferring funds from the cash reserve fund to cash funds to support specific general fund reductions approved by the 108th Legislature;
 - i. Modifying cash fund appropriations approved by the 108th Legislature to support specific general fund reductions;
2. Modifying the state cigarette tax;
3. Modifying state taxes on vaping products;
4. Modifying the state tax on consumable spirit alcohol;
5. Modifying the state tax on Keno gaming;
6. Modifying the state tax on game of skill devices as defined in LB 685, as approved on April 15, 2024;
7. Establishing sales or use taxes on services and items that are not currently taxed;
8. Establishing an excise tax on consumable hemp, as defined in the Agriculture Improvement Act of 2018;
9. Eliminating state sales tax exemptions;
10. Eliminating the personal property tax liability on agricultural and machinery equipment;
11. Reforming credits defined in the Property Tax Credit Act;
12. Reforming credits defined in the Nebraska Property Tax Incentive Act;
13. Amending Neb. Rev. Stat. § 77-27,142 to allow for the redistribution of local option sales taxes;
14. Establishing a property tax relief program, which may include modifying state educational aid or establishing tax credits, to reduce property tax revenue collected for schools and taking steps necessary to ensure any such program which requires a constitutional amendment be printed on the November 2024 ballot, or as soon as possible thereafter;
15. Establishing revenue caps that limit the authority of City and County governments to collect property tax revenue; and
16. Appropriating funds to the Legislative Council for the necessary expenses incurred by the Legislature due to the convening of the extraordinary session herein called.

NOW, THEREFORE, I direct members of the Legislature of the State of Nebraska be notified of the convening of this extraordinary session by presenting to each of them a copy of this proclamation;

IN WITNESS WHEREOF, I have hereunto set my hand, and cause the Great Seal of the State of Nebraska to be affixed this 24th day of July, in the year of our Lord Two Thousand Twenty-four.

Attest:


Secretary of State


Governor



General Fund Financial Status

The General Fund Financial Status provides a summary of the State's financial condition including the impact of the 2024 Legislative Session actions and the 2024 Special Legislative Session budget reduction recommendations. While Nebraska operates with a biennial budget the version, the version of the status shown in this document includes an additional two years of estimated revenues and appropriations for planning purposes.

The revenue portion of the status shows the net General Fund tax receipts for the two most recently completed fiscal years, the forecast for the current fiscal year as adopted by the Nebraska Economic Forecasting Advisory Board at its February 2024 meeting and adjusted by the impact of enacted 2024 Legislative Session bills, and the average of the Department of Revenue and Legislative Fiscal Office outyear projections also adjusted for 2024 legislation. Revenue is increased to account for changes to the school property tax portion of the Property Tax Credit Program, the Property Tax Credit Incentive Program, and personal property tax exemption reimbursements to local government for agriculture and manufacturing machinery. Increased revenue is also reflected for reallocation of interest earned in cash fund and revolving funds which would compound be credited to the General Fund instead of various individual funds.

New transfers to the General Fund include a one-time transfer of \$6.5 million in FY 2024-25 from the Health Care Cash Fund related to excess funds from a Vital Records System project. The usual and customary transfers from the Securities Act Cash Fund, Department of Insurance Cash Fund, and Tobacco Products Administration Cash Fund are usually only directed for one biennium at a time, and the outyear transfers in reflect the recommended articulation of outyear transfers in these funds. An additional outyear transfer to the General Fund is reflected in FY 2026-27 from the Cash Reserve Fund. Finally, the revenue increases, and budget reductions are leveraged to support substantial annual transfers from the General Fund to the Education Future Fund beginning at \$1.035 billion in FY 2024-25.

The current appropriations shown for FY 2024-25 include the 2024 Legislative Session adjustments to the adopted biennial budget. The prior two years of actual expenditure are also reflected as well as the carryover of unused appropriation from the first year of the 2023-2025 Biennium. The Governor's Special Legislative Session provides for \$116.7 million in one-time carryover reappropriation reductions and an additional \$83 million in ongoing General Fund base appropriation reductions. The amounts shown for General Fund appropriation reductions for the budget base in the following 2025-2027 Biennium for planning purposes represent a three percent annual growth.

The ending General Fund balance of \$805.1 million for the 2023-2025 Biennium exceeds the minimum three percent General Fund reserve requirement by \$461.1 million.

General Fund Financial Status

	Actuals	Current Biennium		Upcoming Biennium	
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1 Beginning Balance					
2 Beginning Cash Balance	2,494,107,852	1,853,785,088	1,843,296,751	805,132,423	648,225,732
3 Cash Reserve Fund transfer-Automatic	(1,287,998,995)	(2,982,492)	(38,746,104)		
4 Unexpended FY24 Carryover			(435,788,143)		
5 Reappropriation Reductions			116,695,500		
6 Unobligated Beginning Balance	1,206,108,857	1,850,802,596	1,485,458,004	805,132,423	648,225,732
7 Revenues					
8 Net Receipts - (Feb NEFAB; Econometric Outyears)	6,367,982,492	7,155,810,580	5,888,878,915	6,349,119,532	6,244,279,082
9 Property Tax Credit Program Adjustments			741,835,000	854,373,000	902,200,000
10 Interest Reallocation			30,000,000	40,000,000	40,000,000
11 General Fund transfers - in (new)			6,500,000	59,000,000	52,000,000
12 Transfers Out to Education Future Fund (new)			(1,035,000,000)	(1,110,000,000)	(1,353,000,000)
13 General Fund transfers - out	(518,053,459)	(1,399,760,000)	(944,553,886)	(952,417,382)	(976,636,640)
14 Cash Reserve Fund transfers	(50,000,000)	(440,000,000)	4,000,000		200,000,000
15 Accounting Adjustment	1,937,066	(8,779,331)			
16 General Fund Net Revenues	5,801,866,099	5,307,271,249	4,691,660,029	5,240,075,150	5,108,842,442
17 Appropriations					
18 Expenditure/Appropriations	5,154,189,868	5,314,777,094	5,454,964,128	5,371,985,610	5,371,985,610
19 Projected Increase				107,974,749	224,313,023
20 Budget Reductions			(82,978,518)	(82,978,518)	(82,978,518)
21 General Fund Appropriations	5,154,189,868	5,314,777,094	5,371,985,610	5,396,981,841	5,513,320,115
22 Ending Balance					
23 Dollar ending balance	1,853,785,088	1,843,296,751	805,132,423	648,225,732	243,748,059
24 Minimum Biennial Reserve Requirement			344,009,353		324,875,243
25 Variance from Minimum Reserve			461,123,070		(81,127,184)
26 Biennial Reserve (%)			7.3%		2.2%
27 Annual % Change - Appropriations	7.2%	3.0%	0.3%	0.5%	2.2%
28 Two Year Average	4.3%	--	2.0%	--	1.3%
29 Annual % Change - Actual, Prelim NEFAB, 3%, 4.5%	0.3%	12.4%	-6.9%	8.7%	-0.8%
30 Two Year Average	3.4%	--	2.3%	--	3.9%
31 Structural Receipts v. Expend./Approps.	852,608,079	1,157,918,771	(711,202,678)	(156,906,691)	(604,477,673)

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 directed the variance between actual General Fund revenues at the end of FY 2023-24 exceeding the certified forecast to be transferred to the Cash Reserve Fund but caps the Cash Reserve Fund balance at 16% of total FY 2024-25 General appropriation at the time of the transfer, which included carryover reappropriation but excluded appropriation from A-bills which were in yet in effect. This resulted in a transfer to the Cash Reserve Fund of \$38.7 million.

Four transfers are scheduled in FY 2024-25 under current law to various cash funds totaling \$15.9 million. Transfers in FY 2024-25 also include \$4 million to the General Fund and \$29.5 million to the Nebraska Capital Construction Fund. The status also reflects the recommended transfers to the Governor's Emergency Fund in FY 2024-25 and FY 2025-26 which replaces General Fund appropriations, and \$200 million to the General Fund in FY 2026-27.

The 2025-2027 Biennium ending unobligated Cash Reserve Fund balance is \$667.2 million. The total reserve including the minimum General Fund reserve will be \$992.1 million.

Cash Reserve Fund Status

	Actuals	Current Biennium		Upcoming Biennium	
	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
1 Beginning Balance	927,523,568	1,637,852,563	912,817,475	877,179,779	867,179,779
2 Transfer Amounts Above Forecasts	1,287,998,995	2,982,492	38,746,104		
3 To/From General Fund (in forecast + new)	40,000,000	440,000,000	(4,000,000)		(200,000,000)
4 To Nebr Capital Construction Fund (NCCF)	(216,120,000)	(166,673,580)	(29,458,800)		
5 To Military Base Development Fund	(30,000,000)				
6 To Site & Building Development Fund	(20,000,000)	(2,000,000)			
7 To Intern Nebraska Cash Fund	(20,000,000)				
8 To/From JEDI Fund		(52,000,000)			
9 To Middle Income Housing Fund	(20,000,000)				
10 To NE Rural Projects Act	(50,000,000)				
11 To Perkins County Canal Fund	(53,500,000)	(574,500,000)			
12 To Rural Workforce Housing Fund	(30,000,000)				
13 To Surface Water Irrigation Fund	(50,000,000)				
14 To Trail Development Fund	(8,300,000)				
15 To/From Governors Emergency Fund		15,841,000	(25,000,000)	(10,000,000)	
16 To Accounting Division Revolving Fund		(1,100,000)			
17 To Health & Human Services Cash Fund		(11,320,000)	(3,500,000)		
18 To NSCS Insurance Risk Loss Trust		(3,000,000)			
19 To Public Safety Fund		(1,115,000)			
20 To Roads Operations Cash Fund	(100,000,000)				
21 To State Building Revolving Fund		(1,400,000)			
22 To Shovel Ready Capital Recovery Fund		(70,000,000)			
23 To Youth Outdoor Education Fund		(10,000,000)			
24 To Public Safety Comm Systems Revolving Fund		(5,000,000)	(2,425,000)		
25 To Economic Recovery Contingency Fund		(240,000,000)			
26 To Economic Development Cash Fund		(20,000,000)			
27 To Materiel Division Cash Fund		(2,500,000)			
28 To Critical Infrastructure Facilities Fund		(10,000,000)			
29 To State Indemnification Revolving Fund	(18,750,000)				
30 To Revitalize Rural Nebraska Fund (LB531)	(1,000,000)				
31 To School Safety & Security Fund (LB705)		(10,000,000)			
32 To State Insurance Fund		(3,250,000)	(5,000,000)		
33 To Municipality Infrastructure Aid Fund			(5,000,000)		
34 Ending Balance	1,637,852,563	912,817,475	877,179,779	867,179,779	667,179,779
37 Balance as Percent of Appropriation	31.8%	17.2%	16.3%	16.1%	12.1%
38 Total General & CRF Reserve		1,256,826,828	1,221,189,132	1,192,055,022	992,055,022

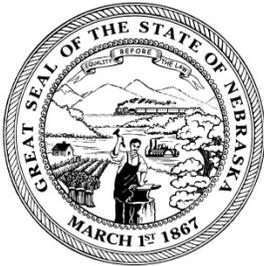
Budget Recommendation Summary

Recommended General Fund Budget Adjustments by Agency

Adjustment Type	Reappropriation	FY 2024-25	Total
Administrative Services	(2,325,000)	(360,567)	(2,685,567)
Agriculture	(500,000)	(1,500,000)	(2,000,000)
Corrections	(10,000,000)	(10,000,000)	(20,000,000)
Crime Commission	(7,500,000)	(3,000,000)	(10,500,000)
Fire Marshal	(250,000)	(3,500,000)	(3,750,000)
Foster Care Review Office	(250,000)	(250,000)	(500,000)
Game & Parks	(500,000)	(8,827,541)	(9,327,541)
Governor	(750,000)	0	(750,000)
Health & Human Services	(42,250,000)	(38,534,060)	(80,784,060)
Historical Society	(500,000)	0	(500,000)
Legislative Council	(5,000,000)	(2,500,000)	(7,500,000)
Lt. Governor	(25,000)	0	(25,000)
Military Department	(35,000,000)	(200,000)	(35,200,000)
Natural Resources	(1,250,000)	(2,500,000)	(3,750,000)
Oil & Gas Commission	(100,000)	(100,000)	(200,000)
Public Service Commission	(5,000,000)	(5,000,000)	(10,000,000)
Revenue	(1,645,500)	(1,756,440)	(3,401,940)
Secretary of State	(250,000)	(250,000)	(500,000)
State Patrol	(2,000,000)	(3,500,000)	(5,500,000)
Tax Equalization & Review	(200,000)	(100,000)	(300,000)
Treasurer	(100,000)	(100,000)	(200,000)
Veterans Affairs	(1,300,000)	(1,000,000)	(2,300,000)
Total Appropriation Changes	(116,695,500)	(82,978,608)	(199,674,108)

Recommended Transfers

Transfer Name	FY 2024-25	FY 2025-26	FY 2026-27	Total
General Fund Transfers In				
Health & Human Services Cash Fund	6,500,000	0	0	6,500,000
Department of Insurance Cash Fund	0	36,000,000	32,000,000	68,000,000
Securities Act Cash Fund	0	14,000,000	11,000,000	25,000,000
Tobacco Products Admin Cash Fund	0	9,000,000	9,000,000	18,000,000
Cash Reserve Fund	0	0	200,000,000	200,000,000
Subtotal General Fund Transfers In	6,500,000	59,000,000	252,000,000	317,500,000
Other Transfers				
Cash Reserve Fund to Governor's Emergency Cash Fund	25,000,000	10,000,000	0	35,000,000
NE Corn Development Fund to AgrAbility Cash Fund	300,000	300,000	300,000	900,000
Water Rec Enhancement Fund to State Park Revolving Cash Fund	15,000,000	0	0	15,000,000
Subtotal Other Transfers	40,300,000	10,300,000	300,000	50,900,000



Budget Adjustments

Summary of Governor's Recommendations

INTEREST ALLOCATIONS

The recommendation redirects future interest earnings allocations to the General Fund for interest earned by cash fund and revolving fund balances. Exceptions are provided for the University and State College funds, and 36 other funds including the Education Future Fund, Highway Cash Fund, Economic Recovery Contingency Fund, and State Game Fund. A full list of exclusions is included in Appendix A.

AGRICULTURE, ENVIRONMENT, AND NATURAL RESOURCES

AGRICULTURE, DEPARTMENT OF (18)

Fund Mix Adjustment – The recommendation includes a General Fund reappropriation reduction of \$500,000 from FY 2023-24, and a General Fund appropriation reduction of \$1.5 million in FY 2024-25. A broader fee structure can be leveraged to offset General Fund reductions, and the recommendation includes a corresponding cash fund appropriation increase of \$1.5 million in FY 2024-25.

Riparian Vegetation Aid Reduction – The recommendation removes the FY 2024-25 General Fund appropriation for Riparian Vegetation aid. These projects are eligible under the Nebraska Environmental Trust (NET) which has a fund balance over \$68 million. Sponsors of these projects are encouraged to apply and make use of these excess funds.

AgrAbility Aid Reduction – The recommendation includes the creation of a new AgrAbility Cash Fund which will be administered by the Department of Agriculture. This cash fund will be funded by annual \$300,000 transfers from the Corn Development, Utilization, and Marketing Board. Adjusting this program to cash fund appropriation will reduce General Fund obligations.

GAME AND PARKS COMMISSION (33)

Fund Mix Adjustment – The recommendation includes a General Fund reappropriation reduction of \$500,000 from FY 2023-24, and a General Fund appropriation reduction of \$8,827,541 in FY 2024-25. Cash revenue sources can be utilized to offset General Fund reductions, and the recommendation includes a corresponding cash fund appropriation increase of \$8,827,541 in FY 2024-25.

Cash Fund Transfer from Water Recreation Enhancement Fund – The recommendation includes a \$15 million transfer from the Water Recreation Enhancement Fund to the State Park Cash Revolving Fund. This transfer will offset General Fund reductions in the Parks Operations and Administration programs.

NATURAL RESOURCES, DEPARTMENT OF (29)

Fund Mix Adjustment – The recommendation includes a General Fund reappropriation reduction of \$1.25 million from FY 2023-24, and a General Fund appropriation reduction of \$2.5 million in FY 2024-25. The Water Resources Cash Fund can be expanded to cover salaries and benefits, and current cash fund appropriation is sufficient to accommodate this adjustment.

OIL AND GAS COMMISSION (57)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$100,000 from FY 2023-24, and a General Fund appropriation reduction of \$100,000 in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	0	200,000	249,312	175,000
Expenditure	0	125,688	41,554	74,392
Excess Appropriation	0	74,312	207,758	100,608
Carried Forward	0	74,312	0	100,608
Biennial Excess	0		207,758	

ECONOMIC DEVELOPMENT AND REGULATORY

PUBLIC SERVICE COMMISSION (14)

Broadband Bridge Program – The recommendation includes a General Fund reappropriation reduction of \$5 million from FY 2023-24, and a General Fund appropriation reduction of \$5 million in FY 2024-25 from underutilized Broadband Bridge Program funding. This accounts for \$405 million available in BEAD federal funding and a \$128 million Universal Service Fund balance.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	0	20,000,000	35,023,055	44,722,633
Expenditure	0	4,977,653	10,995,037	19,795,042
Excess Appropriation	0	15,022,347	24,028,018	24,927,590
Carried Forward	0	15,022,347	23,710,329	24,927,590

SECRETARY OF STATE (09)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$250,000 from FY 2023-24, and a General Fund appropriation reduction of \$250,000 in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	2,841,581	2,210,602	2,347,885	3,659,790
Expenditure	2,545,463	2,044,713	2,280,508	2,943,683
Excess Appropriation	296,119	165,888	67,376	716,107
Carried Forward	108,510	143,014	16,291	691,365

EDUCATION AND CULTURAL DEVELOPMENT

HISTORICAL SOCIETY, STATE (54)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$500,000 from FY 2023-24 excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	5,037,983	6,402,033	7,218,850	5,861,645
Expenditure	4,541,079	4,522,133	5,044,782	4,920,699
Excess Appropriation	496,904	1,879,900	2,174,069	940,946
Carried Forward	289,679	1,879,900	721,181	940,946
Biennial Excess	207,225		1,452,888	

GENERAL GOVERNMENT

GOVERNOR, OFFICE OF (07)

Reappropriation Reduction – The recommendation includes a General Fund reappropriation reduction of \$750,000 from FY 2023-24 excess reappropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	3,321,946	3,444,747	3,644,619	3,912,793
Expenditure	2,013,233	2,103,143	1,883,393	1,973,107
Excess Appropriation	1,308,713	1,341,604	1,761,226	1,939,686
Carried Forward (Automatic)	1,301,038	1,333,643	1,700,864	1,908,681

LEGISLATIVE COUNCIL (03)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$5 million from FY 2023-24, and a General Fund appropriation reduction of \$2.5 million in FY 2024-25 excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	27,614,426	32,589,631	34,129,088	37,326,140
Expenditure	21,541,619	22,497,000	23,296,835	23,492,676
Excess Appropriation	6,072,807	10,092,631	10,832,253	13,833,464
Carried Forward (Automatic)	6,067,383	10,086,290	10,826,707	13,830,253

LIEUTENANT GOVERNOR, OFFICE OF (08)

Reappropriation Reduction – The recommendation includes a General Fund reappropriation reduction of \$25,000 from FY 2023-24 excess reappropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	167,431	173,965	178,879	195,983
Expenditure	139,397	142,486	129,810	117,713
Excess Appropriation	28,034	31,479	49,070	78,270
Carried Forward (Automatic)	20,080	23,364	37,233	66,001

HEALTH AND HUMAN SERVICES

FOSTER CARE REVIEW OFFICE (70)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$250,000 from FY 2023-24, and a General Fund appropriation reduction of \$250,000 in FY 2024-25 excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	2,344,927	3,000,971	3,115,236	3,411,819
Expenditure	2,001,984	2,651,886	2,693,950	2,897,204
Excess Appropriation	342,943	349,085	421,286	514,615
Carried Forward (Automatic)	342,943	349,085	421,286	514,615

HEALTH AND HUMAN SERVICES, DEPARTMENT OF (25)

Cash Fund Transfer to the General Fund – The recommendation includes an excess balance transfer of \$6.5 million from the Health and Human Services Cash Fund to the General Fund in FY 2024-25 from excess funding for the agency’s Vital Records System modernization project. Savings will be attained by taking a significant portion of this project “in house” rather than relying on expensive contractual services.

Behavioral Health Aid Reappropriation Reduction – The recommendation includes a General Fund reappropriation reduction of \$8 million from FY 2023-24 in behavioral health aid excess appropriation which will not reduce services.

Public Assistance Aid Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$10 million from FY 2023-24, and a General Fund appropriation reduction of \$5 million in FY 2024-25 public assistance aid excess appropriation which will not reduce services.

Agency Administration Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$15 million from FY 2023-24, and a General Fund appropriation reduction of \$25 million in FY 2024-25. This savings is related to reductions in IT and contractual services and the amount of funding available to the agency with LB 1087 (2024).

Public Health Aid Funding Changes – The recommendation includes a General Fund appropriation reduction of \$7,284,060 in FY 2024-25. The General Fund reduction is replaced by the Nebraska Health Care Cash Fund (HCCF), and the recommendation includes a corresponding cash fund appropriation increase of \$7,284,060 in FY 2024-25. Most recent estimates reflect UNMC receiving an additional annual \$146 million and Boys Town receiving an additional annual \$30 million from the LB 1087 (2024) provider assessment tax.

Developmental Disabilities Reappropriation Reduction and Aid Funding Changes – The recommendation includes a General Fund reappropriation reduction of \$8 million from FY 2023-24 in developmental disabilities aid excess appropriation. The General Fund reduction is replaced by the Nebraska Health Care Cash Fund (HCCF), and the recommendation includes a corresponding cash fund appropriation increase of \$8 million in FY 2024-25. This will provide an ongoing base appropriation increase to ensure funding to eliminate the waitlist.

Health Information Exchange Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$1.25 million from FY 2023-24, and a General Fund appropriation reduction of \$1.25 million in FY 2024-25 excess appropriation.

Biomedical Research Base Reduction – The recommendation includes a cash fund appropriation reduction of \$15 million in FY 2024-25. These funds from the Nebraska Health Care Cash Fund (HCCF) will offset the HCCF allocation increases in other programs listed here.

VETERANS' AFFAIRS, DEPARTMENT OF (28)

Veterans' Affairs Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$1.3 million from FY 2023-24, and a General Fund appropriation reduction of \$1 million in FY 2024-25 excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	27,786,663	33,030,761	41,601,098	51,699,904
Expenditure	26,601,012	31,287,788	39,769,249	48,646,554
Excess Appropriation	1,185,651	1,742,973	1,831,849	3,053,350
Carried Forward (Automatic)	1,124,873	1,742,973	1,826,544	3,053,350

LAW ENFORCEMENT AND PUBLIC SAFETY

CORRECTIONAL SERVICES, DEPARTMENT OF (46)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$10 million from FY 2023-24, and a General Fund appropriation reduction of \$10 million in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	213,338,763	245,249,354	336,098,229	357,077,482
Expenditure	200,830,522	228,038,335	323,589,195	323,154,849
Excess Appropriation	12,508,240	17,211,018	12,509,034	33,922,632
Carried Forward	11,899,729	17,211,018	11,469,717	33,922,632

FIRE MARSHAL, STATE (21)

Fund Mix Adjustment – The recommendation includes a General Fund reappropriation reduction of \$250,000 from FY 2023-24, and a General Fund appropriation reduction of \$3.5 million in FY 2024-25. Cash revenue sources can be utilized to offset General Fund reductions, and the recommendation includes a corresponding cash appropriation increase of \$3.5 million in FY 2024-25.

LAW ENFORCEMENT AND CRIMINAL JUSTICE, COMMISSION ON (78)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$7.5 million from FY 2023-24, and a General Fund appropriation reduction of \$3 million in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	17,848,486	16,608,429	23,648,567	27,346,709
Expenditure	11,392,635	11,384,088	12,076,367	15,453,893
Excess Appropriation	6,455,851	5,224,341	11,572,200	11,892,816
Carried Forward	3,387,439	5,224,341	9,807,954	11,892,816

MILITARY DEPARTMENT (31)

Governor’s Emergency Program – The recommendation includes a General Fund reappropriation reduction of \$35 million from FY 2023-24 for the Governor’s Emergency Program. This reduction is offset by corresponding transfers of \$25 million in FY 2024-25 and \$10 million in FY 2025-26 to the Governor’s Emergency Cash Fund from the Cash Reserve Fund.

Base Appropriation Reduction – The recommendation includes a General Fund appropriation reduction of \$200,000 in FY 2024-25. This reduction comes from vacancy savings and administrative efficiencies found within the Nebraska Emergency Management program.

STATE PATROL, NEBRASKA (64)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$2 million from FY 2023-24, and a General Fund appropriation reduction of \$3.5 million in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	60,811,861	75,346,632	75,202,559	89,435,949
Expenditure	53,021,246	70,426,742	68,720,271	80,857,702
Excess Appropriation	7,790,615	4,919,889	6,482,288	8,578,247
Carried Forward (Automatic)	7,790,615	4,919,889	6,482,288	8,578,247

PUBLIC FINANCE

ADMINISTRATIVE SERVICES, DEPARTMENT OF (65)

Budget Division Reappropriation – The recommendation includes a General Fund reappropriation reduction of \$750,000 from FY 2023-24 in Budget Division excess reappropriation.

Nebraska Information Technology Commission – The recommendation includes a General Fund reappropriation reduction of \$75,000 from FY 2023-24, and a General Fund appropriation reduction of \$360,567 in FY 2024-25. Nebraska Information Technology Commission expenses would instead be funded through revolving fund assessments and the recommendation includes a corresponding revolving fund appropriation increase of \$360,567 in FY 2024-25.

Employee Relations Reappropriation – The recommendation includes a General Fund reappropriation reduction of \$500,000 from FY 2023-24 in Employee Relations excess reappropriation.

Capitol Commission Operations – The recommendation includes a General Fund reappropriation reduction of \$700,000 from FY 2023-24 in Capitol Commission operations excess appropriation.

Capitol Commission Projects – The recommendation includes a General Fund reappropriation reduction of \$300,000 from FY 2023-24 in Capitol Commission Improvements. Building renewal cigarette tax allocations can be available for emergent building improvement needs. This funding does not impact the Capitol HVAC project.

REVENUE, DEPARTMENT OF (16)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$1,645,500 from FY 2023-24, and a General Fund appropriation reduction of \$1,756,440 in FY 2024-25. The reductions are related to vacancy savings, excess appropriation, and reductions in IT and analytics expenses.

TAX EQUALIZATION AND REVIEW COMMISSION (93)

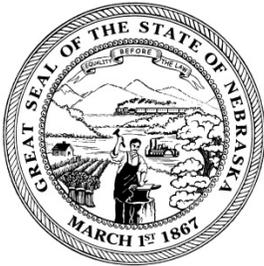
Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$200,000 from FY 2023-24, and a General Fund appropriation reduction of \$100,000 in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	1,034,770	945,954	1,092,866	1,451,350
Expenditure	805,282	798,639	777,432	1,146,493
Excess Appropriation	229,488	147,315	315,433	304,857
Carried Forward	28,882	147,315	39,985	304,857
Biennial Excess	200,606		275,448	

TREASURER, STATE (12)

Reappropriation Reduction and Base Reduction – The recommendation includes a General Fund reappropriation reduction of \$100,000 from FY 2023-24, and a General Fund appropriation reduction of \$100,000 in FY 2024-25 in excess appropriation.

General Fund Appropriation	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Total Appropriation	4,652,919	3,211,442	3,333,201	1,291,504
Expenditure	4,392,777	3,101,410	2,900,639	1,017,573
Excess Appropriation	260,142	110,032	432,562	273,931
Carried Forward	19,639	106,646	10,677	262,082
Biennial Excess	240,504		421,885	

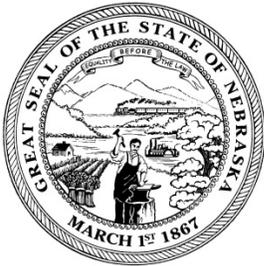


Summary of Budget Adjustments

Special Session Budget Reduction Recommendations

Agency	Agency Name	Program	Program Name	Fund	Reappropriation	FY 2024-25
003	Legislative Council	122	Legislative Services	General Fund	-3,500,000	-1,750,000
003	Legislative Council	123	Clerk of the Legislature	General Fund	-1,500,000	-750,000
007	Governor	018	Policy Research Office	General Fund	-250,000	0
007	Governor	021	Office of the Governor	General Fund	-500,000	0
008	Lt. Governor	124	Office of the Lieutenant Governor	General Fund	-25,000	0
009	Secretary of State	045	Election Administration	General Fund	-250,000	-250,000
012	Treasurer	024	State Disbursement Unit	General Fund	-100,000	-100,000
014	Public Service Commission	793	Broadband Bridge	General Fund	-5,000,000	-5,000,000
016	Revenue	102	Revenue Administration	General Fund	-1,290,000	-1,450,000
016	Revenue	112	Property Assessment	General Fund	-355,500	-306,440
018	Agriculture	078	Agriculture Department	General Fund	-500,000	-1,500,000
018	Agriculture	078	Agriculture Department	Cash Fund	0	1,500,000
021	Fire Marshal	193	Public Protection	General Fund	-250,000	-3,500,000
021	Fire Marshal	193	Public Protection	Cash Fund	0	3,500,000
025	Health & Human Services	033	Administration	General Fund	-15,000,000	-25,000,000
025	Health & Human Services	033	Administration	Cash Fund	-6,500,000	0
025	Health & Human Services	038	Behavioral Health Aid	General Fund	-8,000,000	0
025	Health & Human Services	347	Public Assistance	General Fund	-10,000,000	-5,000,000
025	Health & Human Services	424	Developmental Disability Aid	General Fund	-8,000,000	0
025	Health & Human Services	424	Developmental Disability Aid	Cash Fund	0	8,000,000
025	Health & Human Services	502	Public Health Aid	General Fund	-7,284,060	-7,284,060
025	Health & Human Services	502	Public Health Aid	Cash Fund	7,284,060	7,284,060
025	Health & Human Services	623	Biomedical Research	Cash Fund	-15,000,000	-15,000,000
025	Health & Human Services	624	Health Information Exchange	General Fund	-1,250,000	-1,250,000
028	Veterans' Affairs	511	Veterans' Affairs	General Fund	-1,300,000	-1,000,000
029	Natural Resources	334	Soil & Water Conservation	General Fund	-1,250,000	-2,500,000
029	Natural Resources	334	Soil & Water Conservation	Cash Fund	0	0
031	Military Department	192	Governor's Emergency Fund	General Fund	-35,000,000	-200,000
031	Military Department	545	Emergency Management	General Fund	-250,000	0
033	Game & Parks	336	Wildlife Conservation	General Fund	-100,000	-1,010,596
033	Game & Parks	337	Administration	General Fund	-100,000	-1,010,596
033	Game & Parks	337	Administration	Cash Fund	0	1,010,596
033	Game & Parks	549	Parks - Administration and Operation	General Fund	0	-7,816,945
033	Game & Parks	549	Parks - Administration and Operation	Cash Fund	0	7,816,945
033	Game & Parks	550	Planning and Trails	General Fund	-50,000	0

Agency	Agency Name	Program	Program Name	Fund	Reappropriation	FY 2024-25
033	Game & Parks	617	Engineering & Area Maintenance	General Fund	-100,000	0
046	Corrections	200	Operations	General Fund	-10,000,000	-10,000,000
054	Historical Society	648	State Historical Society	General Fund	-500,000	0
057	Oil & Gas Commission	335	Oil & Gas Commission	General Fund	-100,000	-100,000
064	State Patrol	100	Public Protection	General Fund	-1,000,000	-3,500,000
064	State Patrol	850	Public Safety Communication System	General Fund	-1,000,000	0
065	Administrative Services	101	Chief Information Officer	General Fund	-75,000	-360,567
065	Administrative Services	101	Chief Information Officer	Revolving Fund	0	360,567
065	Administrative Services	509	Budget Administration	General Fund	-750,000	0
065	Administrative Services	608	Employee Relations Division	General Fund	-500,000	0
065	Administrative Services	685	Capitol Commission	General Fund	-700,000	0
065	Administrative Services	901	State Capitol Improvements	General Fund	-300,000	0
070	Foster Care Review Office	116	Foster Care Review	General Fund	-250,000	-250,000
078	Crime Commission	150	Juvenile Services Act	General Fund	-300,000	-150,000
078	Crime Commission	155	County Juvenile Services Aid	General Fund	-900,000	-500,000
078	Crime Commission	198	State & Local Planning	General Fund	-500,000	-700,000
078	Crime Commission	199	Law Enforcement Training Center	General Fund	-5,000,000	-1,500,000
078	Crime Commission	203	Jail Standards	General Fund	-100,000	0
078	Crime Commission	204	Office of Violence Prevention	General Fund	-400,000	-150,000
078	Crime Commission	220	Community Corrections Council	General Fund	-300,000	0
093	Tax Equalization & Review	115	Tax Equalization and Review	General Fund	-200,000	-100,000
Totals by Fund Type						
				General Fund	-116,695,500	-82,978,608
				Cash Fund	-6,500,000	14,111,601
				Revolving Fund	0	360,567
Grand Total					-123,195,500	-68,506,440



Appendix A – Interest Exclusions

Appendix A

Interest Reallocation Exclusions

<u>Agency</u>	<u>Agency Name</u>	<u>Fund Name</u>
005	Supreme Court	Attorney Services
013	Education	Early Childhood Ed Endowment Cash
013	Education	Education Future Fund
013	Education	NE Education Improvement Fund
013	Education	Prof Practices Comm
016	Revenue	Property Tax Credit Cash
016	Revenue	Tobacco Products Admin
019	Banking	Securities Act Cash
022	Insurance	Insurance Cash Fund
027	Transportation	Aeronautics Cash Fund
027	Transportation	Highway Cash Fund
027	Transportation	Roads Operations Cash Fund
027	Transportation	State Hwy Capital Improvement
027	Transportation	Trans Infrastructure Bank
028	Veterans' Affairs	Dept Of Vet Affairs Cash Fund
029	Natural Resources	Perkins Co Canal Project Fund
033	Game & Parks	Game Law Investigation
033	Game & Parks	NE Environmental Endowment
033	Game & Parks	NE Aquatic Habitat
033	Game & Parks	NE Habitat Fund
033	Game & Parks	State Game Fund
033	Game & Parks	Wildlife Conservation Fund
048	Postsecondary Coord.	Attract Excell To Teach
048	Postsecondary Coord.	Door To College Scholarship
048	Postsecondary Coord.	NE Opportunity Grant
065	Administrative Services	State Bldg Renewal Assessment
072	Economic Development	Economic Recovery Cont Fund
078	Crime Commission	Victims Compensation
085	Retirement Board	Class V School Mgmt Work Plan
085	Retirement Board	County Cash Balance Exp
085	Retirement Board	County Employer Retire Expense
085	Retirement Board	County ERS Expense
085	Retirement Board	Deferred Comp Expense
085	Retirement Board	State Cash Balance Exp
085	Retirement Board	State Employer Retirement Expense
085	Retirement Board	State ERS Expense