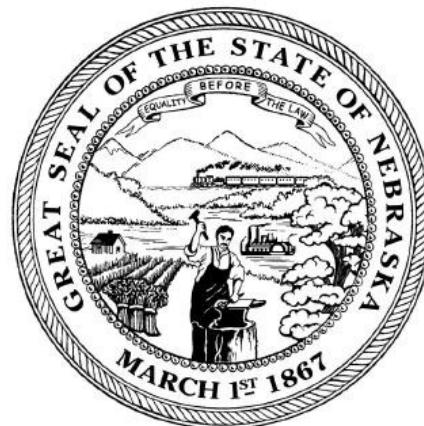


# State of Nebraska

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## Executive Budget Presentation 2025 – 2027 Mid-Biennium



Jim Pillen  
Governor

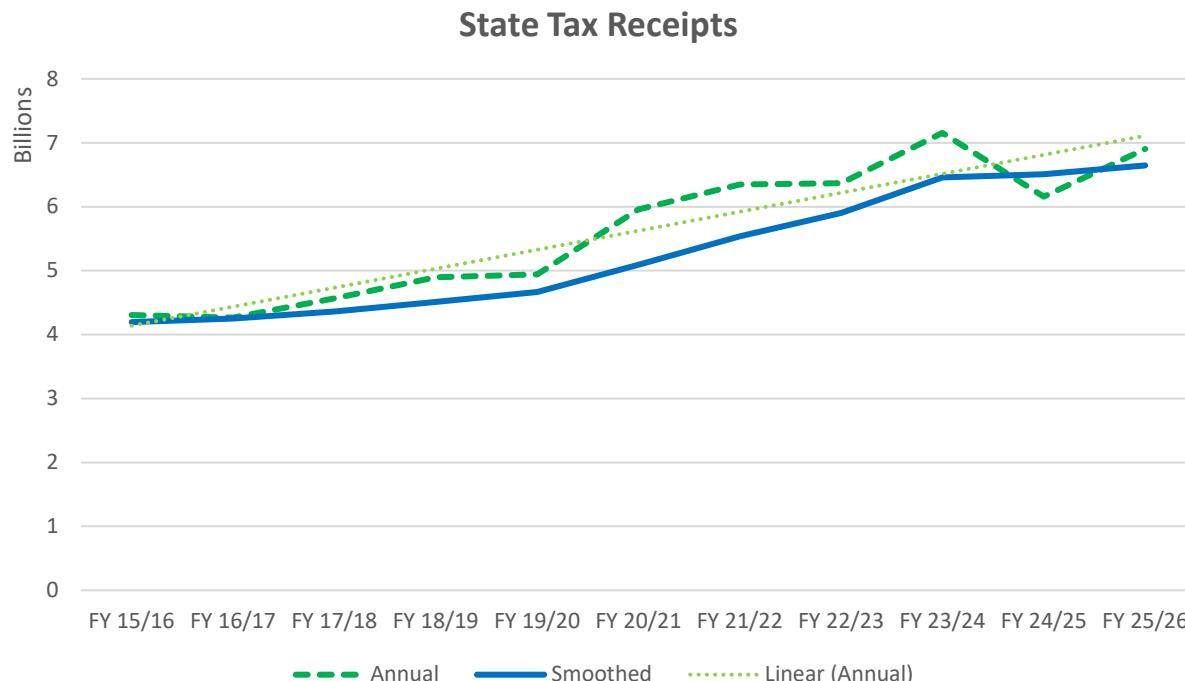
January 15, 2026

# 2026 Mid-Biennium Budget Overview

- Balanced Conservative Budget
- Control Spending
- Put Pillowcase Money Back to Work
- Property Tax Reform
- Nebraska is Open for Business

# State Finances

- **Sales Tax on track to be \$150 million higher than last year**
- **Total Revenue increased \$500 million over last 4 years**
- **3 consecutive years of historic income tax cuts**
- **\$471 million budget deficit is a spending issue**



# Putting Pillowcase Money to Work

- **\$277.9 Million across 94 Cash and Trust Funds**
  - Use Environmental Trust Fund for water resource management and state park lake improvements
  - Put Permanent School Fund to work for schools as directed by the Constitution
- **\$80.1 Million to reduce General Fund budget**
  - Use Veterans' Affairs fund and revenue to serve Nebraska veterans
  - Use Unemployment Insurance funds to expand job creation through the Business Innovation Act
- **\$60 Million total to the Education Future Fund**
- **Over \$1.3 Billion Reserve on Hand**

# 2026 General Fund Adjustments

- **Reduction of \$22 Million – Health & Human Services**
  - Operational efficiencies: staffing adjustments, increasing federal funding, and replacing expensive contracts
- **Reduction of \$42.3 Million – Leverage idle cash funds**
  - Use available cash funds to reduce the General Fund budget
  - Provide \$21.7 million for additional property tax relief
- **Reduction of \$8 Million – OCIO & DAS Rate Reductions**
- **Reduction of \$6.5 Million – Opioid money for drug courts**
- **Reduction of \$23.5 Million – Lapse of carryover budget**
- **\$2.5 Million – Law enforcement retention incentives**

**Total FY 26 GF Adjustment: - \$94 Million**

**+ Transfers of \$125.2 Million = - \$219.2 Million Total FY 26 Impact**

# 2027 General Fund Adjustments

- **Reduction of \$130.4 Million – Health & Human Services**
  - Operational efficiencies: staffing adjustments, increasing federal funding, and replacing expensive contract
  - Reasonable limits and strategic rate setting
- **Reduction of \$31.6 Million – Department of Revenue Operations**
- **Reduction of \$16.2 Million – Repurpose correctional facilities**
- **Reduction of \$37.9 Million – Leverage idle cash funds**
  - Use available cash funds to reduce the General Fund budget
  - Includes \$15 million for Business Innovation Act
- **Reduction of \$17.9 Million – Court fee reform & opioid funds**
- **\$10 Million – Increase in TEEOSA school funding**

**Total FY 27 GF Adjustment: - \$208.6 Million**

**+ Transfers of \$67.4 Million = - \$276 Million Total FY 27 Impact**

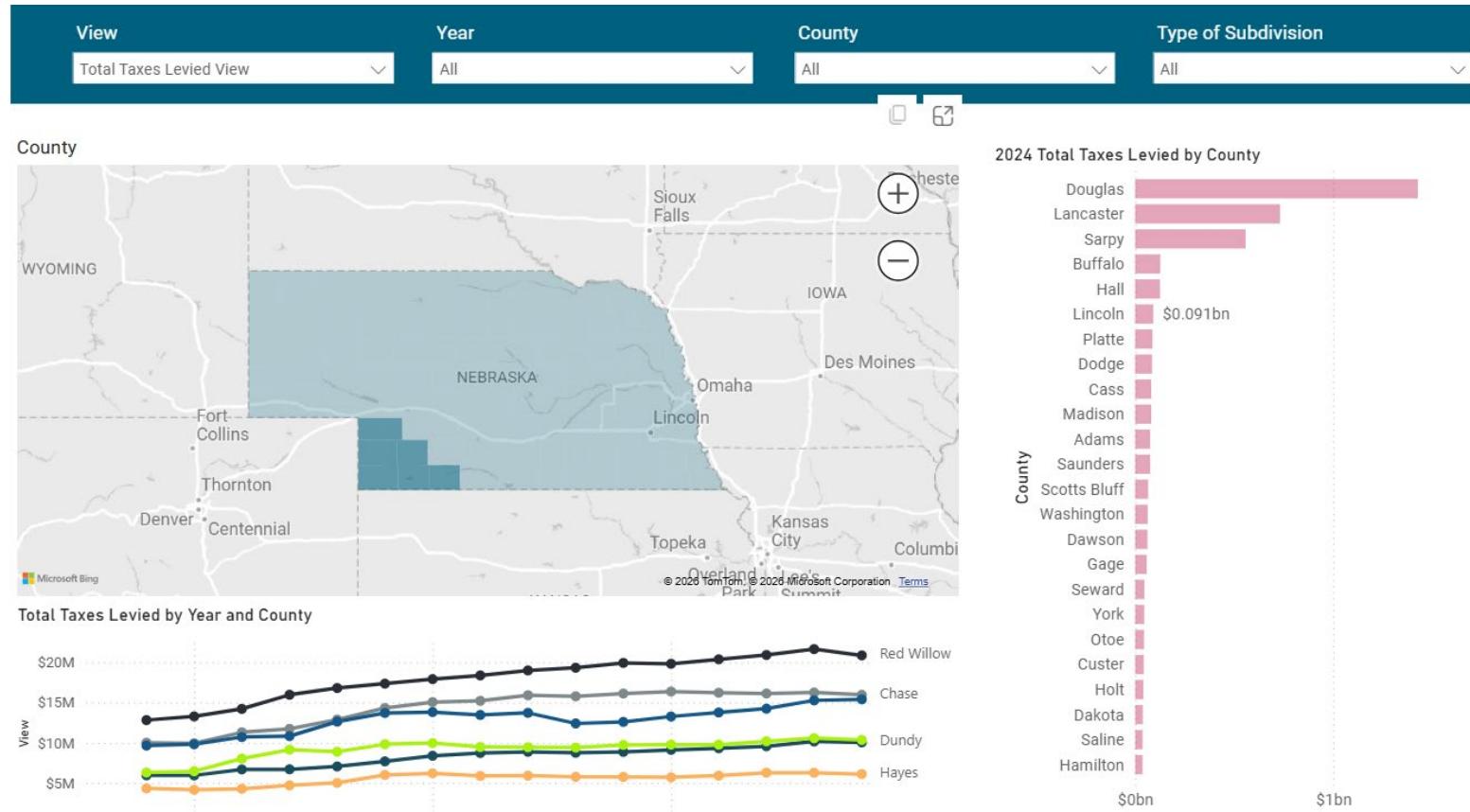
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**Total Biennium Impact = -\$495.2 Million**

# General Fund Improvements

- **Legislative Repeals & Initiatives: \$382.7 Million**
- **International Money Transmitter Tax: \$21.2 Million**
- **Biennial Budget Reductions: \$495.2 Million**
- **Hold the Line on State and Local Spending**
- **Balance Budget & Increase Direct Property Tax Relief**

# Property Tax Dashboard



[das.nebraska.gov/budget/data](http://das.nebraska.gov/budget/data)

# Property Tax Dashboard

View

Value Format

Value

County

Saunders

Type of Subdivision

Multiple selections

Total Taxes Levied Growth

Type of Subdivision
2020
2021
2022
2023
2024
5Y Growth

↑
↓
↓↓
↶
↷
□
↔

School Districts
40,785,339
42,323,180
46,276,931
46,262,122
47,118,745
3.2%

Wahoo Public Schools
11,252,832
11,637,307
12,469,795
12,224,477
12,481,438
2.1%

Ashland Greenwood Public School
6,678,174
7,271,031
8,547,042
8,808,044
9,077,424
6.4%

Yutan Public Schools
3,798,488
3,946,274
4,256,288
4,501,171
4,530,095
3.7%

Mead Public Schools
4,309,857
4,382,281
4,500,383
4,375,913
4,495,298
1.5%

Raymond Central School
3,859,728
3,968,639
4,326,277
4,226,500
4,277,545
2.4%

Fremont Public Schools
3,100,289
3,205,600
3,922,116
4,158,144
4,068,537
6.0%

Cedar Bluffs Public Schools
3,124,503
3,124,475
3,201,601
3,069,188
3,075,953
-1.0%

East Butler Public Schools
2,208,642
2,361,033
2,566,601
2,572,693
2,766,902
7.4%

North Bend Central Public Schools
2,197,476
2,186,370
2,238,657
2,082,133
2,086,408
-1.0%

Waverly Public Schools
129,968
126,484
132,703
128,038
128,163
-1.9%

David City Public Schools
119,361
107,910
109,473
109,776
123,905
0.3%

Schuyler Community Schools
6,020
5,775
5,995
6,046
7,077
2.8%

School Districts
9,125,366
9,513,847
10,448,186
11,526,863
12,026,691
5.7%

Counties
4,071,208
4,230,448
4,582,456
5,102,924
5,476,292
8.0%

Municipalities
1,902,373
2,030,940
2,148,419
2,315,229
2,557,675
7.1%

Fire Districts
1,366,761
1,383,205
1,417,688
1,402,508
1,400,863
0.1%

Natural Resources Districts
1,241,564
1,200,564
1,200,471
1,205,740
1,205,668
0.0%

Miscellaneous Districts
3,863,185
4,011,083
4,366,946
4,777,789
1,113,467
-21.6%

Community Colleges
689,121
726,988
824,800
927,185
1,075,207
7.1%

Sanitary Improvement Districts
618,519
642,192
699,163
764,935
835,172
6.7%

ESUs
311,379
325,570
340,285
355,675
371,467
4.5%

Agricultural Societies
Total
63,974,815
66,388,017
72,305,344
74,640,971
73,181,247
3.0%

2024 Total Taxes Levied Growth Rate Over Prior Year
Agricultural Soc...
4.4%

Community Coll...
-76.7%

Counties
4.3%

ESUs
9.2%

Fire Districts
10.5%

Miscellaneous ...
-0.0%

Municipalities
7.3%

Natural Resourc...
-0.1%

Sanitary Improv...
16.0%

School Districts
1.9%

-50%
0%
YoY Growth 2024

# Nebraska is Open for Business

- **3 consecutive years of historic income tax cuts**
- **\$15 million to expand Business Innovation Act**
- **\$1 million to grow the impact of Offutt Air Force Base**
- **\$4 million to invest in Workforce Development**
- **#8 Most Business-Friendly State**
- **6 Regions One Nebraska**

# Legislative Priorities

- **Education Reform**
  - Giving power back to the classroom and creating a Reading Gate
  - Protecting students from antisemitism
  - \$7 million for school choice scholarships
- **Ending DEI in Nebraska**
  - No public funds for programs and training promoting special benefits and preferential treatment or marginalization
- **Protecting Producer Data**
  - Ensuring famers and ranchers own their own production data
- **Combating Foreign Adversaries**
  - Safeguarding vital water, energy, and data systems & ag industry
- **Tort Reform**
  - Protecting Commercial Motor Carriers from Frivolous Lawsuits
- **Property Tax Relief: Increase by \$170 million**
  - Total \$1.9 Billion in Direct Property Tax Relief in FY 2027

## Mid-Biennium Budget Recommendations

- Two-year average spending growth reduced from **+1.1%** to **-1.1%**
  - Annual **spending reduction** of **0.4%** in fiscal year 2026 from 2025
  - Additional **spending reduction** of **1.8%** in fiscal year 2027 from 2026
  - Lapse \$23.5 Million in excess General Fund reappropriation
- Transfer \$192.6 Million of idle excess cash fund balances
  - Reviewed over 900 existing funds
  - Repeal 39 inactive funds
- Total reserve funding increased to over \$1.3 Billion from previously estimated \$524 Million
  - Reserve ratio: 24% of annual spend

### General Fund Financial Status

	Actual FY 2024-25	Current Biennium FY 2025-26	FY 2026-27	Upcoming Biennium FY 2027-28	FY 2028-29
<b>1 Beginning Balance</b>					
2 Beginning Cash Balance	1,843,296,751	792,515,104	448,192,675	458,902,814	422,076,324
3 Cash Reserve Fund transfer-Automatic	(38,745,104)				
4 FY 25 Obligations		(313,227,424)			
5 Potential Deficits					(5,000,000)
<b>6 Unobligated Beginning Balance</b>	<u>1,804,550,647</u>	<u>479,287,680</u>	<u>448,192,675</u>	<u>458,902,814</u>	<u>417,076,324</u>
<b>7 Revenues</b>					
8 Net Receipts - (Oct NEFAB; Econometric Outyears)	6,159,041,662	6,950,000,000	6,800,000,000	6,842,853,250	6,888,809,000
9 Current General Fund Transfers - Out	(1,694,747,425)	(1,716,331,476)	(1,777,903,800)	(1,856,279,740)	(1,918,243,227)
10 New & Adjusted General Fund Transfers - In		125,153,185	67,416,858	(2,007,424)	(2,007,424)
12 Cash Reserve Fund Transfers	4,000,000			152,000,000	
13 Legislative Repeals & Initiatives			383,561,779	288,222,123	300,503,421
14 Property Tax Relief Transfers			(170,000,000)	(170,000,000)	(170,000,000)
15 Accounting Adjustment	(5,664,537)				
<b>16 General Fund Net Revenues</b>	<u>4,462,629,700</u>	<u>5,358,971,709</u>	<u>5,303,074,837</u>	<u>5,254,788,209</u>	<u>5,198,861,770</u>
<b>17 Appropriations</b>					
18 Expenditure/Appropriations	5,474,665,244	5,484,551,944	5,520,851,161	5,520,851,161	5,520,851,161
19 Mid-Biennium Budget Recommendations		(93,965,168)	(208,560,228)	(208,560,228)	(208,560,228)
20 Governor Legislation		(520,062)	(19,926,254)	(20,676,254)	(20,676,254)
<b>21 General Fund Appropriations</b>	<u>5,474,665,244</u>	<u>5,390,066,714</u>	<u>5,292,364,639</u>	<u>5,291,614,639</u>	<u>5,291,614,639</u>
<b>22 Ending Balance</b>					
23 Dollar ending balance	792,515,104	448,192,675	458,902,814	422,076,324	324,323,395
24 Minimum Biennial Reserve Requirement			333,628,009		317,841,343
25 Variance from Minimum Reserve			125,274,804		6,482,051
26 Biennial Reserve (%)			7.2%		3.1%
27 Annual % Change - Appropriations	2.2%	-0.4%	-1.8%	0.0%	0.0%
28 Two Year Average	3.0%	-	-1.1%	-	0.0%
29 Annual % Change - Actual, Prelim NEFAB, Econometric	-13.9%	12.8%	3.4%	-0.6%	0.8%
30 Two Year Average	-1.7%	-	8.0%	-	0.7%
<b>31 Structural Receipts v. Expend./Approps.</b>	<u>(1,012,035,544)</u>	<u>(31,095,005)</u>	<u>10,710,138</u>	<u>(36,826,490)</u>	<u>(92,752,929)</u>

### Cash Reserve Fund Status

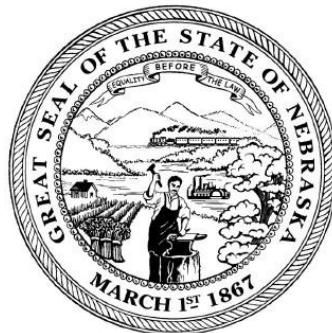
	Actual FY 2024-25	Current Biennium FY 2025-26	Current Biennium FY 2026-27	Upcoming Biennium FY 2027-28	Upcoming Biennium FY 2028-29
1 Beginning Balance	912,817,475	877,179,779	821,132,779	821,132,779	619,132,779
2 Transfer Amounts Above Forecasts	38,746,104				
3 To/From General Fund (Enacted 2025)	(4,000,000)			(152,000,000)	
4 To Nebr Capital Construction Fund (NCCF)	(29,458,800)	(45,897,000)			
5 To/From Governors Emergency Fund	(25,000,000)	(10,000,000)			
6 To Health & Human Services Cash Fund	(3,500,000)				
7 To Public Safety Comm Systems Revolving Fund	(2,425,000)				
8 To State Insurance Fund	(5,000,000)				
9 To Municipality Infrastructure Aid Fund	(5,000,000)				
10 To University Next Project				(50,000,000)	(50,000,000)
11 To Self Insured Liability Fund		(150,000)			
12 Ending Balance	877,179,779	821,132,779	821,132,779	619,132,779	569,132,779
13 Balance as Percent of Appropriation	10.0%	15.2%	15.5%	11.7%	10.8%
14 Total General & CRF Reserve	1,154,760,788	1,280,035,593	936,974,122	886,974,122	
15 Balance of General & CRF as Percent of Total Appropriation	14.46%	29.74%	24.19%	25.68%	22.80%

# State of Nebraska

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## Executive Budget Presentation 2025 – 2027 Mid-Biennium



## Questions and Answers?