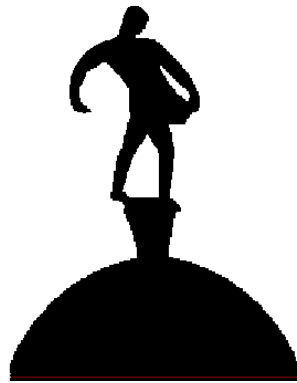


State of Nebraska

FY2021-22 and FY2022-23

Biennial Budget



**As Revised in the
2022 Legislative Session**

July 2022

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Highlights

Accumulation and Use of Extra Funds

Overall, the financial status for the current biennium (FY22 / FY23) had improved significantly as compared to Sine Die of the 2021 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 \$27.3 million while the current financial status is \$446 million. However, there have been a large number changes, both positive and negative

Changes in the Financial Status – Current Biennium				
Millions of Dollars	FY21	FY22	FY23	Total
Sine Die 2021 Session 5/27/21				27.3
Change in actual receipts & revised forecasts	379.0	845.4	832.6	2,057.1
Increase in LB1107 credit due to FY21 actual receipts	0.0	(189.5)	(189.5)	(379.0)
"Above certified" actual & forecast to CRF-automatic	0.0	(189.5)	(845.4)	(1,034.9)
Lapse of FY21 unexpended funds	0.0	156.2	0.0	156.2
Exclude allocation for deficits, update estimates	2.3	5.6	0.0	7.9
Revenue Bills enacted 2022 Session	0.0	0.0	(145.9)	(145.9)
Change in Minimum Reserve, accounting adjust	0.0	(3.4)	(24.0)	(27.4)
Mainline - General Fund transfers-out	0.0	(0.5)	(166.7)	(167.2)
Mainline - DHHS reappropriation in lieu of new	0.0	(75.3)	0.0	(75.3)
Mainline - DHHS & Juvenile Justice provider rates	0.0	0.0	(94.6)	(94.6)
Mainline - Salary costs, revised NAPE agreement	0.0	(0.5)	(62.5)	(63.0)
Mainline - Homestead exemption	0.0	(7.9)	(11.7)	(19.6)
Mainline - NSP Security Camera Systems	0.0	(4.0)	0.0	(4.0)
Mainline - DCS presumed payroll (Cares Act)	0.0	23.0	0.0	23.0
Mainline – Use unexpended funds, offset rate increases	0.0	0.0	39.6	39.6
Mainline - Construction projects to NCCF	0.0	0.0	14.3	14.3
Mainline - TEEOSA Aid (NDE Jan 2022)	0.0	0.0	0.5	0.5
Mainline - Capitol HVAC Project, shortfall in funding	0.0	0.0	0.0	0.0
Mainline - All other appropriation items	0.0	(1.9)	(0.6)	(2.4)
2022 State Claims	0.0	(0.5)	0.0	(0.5)
A Bills enacted 2022 Session	0.0	(2.0)	(34.4)	(36.4)
Sine Die 2022 Session 4/20/22				275.5
FY22 Actual vs Est General Fund Net Receipts	0.0	624.0	0.0	624.0
FY22 Actual vs Est CRF transfers-automatic	0.0	(442.6)	0.0	(442.6)
FY22 Actual vs Est Accounting adjustment	0.0	(5.8)	0.0	(5.8)
Assumed lapse, FY21 unexpended	0.0	(0.1)	0.0	(0.1)
Change in Minimum Reserve	0.0	0.0	(5.1)	(5.1)
Tax Rate Review Committee (July 18, 2022)				445.8
For expenditure items, a positive number indicates lower expenditures which are a positive addition to the variance from the minimum reserve.				

Since Sine Die of 2021 there has been over \$2 billion of additional revenues over the three year which affect the current biennium

But of this amount, only \$643 million was retained in the General Fund. A total of \$1.4 billion has gone to the Cash Reserve Fund as “over forecast” revenues or resulted in an increase in the LB1107 tax credit.

Coupled with a \$156 million lapse of unused appropriations from FY20-21 results in a net \$780 million increase in available funds for this biennium.

Of this \$780 million, \$145.9 million was used for revenue reduction legislation, \$149.5 million for increased appropriations, and

\$166.7 million for transfers to other funds. A complete listing of all appropriations changes is included in Appendix A on page 85.

Use of Funds: Spending vs Tax Reductions

During the 2022 session there was a substantial amount of funds available for use by the Legislature including both General Funds and monies in the Cash Reserve Fund.

Over the FY22 / FY23 biennium the Legislature enacted a total of \$1.053 billion in terms of General Fund appropriations and transfers, Cash Reserve Fund transfers to other funds, and tax reduction bills. In this two-year period, transfers and appropriations (\$917.6 million, 87%) far exceeded tax reductions (\$135.9 million, 13%).

However in the long run this mix of fund use changes significantly as about 84% of the appropriations and transfers were one-time items while the phased-in tax reductions in LB873 (see page 30) grew from \$115 million to \$948 million in FY28. At that time revenue reductions become 84% of the on-going budget actions taken in the 2022 session.

FY	Transfers and Appropriations			Revenue Reductions			% of Total	
	Cash Reserve	General Fund	Total	LB 873	All Other	Total	Approp + Transfers	Revenue Reductions
FY2021-22	70,000,000	(6,221,304)	63,778,696	0	0	0	--	--
FY2022-23	527,380,000	326,489,489	853,869,489	115,541,000	20,384,475	135,925,475	--	--
Two Yr total	597,380,000	320,268,185	917,648,185	115,541,000	20,384,475	135,925,475	87.1%	12.9%
FY2023-24	0	197,853,379	197,853,379	213,813,000	28,702,475	242,515,475	44.9%	55.1%
FY2024-25	0	205,131,261	205,131,261	565,744,000	25,084,475	590,828,475	25.8%	74.2%
FY2025-26	0	205,131,261	205,131,261	710,807,000	23,819,475	734,626,475	21.8%	78.2%
FY2026-27	0	205,131,261	205,131,261	867,195,000	23,819,475	891,014,475	18.7%	81.3%
FY2027-28	0	205,131,261	205,131,261	947,969,000	23,819,475	971,788,475	17.4%	82.6%

High Revenue Levels May be Short Term

In March 2020, Nebraska started experiencing the first impacts of the COVID 19 pandemic. The immediate dramatic slowdown of the economy led to estimates that the state would lose 15-20% of our FY20-21 revenues which would have been the worst revenue growth since we started calculating 40 years ago. In reality, a year later instead of having the lowest revenue growth ever, we had the highest (13.6%). And that record high was exceeded when FY21-22 was completed with actual receipts yielding a 22.1%.

We believe that a significant part of this high back-to-back revenue growth is attributed to a massive amount of federal pandemic funding assistance. Starting at that point with the enactment of the CARES Act, Congress provided large amounts of federal assistance to help offset the economic loss. A total of \$24 billion was allocated to the State of Nebraska

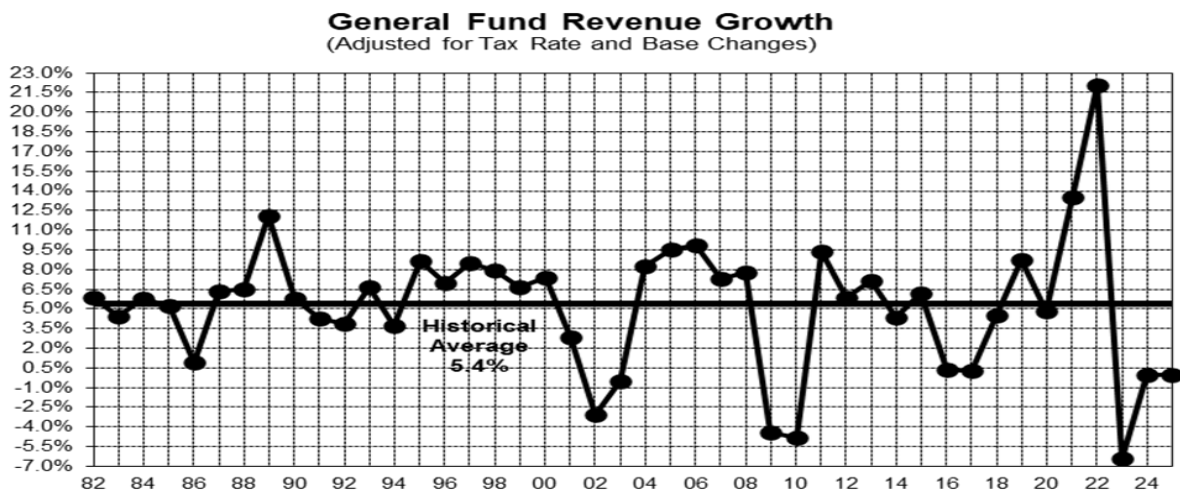
Federal COVID 19 Assistance (Source: FFIS)	Billions of \$	% of NPI
Families First Coronavirus Response Act	262,968	0.2%
CARES Act	15,826,552	14.2%
Consolidated Appropriations Act	1,846,301	1.7%
American Rescue Plan Act	5,995,564	5.4%
Coronavirus Preparedness and Response Act	8,448	0.0%
Paycheck Protection & Health Care Enhancement Act	81,717	0.1%
Executive Action	90,400	0.1%
Total	24,111,950	21.6%
2020 Nebraska Personal Income	111,545,000	

in multiple forms. To put this in perspective, this is the equivalent of 22% of total state personal income. And this is not unique to Nebraska as most all of the other states are experiencing the

same revenue growth phenomenon. This leads us to believe federal pandemic funding is the common denominator.

The down side is that the large amounts of federal funding assistance is temporary and the high revenues attributed to circulation of this large amount of federal funds is also likely to be temporary leading to low growth or a decline in revenues over the next 2-3 years. The high revenue growth gives us a large budget surplus at this point in time

Revenue growth (rate and base adjusted) in the next biennium is projected at a 0.0% per year average using the capped historical average methodology (see page 26). This methodology is used in the absence of an official forecast.



General Fund Budget Change Mostly Salaries & Rates

Eight items account for most of the General Fund budget adjustments. A more detailed listing of the most significant General Fund adjustments is shown on page 51 while a complete listing is included in Appendix A.

2022 Budget Adjustments (General Funds)	FY2021-22	FY2022-23	2 Yr Total
DHHS & Juvenile Justice provider rate increase	0	94,620,660	94,620,660
All Agencies-Salary costs, revised NAPE, FOP agreement	491,138	62,473,686	62,964,824
Revenue-Adjust Homestead Exemption to actual under current law	7,900,000	11,700,000	19,600,000
DED - LB 1024 Economic Recovery Act	0	10,000,000	10,000,000
Education - LB 1218 Teach in Nebraska Today Act	0	5,000,000	5,000,000
Crime Comm - LB 1241 Law enforcement Attraction & Retention Act	0	5,080,000	5,080,000
Utilize onetime unexpended funds, offset provider rate increases	0	(39,590,367)	(39,590,367)
Corrections-Presumed Payroll (Cares Act)	(23,000,000)	0	(23,000,000)
All Other (net)	7,887,558	182,051	8,069,609
Total Change in New Appropriations	(6,721,304)	149,466,030	142,744,726

Tax Reductions -LB 873

LB 873 was a multi-pronged tax bill compiled by the Revenue Committee and included provisions related to individual and corporate income taxes contained in other bills. In its enacted form, the bill:

- (1) reduces tax rate on the top individual bracket from 6.84% to 5.84% over five years
- (2) reduces the top corporate income tax rate to 5.84% by tax year 2027
- (3) accelerates and fully enacts the exemption of Social Security income from taxation, and
- (4) Creates an income tax credit for Community College property taxes paid growing to \$202.8 million by tax year 2027.

	Individual Rates	Corporate Rates	Community College Credit	Continue LB1107 Credit level	Social Security Tax	LB 873 Total
FY2022-23	(24,708,000)	0	(50,000,000)	0	(40,833,000)	(115,541,000)
FY2023-24	(86,100,000)	(5,177,000)	(100,000,000)	22,119,000	(44,655,000)	(213,813,000)
FY2024-25	(152,595,000)	(23,233,000)	(125,000,000)	(205,325,000)	(59,591,000)	(565,744,000)
FY2025-26	(229,915,000)	(48,301,000)	(150,000,000)	(212,511,000)	(70,080,000)	(710,807,000)
FY2026-27	(309,359,000)	(69,071,000)	(195,000,000)	(219,949,000)	(73,816,000)	(867,195,000)
FY2027-28	(357,921,000)	(84,176,000)	(201,825,000)	(227,647,000)	(76,400,000)	(947,969,000)

Cash Reserve Fund

From Sine Die of 2021 to Sine Die of 2022 a total of \$1.035 billion was projected to be transferred to the Cash Reserve Fund. Without any further action that would have resulted in a balance of \$1.842 billion. The Legislature enacted 15 transfers totaling \$597.4 million during the 2022 session leaving a projected unobligated balance of \$1.245 billion.

After Sine Die, FY22 actual receipts were well above forecast resulting in another \$442.6 million being transferred into the Cash Reserve Fund, raising the projected unobligated balance to \$1.688 billion.

A more detailed discussion of the Cash Reserve Fund is provided on page 14.

General Fund Financial Status

General Fund Financial Status

End of 2022 Session (Sine Die April 20, 2022)

	Actual FY2020-21	Biennial Budget FY2021-22	FY2022-23	Following Biennium FY2023-24	FY2024-25
<u>BEGINNING BALANCE</u>					
1 Beginning Cash Balance	710,599,887	1,848,977,997	1,308,905,610	594,364,423	577,196,527
2 Cash Reserve transfers-above certified prior yr	(10,655,528)	(535,259,365)	(845,390,000)	0	0
3 Unexpended FY21-22 obligations	0	(414,857,254)	0	0	0
4 Est lapse FY21 carryover obligations	0	0	0	0	0
5 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
6 Unobligated Beginning Balance	699,944,359	898,861,378	458,515,610	589,364,423	572,196,527
<u>REVENUES</u>					
7 Net Receipts (Actual and Sine Die adjusted)	5,959,042,428	5,725,000,000	5,824,374,525	5,655,484,525	5,496,171,525
8 General Fund transfers-out	(310,600,000)	(455,830,000)	(512,853,459)	(327,010,000)	(322,010,000)
9 General Fund transfers-in	in actual	in forecast	in forecast	0	0
10 Cash Reserve transfers-legislative	30,000,000	(50,000,000)	(50,000,000)	0	0
11 Accounting adjustment	(3,377,489)	0	0	0	0
12 General Fund Net Revenues	5,675,064,939	5,219,170,000	5,261,521,066	5,328,474,525	5,174,161,525
<u>APPROPRIATIONS</u>					
13 Expenditures/Appropriations	4,526,031,301	4,809,125,768	5,125,672,253	5,125,672,253	5,125,672,253
14 Projected budget increase, following biennium	--	--	--	214,970,168	409,801,195
15 Mainline budget adjustments (2023 Session)	0	0	0	0	0
16 "A" Bills (2023 Session)	0	0	0	0	0
17 General Fund Appropriations	4,526,031,301	4,809,125,768	5,125,672,253	5,340,642,421	5,535,473,448
<u>ENDING BALANCE</u>					
18 \$ Ending balance (Financial Status as shown)	1,848,977,997	1,308,905,610	594,364,423	577,196,527	210,884,604
19 \$ Ending balance (at 3% Min Reserve)			318,903,486	--	323,213,606
20 Excess (shortfall) from Minimum Reserve			275,460,937	--	(112,329,002)
21 Biennial Reserve (%)			5.7%	--	1.9%
<u>General Fund Budget</u>					
22 Annual % Change	3.4%	0.7%	6.4%	4.2%	3.6%
23 Two Year Average % Change	3.6%	--	3.5%	--	3.9%
<u>General Fund Revenues:</u>					
24 Adjusted Growth	13.5%	10.6%	3.2%	0.0%	0.0%
25 Two Year Average	9.1%	--	6.9%	--	0.0%
26 Five Year Average	6.4%	--	8.1%	--	5.5%
27 Unadjusted % change	20.6%	-3.9%	1.7%	-4.9%	-7.0%
28 On-Going Revenues vs Appropriations	581,298,041	460,044,232	185,848,813	(12,167,896)	(361,311,923)

CASH RESERVE FUND	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Projected Unobligated Ending Balance	466,963,230	927,522,595	1,245,532,595	1,245,532,595	1,245,532,595
Ending Balance as % of Revenues	7.8%	16.2%	21.4%	22.0%	22.7%

General Fund Financial Status

Tax Rate Review Committee (July 18, 2022)

	Actual FY2020-21	Biennial Budget FY2021-22	Biennial Budget FY2022-23	Following Biennium FY2023-24	Following Biennium FY2024-25
1 BEGINNING BALANCE					
2 Beginning Cash Balance	710,599,887	1,848,977,997	2,494,107,852	769,850,202	752,682,306
3 Cash Reserve transfers-above certified prior yr	(10,655,528)	(535,259,366)	(1,287,998,911)	0	0
4 Unexpended FY21-22 obligations	0	0	(552,107,552)	0	0
5 Est lapse FY21 carryover obligations	0	0	0	0	0
6 Allocation for potential deficits	0	0	0	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	699,944,359	1,313,718,631	654,001,389	764,850,202	747,682,306
8 REVENUES					
9 Net Receipts (Actual and Sine Die adjusted)	5,959,042,428	6,348,994,703	5,824,374,525	5,655,484,525	5,496,171,525
10 General Fund transfers-out	(310,600,000)	(440,830,000)	(527,853,459)	(327,010,000)	(322,010,000)
11 General Fund transfers-in	in actual	in forecast	in forecast	0	0
12 Cash Reserve transfers-legislative	30,000,000	(50,000,000)	(50,000,000)	0	0
13 Accounting adjustment	(3,377,489)	(5,769,770)	0	0	0
14 General Fund Net Revenues	5,675,064,939	5,852,394,933	5,246,521,066	5,328,474,525	5,174,161,525
15 APPROPRIATIONS					
16 Expenditures/Appropriations	4,526,031,301	4,672,005,712	5,125,672,253	5,125,672,253	5,125,672,253
17 Projected budget increase, following biennium	--	--	--	214,970,168	415,801,195
18 Mainline budget adjustments (2023 Session)	--	0	5,000,000	0	0
19 "A" Bills (2023 Session)	--	0	0	0	0
20 General Fund Appropriations	4,526,031,301	4,672,005,712	5,130,672,253	5,340,642,421	5,541,473,448
21 ENDING BALANCE					
22 \$ Ending balance (Financial Status as shown)	1,848,977,997	2,494,107,852	769,850,202	752,682,306	380,370,383
23 \$ Ending balance (at 3% Min Reserve)	--	--	324,018,516	--	328,324,842
24 Excess (shortfall) from Minimum Reserve	--	--	445,831,686	--	52,045,541
25 Biennial Reserve (%)	--	--	7.4%	--	3.5%
26 General Fund Budget					
27 Annual % Change	3.4%	0.7%	6.4%	4.2%	3.6%
28 Two Year Average % Change	3.6%	--	3.5%	--	3.9%
29 General Fund Revenues:					
30 Adjusted Growth	13.5%	22.1%	-6.4%	0.0%	0.0%
31 Two Year Average	9.1%	--	7.8%	--	0.0%
32 Five Year Average	5.5%	--	6.8%	--	5.8%
33 Unadjusted % change	20.6%	6.5%	-8.3%	-2.9%	-2.8%
34 <u>On-Going Revenues vs Appropriations</u>	581,298,041	1,230,389,221	165,848,813	(12,167,896)	(367,311,923)

CASH RESERVE FUND	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Projected Unobligated Ending Balance	466,963,230	927,522,596	1,688,141,507	1,688,141,507	1,688,141,507
Ending Balance as % of Revenues	7.8%	14.6%	29.0%	29.8%	30.7%

Chronology of the Financial Status

Sine Die 2021 Legislative Session

Going into the 2021 legislative session, the Legislature was faced with a projected financial status that was \$170 million below the minimum reserve. This was based on the October 2020 revenue forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB) and a projected budget estimated at the November Tax Rate Review Committee meeting using an initial pre-session assessment of General Fund appropriations under current law using both agency requests and historical trends.

At the end of the 2021 legislative session, the originally enacted FY22/FY23 biennial budget yielded an unobligated ending balance that was \$27.3 million above the minimum reserve.

This \$197.5 million swing was accomplished mostly through higher revenue forecasts in February 2021 and April 2021 and lower funding demands for TEEOSA and Medicaid that was thought in the November 2020 Tax Rate Review Committee meeting

Impact on Variance from Min Reserve (Millions of Dollars)	2021 Legislative Session			
	FY21	FY22	FY23	Total
Revenue Forecasts (February 2021)	204.0	165.0	93.0	462.0
Automatic transfer to CRF	0.0	(102.0)	0.0	(102.0)
Revenue Forecasts (April 2021)	90.0	(5.0)	0.0	85.0
Automatic transfer to CRF	0.0	(45.0)	0.0	(45.0)
Update out year revenue estimates	0.0	0.0	0.0	0.0
Transfer to CRF	0.0	(50.0)	(50.0)	(100.0)
Transfer to NCCF	0.0	(115.0)	0.0	(115.0)
Transfer to Property Tax Credit	0.0	(25.0)	(38.0)	(63.0)
Transfer to Nebraska Revolving Loan Fund	0.0	(5.0)	(5.0)	(10.0)
Other fund transfers	0.0	(4.8)	(1.3)	(6.2)
General Fund transfers-in	(2.3)	33.6	39.6	70.9
Lapse FY20 reappropriations	61.3	0.0	0.0	61.3
Revenue Bills enacted	0.0	(33.6)	(32.5)	(66.0)
Change in Minimum Reserve	0.0	0.0	(4.3)	(4.3)
Subtotal - Revenue	353.1	(186.8)	1.5	167.8
Homestead Exemption vs Nov TRR	0.0	(2.6)	(2.8)	(5.4)
Nebraska Career Scholarships vs Nov TRR	0.0	(1.0)	(2.0)	(3.0)
All Other appropriations vs Nov TRR	0.0	0.2	1.7	1.9
Employee Salaries - State Agencies vs Nov TRR	0.0	2.4	7.3	9.7
Special Education vs Nov TRR	0.0	3.5	7.1	10.5
Child Welfare Aid vs Nov TRR	0.0	3.9	8.5	12.4
Developmental Disability aid vs Nov TRR	0.0	9.0	6.7	15.8
Juvenile Services - Courts vs Nov TRR	0.0	8.5	8.5	17.0
University/Colleges increased funding vs Nov TRR	0.0	9.8	19.0	28.8
Medicaid vs Nov TRR	0.0	50.6	57.5	108.1
Aid to K-12 Schools (TEEOSA GF only) vs Nov TRR	0.0	40.4	69.1	109.5
Claims Bill	(0.4)	0.0	0.0	(0.4)
Preliminary budget corrections	0.0	(0.7)	(1.8)	(2.5)
Provider rate increase (2%) includes Courts	0.0	(29.3)	(60.0)	(89.3)
Shift Health Care Cash Fund to Gen Fund, rate increase items	0.0	(10.1)	(10.1)	(20.2)
LB 526 Increase funding, Business Innovation Act	0.0	(4.0)	(5.0)	(9.0)
All other appropriation items	0.0	(3.8)	(4.1)	(7.9)
LB 141 Museum of Nebr Art project	0.0	0.0	(7.5)	(7.5)
<i>(table continued)</i>	FY21	FY22	FY23	Total

LB 342 Funds, Early Childhood Education Endowment Cash Fund.	0.0	(2.5)	(2.5)	(5.0)
LB 588 Extend University & state colleges facilities programs	0.0	(2.5)	(2.5)	(5.0)
LB 585 Funds, local public health departments	0.0	(1.5)	(3.0)	(4.5)
Dual Credit Enrollment - Community Colleges	0.0	(1.0)	(2.1)	(3.1)
ACT Test Funding	0.0	(1.5)	(1.5)	(3.0)
LB 421 Repay qualified educational debt, certain health professionals	0.0	(1.5)	(1.5)	(3.0)
LB 493 Funds to DHHS, developmental disability waiting list	0.0	(1.0)	(1.0)	(2.0)
Floor amendments - appropriations	0.0	(0.9)	(0.9)	(1.8)
A Bills enacted	0.0	(63.2)	(95.4)	(158.6)
Deficits vs \$5M allocation	47.2	0.0	0.0	47.2
Subtotal - Appropriations	46.8	1.2	(18.2)	29.7
Total Change – 2021 Legislative Session	399.8	(185.6)	(16.7)	197.5

2021 Interim

During the 2021 interim the General Fund financial status for the FY22/FY23 improved significantly from \$27.3 million to \$412.2 million above the minimum reserve.

At the July 2021 meeting of the Tax Rate Review Committee the status actually declined by \$129 million even though FY2020-21 receipts were \$379 million above the forecast used at the end of the 2021 Legislative Session. Historically the \$379 million would have gone into the Cash Reserve Fund. However under LB1107-2020, half of this \$379 million went into the CRF and the other half into the new income tax credit for property taxes paid. The decline comes into play as the \$189 million higher LB1107 credit in FY22 financed with the high above forecast revenues in FY21 continues into FY23. And at this time the FY22 and FY23 revenue forecasts are still the April 2021 forecast of the Nebraska Economic Forecast Advisory Board (NEFAB) and do not reflect how the FY21 higher receipts may impact those forecasts

This is partially offset by inclusion of a \$70 million estimated lapse of General Fund appropriations at the end of this recently completed FY20/FY21 biennium. Because of the timing of encumbrances, an actual number would not be known until the first part of September

Impact on Variance from Min Reserve (Millions of Dollars)	FY2020-21 Actual Data			
	FY21	FY22	FY23	Total
FY21 Actual vs Est General Fund Net Receipts	379.0	0.0	0.0	379.0
FY21 Actual vs Est Transfers-In	2.3	0.0	0.0	2.3
FY21 Actual vs Est CRF transfers-automatic	0.0	(189.5)	0.0	(189.5)
FY21 Actual vs Est Accounting adjustment	0.0	(3.4)	0.0	(3.4)
FY22 Actual vs Est LB1107 credit	0.0	(189.5)	(189.5)	(379.0)
Rounding on revenue numbers	0.0	0.0	0.0	0.0
Update appropriation estimates	0.0	0.6	0.0	0.6
Assumed lapse, FY21 unexpended	0.0	70.0	0.0	70.0
Change in Minimum Reserve	0.0	0.0	(8.9)	(8.9)
Total Change – FY2020-21 Actual Data	381.3	(311.8)	(198.4)	(129.0)

The status improved significantly in October 2021 when the FY21-22 and FY22-23 forecasts were revised by the Nebraska Economic Forecast Advisory Board (NEFAB). At that meeting, revenue forecasts were increased by a total of \$903 million; \$475.4 million in FY21-22 and \$427.6 million in FY22-23. These higher forecasts basically reflected a continuation of the higher FY21 actual receipts.

Because the FY2021-22 forecast had been certified in July, the \$475.4 million was considered as “above forecast” and as the 3.5% growth threshold under LB1107 was not met, there was no change in the income tax credit and all \$475 million assumed to be a transfer to the Cash Reserve Fund per statute.

Impact on Variance from Min Reserve (Millions of Dollars)	October 2021 Revenue Forecasts			
	FY21	FY22	FY23	Total
Revenue Forecasts (October 2021)	0.0	475.4	427.6	903.0
Increase in FY23 est LB1107 credit	0.0	0.0	0.0	0.0
Automatic transfer to CRF	0.0	0.0	(475.4)	(475.4)
Change in Minimum Reserve	0.0	0.0	(12.5)	(12.5)
Total Change – Oct 2021 Forecast Revisions	0.0	475.4	(60.2)	415.2

In November 2021, the Tax Rate Review Committee met as required by law and an updated financial status was presented. Changes included a \$86.2 million increase in the amount of lapses of unexpended reappropriations. The \$5 million allocation for deficits was removed and “non-discretionary” agency requests for mid-biennium budget adjustments were substituted. These requests totaled \$15.3 million over the two year period. At a statutory required November meeting, estimated amounts needed for TEEOSA school aid for the upcoming fiscal year were reduced by \$22.8 million relative the Sine Die 2021 estimated level which was included in the FY22-23 appropriations.

Impact on Variance from Min Reserve (Millions of Dollars)	Nov 2021 Tax Rate Review Committee			
	FY21	FY22	FY23	Total
Lapse of FY21 unexpended above July TRR est	0.0	86.2	0.0	86.2
Exclude allocation for deficits	0.0	5.0	0.0	5.0
2022 Midbiennium Budget Adjustments (estimated)	0.0	(8.0)	(7.3)	(15.3)
TEEOSA School Aid revisions (Nov 2021 joint meeting)	0.0	0.0	22.8	22.8
Change in Minimum Reserve	0.0	0.0	0.0	0.0
Total Change – Nov 2021 TRR Committee	0.0	83.2	15.5	98.7

2022 Legislative Session

Going into the 2022 Session, the projected financial status was \$412.2 million above the minimum 3% reserve and finished \$275.4 million above the minimum reserve.

Revenue forecasts were increased by a total of \$775 million in February; \$370 million in FY21-22 and \$405 million in FY22-23. Similar to October 2021, the increase in the FY2021-22 forecast was considered as “above forecast” and as the 3.5% growth threshold under LB1107 was not met, there was no change in the income tax credit and all \$370 million assumed to be a transferred to the Cash Reserve Fund (CRF) per statute. This \$370 million plus the excess from the October forecast of \$475.4 million combined for \$845.4 million that is estimated to be transferred to the CRF.

About two-thirds of the additional revenue was utilized from General Fund transfers-out (\$167 million) and revenue reduction legislation (\$146 million).

The net change in appropriations amounted to \$226 million over the two year period. About 85% of this was in three areas: reappropriation of DHHS funds (\$75.3 million), employee salary

contracts (\$63 million) and increased DHHS provider rates (\$93 million less \$39.6 million of one time offsets).

Impact on Variance from Min Reserve (Millions of Dollars)	2022 Legislative Session			
	FY21	FY22	FY23	Total
Revenue Forecasts (February 2022)	0.0	370.0	405.0	775.0
Automatic transfer to CRF	0.0	0.0	(370.0)	(370.0)
Increase in FY23 est LB1107 credit	0.0	0.0	0.0	0.0
2022 General Fund transfers-out	0.0	(0.5)	(166.7)	(167.2)
Revenue Bills enacted	0.0	0.0	(145.9)	(145.9)
Change in Minimum Reserve	0.0	0.0	(2.7)	(2.7)
Subtotal - Revenue Items	0.0	369.5	(280.3)	89.2
DHHS & Juvenile Justice provider rate increase	0.0	0.0	(94.6)	(94.6)
Provide DHHS reappropriation	0.0	(75.3)	0.0	(75.3)
Salary costs, revised NAPE agreement	0.0	(0.5)	(62.5)	(63.0)
A Bills enacted	0.0	(2.0)	(34.4)	(36.4)
TEEOSA school aid (NDE Jan vs Nov Est)	0.0	0.0	(22.4)	(22.4)
Revenue - Homestead exemption	0.0	(7.9)	(11.7)	(19.6)
DCS - NSP Security Camera Systems	0.0	(4.0)	0.0	(4.0)
Construction-DAS - Capitol HVAC Project, shortfall in funding	0.0	0.0	0.0	future
Utilize onetime unexpended funds, offset provider rate increases	0.0	0.0	39.6	39.6
DCS - Presumed Payroll (Cares Act)	0.0	23.0	0.0	23.0
Construction projects to NCCF	0.0	0.0	14.3	14.3
DHHS - OCIO utilization increase	0.0	5.3	5.2	10.5
All Other GF appropriations	0.0	0.3	1.6	1.9
Governor vetoes	0.0	(51.8)	0.0	(51.8)
Governor veto overrides	0.0	51.8	0.0	51.8
Subtotal - Appropriations Items	0.0	(61.1)	(164.9)	(226.0)
Total Change – 2022 Session	0.0	308.4	(445.3)	(136.8)

FY2021-22 Actual Data (June 30, 2022)

Actual receipts for FY2021-22 were \$6.349 billion which was \$624 million above the forecast used at Sine Die of the 2022 Session which was the February 2022 forecast of the Nebraska Economic Forecast Advisory Board (NEFAB). These actual receipts were \$1.469 billion above the “certified forecast” which was the July 2021 forecast from the NEFAB adjusted by legislation enacted during the 2021 session.

Of this \$1.469 billion above certified forecast amount, \$1.288 billion is transferred to the Cash Reserve Fund while the other \$181.4 million is retained in the General Fund. Section 77-4602 as amended provides that the amount to be transferred to the Cash Reserve Fund is the amount actual receipts exceed the certified forecast LESS receipts above a 3.5% growth over the prior year revenues. Originally under LB1107 this amount would have been added to the income tax credit but LB873 fixed those credit amounts for 2022 and 2023 so the difference now is simply retained in the General Fund.

Impact on Variance from Min Reserve (Millions of Dollars)	FY2021-22 Actual Data			
	FY21	FY22	FY23	Total
FY22 Actual vs Est General Fund Net Receipts	0.0	624.0	0.0	624.0
FY22 Actual vs Est Transfers-In	0.0	0.0	0.0	0.0
FY22 Actual vs Est Transfers-Out	0.0	15.0	(15.0)	0.0
FY22 Actual vs Est CRF transfers-automatic	0.0	(442.6)	0.0	(442.6)
FY22 Actual vs Est Accounting adjustment	0.0	(5.8)	0.0	(5.8)
Update appropriation estimates	0.0	0.0	0.0	0.0
Assumed lapse, FY21 unexpended	0.0	(0.1)	0.0	(0.1)
Change in Minimum Reserve	0.0	0.0	(5.1)	(5.1)
Subtotal - Revenue Items	0.0	190.5	(20.2)	170.4

Chronology of the Financial Status

Millions of Dollars	Current Biennium			Following Biennium		
	FY21-22	FY22-23	3 Yr Total	FY23-24	FY24-25	5 Yr Total
Sine Die 2021 Session 5/27/21			27.3			77.8
FY21 Actual vs Est General Fund Net Receipts	0.0	0.0	379.0	0.0	0.0	379.0
Revenue Forecasts (October 2021)	475.4	427.6	903.0	273.0	0.0	1,176.0
Increase in LB1107 credit due to FY21 actual receipts	(189.5)	(189.5)	(379.0)	(156.3)	0.0	(535.3)
"Above certified" actual & forecast to CRF-automatic	(189.5)	(475.4)	(664.9)	0.0	0.0	(664.9)
FY21 Actual vs Est Accounting adjustment, transfers	(3.4)	0.0	(1.1)	0.0	0.0	(1.1)
Lapse of FY21 unexpended funds	156.2	0.0	156.2	0.0	0.0	156.2
Change in Minimum Reserve	0.0	(21.4)	(21.4)	0.0	6.1	(15.2)
Exclude allocation for deficits, update estimates	5.6	0.0	5.6	(2.2)	(2.3)	1.1
2022 Midbiennium Budget Adjustments (Nov TRR est)	(8.0)	(7.3)	(15.3)	(7.3)	(7.3)	(29.9)
TEEOSA School Aid revisions (Nov 2021 joint meeting)	0.0	22.8	22.8	47.6	51.4	121.8
November 2021 Tax Rate Review Committee			412.2			665.5
2022 General Fund transfers-out	(0.5)	(179.8)	(180.3)	0.0	0.0	(180.3)
Provide DHHS reappropriation	(75.3)	0.0	(75.3)	0.0	0.0	(75.3)
Salary costs, revised NAPE agreement	(0.5)	(62.5)	(63.0)	(62.5)	(62.5)	(187.9)
TEEOSA higher than Nov Est	0.0	(22.4)	(22.4)	(15.6)	(24.9)	(62.9)
Revenue - Homestead exemption	(7.9)	(11.7)	(19.6)	(11.7)	(11.7)	(43.0)
DCS - NSP Security Camera Systems	(4.0)	0.0	(4.0)	0.0	0.0	(4.0)
DCS - Presumed Payroll (Cares Act)	23.0	0.0	23.0	0.0	0.0	23.0
Construction projects to NCCF	0.0	14.3	14.3	0.0	0.0	14.3
Exclude - NDE Relocation and Property Management	2.1	1.9	4.0	1.9	1.9	7.9
Exclude - DHHS OCIO utilization increase	5.3	5.2	10.5	5.2	5.2	20.8
All other appropriation items	0.2	0.8	0.9	0.8	0.8	2.5
State Claims	(0.5)	0.0	(0.5)	0.0	0.0	(0.5)
Committee Preliminary Budget - 2022			105.2			189.1
Revenue Forecasts (February 2022)	370.0	405.0	775.0	176.5	0.0	951.5
Automatic transfer to CRF	0.0	(370.0)	(370.0)	0.0	0.0	(370.0)
2022 General Fund transfers-out, changes	0.0	13.1	13.1	0.0	0.0	13.1
DHHS & Juvenile Justice provider rate increase	0.0	(94.6)	(94.6)	(96.2)	(96.2)	(287.0)
Utilize onetime funds, offset provider rate increases	0.0	39.6	39.6	0.0	0.0	39.6
Construction - Capitol HVAC Project, shortfall in funding	0.0	0.0	0.0	(16.0)	(9.9)	(25.9)
All Other GF appropriations	(1.6)	(1.0)	(2.6)	(1.0)	(1.0)	(4.7)
Change in Minimum Reserve	0.0	(12.2)	(12.2)	0.0	(3.1)	(15.3)
Committee Budget to the Floor – March 2022			453.5			490.5
Governor vetoes	(51.8)	0.0	(51.8)	(59.8)	(58.5)	(170.1)
Governor veto overrides	51.8	0.0	51.8	59.8	58.5	170.1
A Bills enacted	(34.4)	0.0	(36.4)	(33.0)	(44.8)	(114.2)
Revenue Bills enacted	(145.9)	0.0	(145.9)	(252.5)	(590.8)	(989.3)
Adjust FY24 & FY25 to 0% revenue growth	0.0	0.0	0.0	165.0	320.0	485.0
Change in Minimum Reserve	0.0	4.3	4.3	0.0	11.5	15.7
Sine Die 2022 Session 4/20/22			275.4			(112.3)
FY22 Actual vs Est General Fund Net Receipts	624.0	0.0	624.0	0.0	0.0	624.0
FY22 Actual vs Est Transfers-Out	15.0	(15.0)	0.0	0.0	0.0	0.0
FY22 Actual vs Est CRF transfers-automatic	(442.6)	0.0	(442.6)	0.0	0.0	(442.6)
FY22 Actual vs Est Accounting adjustment	(5.8)	0.0	(5.8)	0.0	0.0	(5.8)
Update appropriation estimates	0.0	0.0	0.0	0.0	(6.0)	(6.0)
Assumed lapse, FY21 unexpended	(0.1)	0.0	(0.1)	0.0	0.0	(0.1)
Change in Minimum Reserve	0.0	(5.1)	(5.1)	0.0	0.0	(5.1)
Sine Die 2022 Session 4/20/22			445.8			52.1

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 revenue 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

	Actual FY2020-21	Estimated FY2021-22	Estimated FY2022-23	Estimated FY2023-24	Estimated FY2024-25
Beginning Balance	426,307,702	412,263,230	927,522,595	1,688,141,506	1,688,141,506
Excess of certified forecasts (line 3 in Status)	10,655,528	535,259,365	1,287,998,911	0	0
To/from Gen Fund per current law	(30,000,000)	50,000,000	50,000,000	0	0
To Nebr Capital Construction Fund (NCCF)	0	(54,700,000)	0	0	0
From Gov Emergency Fund (LB1009-2020)	60,000,000	0	0	0	0
To US Spacecom fund (LB385-2021)	0	0	(50,000,000)	0	0
2022 - Delete US SPACECOM Fund transfer	0	0	50,000,000	0	0
2022 - From Governors Emergency Cash Fund	0	0	Vetoed	0	0
2022 - To NCCF, corrections facilities	0	0	(175,000,000)	0	0
2022 - To Jobs & Econ Develop Fund (STARWARS)	0	0	(80,000,000)	0	0
2022 - To Perkins County Canal Fund	0	0	(53,500,000)	0	0
2022 - To Nebr Rural Projects Act	0	0	(50,000,000)	0	0
2022 - To Surface Water Irrigation Fund	0	0	(50,000,000)	0	0
2022 - To Rural Workforce Housing	0	0	(30,000,000)	0	0
2022 - To Military Base Development	0	0	(30,000,000)	0	0
2022 - To NCCF NU ag innovation facility	0	0	(25,000,000)	0	0
2022 - To Intern Nebraska Cash Fund	0	0	(20,000,000)	0	0
2022 - To US Strategic Command facility	0	0	(20,000,000)	0	0
2022 - To Middle Income Housing fund	0	0	(20,000,000)	0	0
2022 - To NCCF YRTC Kearney projects	0	0	(15,480,000)	0	0
2022 - To Trail Develop/Improve Fund	0	0	(8,300,000)	0	0
2022 - To Site & Building Develop Fund (LB 977)	0	(15,000,000)	0	0	0
2022 - To Econ Recovery Contingency (LB 1024)	0	(55,000,000)	0	0	0
Ending Balance	412,263,230	927,522,595	1,688,141,506	1,688,141,506	1,688,141,506

At the end of the 2021 legislative session, the unobligated balance was projected at \$808 based on an estimated \$345.7 million transfer related to the April NEFAB forecast for FY2020-21 being above the certified amount and split with the LB1107 credit.

The projected unobligated balance increased to \$997 million when FY2020-21 actual receipts were \$379 million above the April forecast and a total of \$535 million was transferred to the CRF.

In October 2021, the Nebraska Economic Forecast Advisory Board (NEFAB) increased the FY2021-22 forecast by \$475 million. Because the FY2021-22 forecast does not meet the 3.5% increase threshold, all of this \$475 million is considered “above certified” and will be transferred to the Cash Reserve Fund if receipts come in at the forecast level. This raises the projected unobligated balance to \$1.472 billion or roughly 26% of annual revenues

In February 2022, the Nebraska Economic Forecast Advisory Board (NEFAB) increased the FY2021-22 forecast by \$370 million. The FY21-22 forecast still did not meet the 3.5% threshold and the \$370 million will be transferred to the Cash Reserve Fund. This \$370 million plus the excess from the October forecast of \$475.4 million combined for \$845.4 million that is estimated to be transferred to the CRF.

Actual receipts for FY2021-22 were \$6.349 billion which was \$624 million above the forecast used at Sine Die of the 2022 Session which was the February 2022 forecast of the Nebraska Economic Forecast Advisory Board (NEFAB). These actual receipts were \$1.469 billion above the “certified forecast” which was the July 2021 forecast from the NEFAB adjusted by legislation enacted during the 2021 session.

Of this \$1.469 billion above certified forecast amount, \$1.288 billion is transferred to the Cash Reserve Fund while the other \$181.4 million is retained in the General Fund. Section 77-4602 as amended provides that the amount to be transferred to the Cash Reserve Fund is the amount actual receipts exceed the certified forecast LESS receipts above a 3.5% growth over the prior year revenues. Originally under LB1107 this amount would have been added to the income tax credit but LB873 fixed those credit amounts for 2022 and 2023 so the difference now is simply retained in the General Fund.

2022 Cash Reserve Fund Transfers

The budget adjustments enacted reduces the CRF balance from a potential \$1.842 billion to \$1.245 billion by utilizing \$597.4 million for 17 different transfer changes. For the most part, the transfers are included in LB1013 and subsequent cash fund appropriation of the transferred monies are included in LB1011.

Delete US SPACECOM Fund transfer: In the 2021 session, \$50 million of CRF funds were set aside subject to Nebraska being selected as the site of the United States Space Command Headquarters. Nebraska was not selected so this potential \$50 million obligation is deleted. These funds were subsequently used for two projects that benefit Offutt AFB.

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. The committee proposal transferred the remaining unused amount of \$14 million back to the CRF.

THIS TRANSFER WAS VETOED BY THE GOVERNOR AND NOT OVERRIDEN.

To NCCF - Corrections Facilities The Governor had included funding for a new multi-custody level correctional facility with capacity to house approximately 1,512 inmates. This \$270 million project was proposed to be financed by transfers from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) (\$175 million), unappropriated funds remaining in the NCCF (\$66 million), and funds from the Prison Overcrowding Contingency Fund (\$15 million). After the transfers to the NCCF, the Governor's recommendation then included a \$240 million NCCF appropriation to authorize expenditure of those funds.

The budget adjustments includes a \$175 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF). Coupled with the \$66.3 million from funds transferred to the NCCF in 2021 and unappropriated remains provides a total of \$241 million. However, the enacted budget **does not** include the appropriation authority to expend those funds at this time.

To NCCF - University Agricultural Innovation facility The USDA is creating the Agricultural Research Service National Center for Regenerative and Resilient Precision Agriculture on the Nebraska Innovation Campus. This national center is an innovative "Next Generation" platform that draws together scientists and engineers with entrepreneurs, start-ups, industry partners and producers. The National Center will staff up to 42 federal research scientists and engineers as well as an additional 100 scientific support staff, fellows, and students.

In LB 703, the University proposed to create a companion facility located adjacent to the National Center. This facility would serve as an incubator providing an array of supports for Nebraska's agricultural entrepreneurs and startup companies. The project would be funded with \$25 million from the University with \$25,000,000 in private or other funding matching funds.

The enacted budget includes a \$25,000,000 transfer from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) with a corresponding NCCF appropriation to the University of Nebraska.

To NCCF - YRTC Kearney housing and renovation LB792 as introduced appropriated \$15,046,000 from the General Fund for new construction, renovation, and equipment replacement at the Youth Rehabilitation and Treatment Center-Kearney. This included 1) construction of two new housing units; 2) renovation of the Washington-Lexington building; 3) replacement of the campus fire pump and 4) replacement of the kitchen service elevator. The Governor recommended \$15,580,000 of ARPA funds be used for the project. The enacted budget funded this project with a \$15,580,000 transfer from the CRF to the Nebraska Capital Construction Fund (NCCF) and corresponding NCCF appropriation.

To Perkins County Canal Fund The Governor's budget recommendation included \$400 million of Cash Reserve Funds and \$100 million of ARPA funds for the Perkins County Canal Project. LB 1015 enacted the Perkins County Canal Project Act that authorizes the state to develop a canal to divert water out of Colorado and into an associated storage facility in Nebraska consistent with the authorization in the 1923 South Platte River Compact and protect Nebraska's water rights under the compact.

The budget partially funded the project with a \$53,500,000 transfer from the Cash Reserve Fund to the Perkins County Canal Project Fund within the Department of Natural Resources. The purpose of the funds are for the Department of Natural Resources to contract with an independent firm to determine the cost of a canal, potential for water that could be diverted, the timeline of permitting, and drinking water benefits that may exist for the cities of Lincoln and Omaha from the canal's construction. Findings must be presented at a public hearing to the Appropriations Committee of the Legislature on or before December 31, 2022. Expenditures may also be made for permitting and land options (but not actual land purchases) pursuant to any canal as outlined by the South Platte River Compact.

To 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. The enacted budget created 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. They also included transfers to these funds and a corresponding appropriation:

	<u>Cash Reserve</u>	<u>General Fund</u>	<u>Total</u>
Jobs and Economic Development Initiative (JEDI) Fund	80,000,000	20,000,000	100,000,000
Water Recreation Enhancement Fund	0	100,000,000	100,000,000
Total Funds	80,000,000	120,000,000	200,000,000

To Nebraska Rural Projects Act Last session LB 40 was enacted which created the Nebraska Rural Projects Act and provided a \$5 million per year General Fund appropriation intended for 10 years providing a total contribution of \$50 million. LB788 proposed a transfer of \$50,000,000 from the Cash Reserve Fund and a corresponding cash fund appropriation to the Nebraska Rural Project Fund. The fund will be used to award grants for rail spurs with match requirements outlined in 81-12, 211. There was no change to the existing intent of LB 40 therefore this \$50 million is in addition to the existing \$50 million under LB40-2021.

To Trail Development and Maintenance Fund Based on requests outlined during public hearing for L813, the budget includes a transfer from the Cash Reserve Fund in the amount of \$8.3 million to a newly created cash fund, the Trail Development and Maintenance Fund. This funding would be utilized by the Game and Parks Commission to provide a grant to a Natural Resources District to facilitate the completion of the Missouri-Pacific (MO-PAC) trail between Lincoln and Omaha.

To Rural Workforce Housing Fund LB1071 proposed a transfer of \$30,000,000 from Cash Reserve Fund to the Rural Workforce Housing Fund and provide a corresponding cash fund appropriation. This was subsequently included in LB1013. Enacted in 2018 as part of the Rural Workforce Housing Investment Act (LB518), the Rural Workforce Housing Fund (RWHF)

provides competitive matching grants to non-profit development organizations who administer workforce housing investment funds. The funds are invested in eligible projects to increase the supply and reduce the costs of workforce housing in Nebraska's rural communities. The original law did not allow grants to be made after FY20-21 however LB 1069 extends that to FY26-27.

To Surface Water Irrigation Fund LB1074 proposed a one-time transfer of \$50,000,000 from the Cash Reserve Fund to the Surface Water Irrigation Infrastructure Fund and corresponding cash fund appropriation to the Department of Natural Resources. The funds will be used to award grants to Irrigation Districts for repair or construction or irrigation infrastructure enumerated in the bill. The Department of Natural Resources is allowed discretion in designing criteria and procedures in its grant awarding. Applicants must have 10% of matching funds and no grant may exceed \$5,000,000. The transfer and cash fund appropriation was incorporated into LB1011 and LB1013.

To Intern Nebraska Cash Fund The Intern Nebraska Cash Fund was created by LB945 (2018) and issues grants to businesses for offsetting the cost of hiring interns. The budget adds statutory changes to the Intern Nebraska Act with the intent of increasing access to and use of the program including extending the time period from six to twelve months and adding to the type of institutions for enrollment purposes. There is a \$20,000,000 transfer from the Cash Reserve Fund to the Intern Nebraska Cash Fund and a corresponding cash fund appropriation. The additional funding was originally included in LB1167.

To Site and Building Fund, US Strategic Command facility LB1232 proposed that the Department of Economic Development provide grants to public and private sector initiatives that will improve the military value of military installations by making necessary improvements to buildings and infrastructure, including but not limited to provide a grant for the establishment of the United States Strategic Command Nuclear Command, Control, and Communications public-private-partnership facility. A \$20,000,000 transfer to the Site and Building Development fund, with expenditures being permitted once proof has been demonstrated that matching funds are available.

To Military Base Development Fund The enacted budget transfers \$30 million from the Cash Reserve Fund to the Military Base Development and Support cash fund to be administered by the Department of Veterans' Affairs (DVA) which administratively supports the Commission on Military and Veterans' Affairs. This Commission is the entity who will ultimately distribute funding pursuant to their statutory authority to receive and administer funds from state, federal and other sources to help the State of Nebraska preserve and protect military installations across the state, attract new missions to the state's military installations, and serve Nebraska's military and veteran families. The proposal was originally included in LB1233.

Of the \$30 million, the Commission would provide \$5 million to fund a documentary about Offutt Air Force Base capturing the history of the installation and demonstrating its current status as a major United States Air Force base. The remaining \$25 million will be utilized to support and contribute, at a maximum 50% match, to various projects on the base. Examples include a pavilion, track and field stadium improvements, walking trails, landscape enhancements, and improvements to base lake.

To Middle Income Housing Fund The Middle-Income Workforce Housing program was established by LB866 (2020) and financed with a \$10 million transfer from the General Fund.

The funds would be used by the Dept. of Economic Development to provide grants to nonprofit development organizations with a one-to-one match requirement. Grant funds are to be used for workforce housing development in urban communities. This would include new construction of owner-occupied housing in a neighborhood and community with a demonstrated need for housing that is affordable and attractive to first time homebuyers, middle-income families, and the emerging workforce; substantial repair or rehabilitation of dilapidated housing stock; or upper-story housing development for occupation by a homeowner.

Additional funding for the program was originally proposed in LB1252. The enacted budget provides for a \$20,000,000 transfer from the Cash Reserve Fund to the Middle-Income Workforce Investment Fund in FY22-23 and the accompanying cash fund appropriation. The Middle-Income Workforce Housing Program is revolving grant program, as once projects are completed and sold the grant amount is returned to the Department of Economic Development. The Middle-Income Workforce Housing Program stipulates that grantees demonstrate ineligibility under HOME or Affordable Housing Trust Fund grants. As ARPA provides presumed eligibility for housing projects that would qualify under HOME or AHTF, this transfer from the Cash Reserve Fund will be used to spur housing development that would otherwise not meet ARPA criteria.

To Site and Building Fund, electrical systems (LB 977) LB977 amended the Site and Building Development Fund to allow the issuance of grants to any city of the second class which partners with public power utilities for purposes of expanding electrical system capacities and enhancing redundancy and resilience. LB977 provides for a transfer of \$15,000,000 from the Cash Reserve Fund to the Site and Building Development Fund in FY21-22.

To Economic Recovery Contingency Fund (LB 1024) LB1024 created the Economic Recovery Act. The bill creates the Economic Recovery and Incentives Division within the Dept. of Economic Development (DED) who shall develop a coordinated plan to direct and prioritize the use of grants toward the economic recovery of communities and neighborhoods within qualified census tracts with an emphasis on housing needs, assistance for small businesses, job training, and business development within such communities and neighborhoods. A federally qualified census tract is one in which 50 percent or more of households have an income less than 60 percent of the area median gross income or a poverty rate of at least 25 percent. The bill provides multiple funding sources including creation of the Economic Recovery Contingency Fund and provides for a \$55 million transfer from the Cash Reserve Fund to this new fund.

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.

Actual receipts for FY2019-20 (\$4,939,762,611) were \$10,655,528 above the certified forecast of \$4,929,107,083. However actual receipts were over \$265 million below the last forecast due to the extension of the income tax filing deadline from April 2020 to July 2020. The latest estimate was that \$280 million shifted from FY2019-20 to FY2020-21 due to this filing change.

For FY2020-21, the provisions of LB1107 enacted in the 2020 session created a new calculation for purposes of automatic transfers to the Cash Reserve Fund for the next three years. Normally the amount above certified would all go to the CRF. However under the provisions of LB1107 the amount above certified less any allocated to the income tax credit for property taxes is transferred to the CRF.

Since the level of credit and CRF transfer is based on FY20-21 revenues, the amounts have kept changing as the forecasts changed. With the October forecast the provisions of LB1107 resulted in an estimated \$86.7 million increase in the credit and the CRF transfer of \$198.7 or the \$285.4 million above certified revenues less the \$86.7 million increase in the credit. The same happened with the February 2021 and April 2021 increase in the revenue forecast.

The final FY20-21 actual receipts were \$958.4 million above the certified forecast from August 2020. Under the LB1107 calculation \$535.3 million goes to the CRF and the other \$423.2 million is added to the prior year credit amount of \$125 million increasing the credit to \$548.2 million. A more detailed description of income tax credit under LB1107 can be found on page 29.

For FY2021-22, in October 2021, the Nebraska Economic Forecast Advisory Board (NEFAB) increased the FY2021-22 forecast by \$475.4 million. Because the FY2021-22 forecast had already been “certified”, this \$475.4 million is considered as “above certified” and would be credited to the Cash Reserve Fund if receipts come in at the forecast level. In this case there is no change in the LB1107 credit as the growth threshold under LB1107 is not met even with the higher forecast. This raises the projected unobligated balance to \$1,472.9 million or roughly 27% of annual revenues.

In February 2022, the Nebraska Economic Forecast Advisory Board (NEFAB) increased the FY2021-22 forecast by \$370 million. The FY21-22 forecast still did not meet the 3.5% threshold and the \$370 million will be transferred to the Cash Reserve Fund.

Actual receipts for FY2021-22 were \$6.349 billion which was \$624 million above the forecast used the February 2022 forecast of the Nebraska Economic Forecast Advisory Board (NEFAB). For the fiscal year actual receipts were \$1.469 billion above the “certified forecast” which was the July 2021 forecast from the NEFAB adjusted by legislation enacted during the 2021 session. This level of receipts met the 3.5% threshold and of this \$1.469 billion above certified forecast amount, \$1.288 billion is transferred to the Cash Reserve Fund while the other \$181.4 million is retained in the General Fund. Section 77-4602 as amended provides that the amount to be transferred to the Cash Reserve Fund is the amount actual receipts exceed the certified forecast **LESS** receipts above a 3.5% growth over the prior year revenues.

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 2017 Session, the Legislature transferred a total of \$173 million to the General Fund to assist in balancing the budget and to help replenish the reserve to the statutory minimum level consisting of \$125 million in FY18 and \$48 million in FY19.

In the 2020 session LB1107 which contained the Imagine Nebraska Act, Nebraska Transformational Projects Act, and Nebraska Property Tax Incentive Act included a \$30 million transfer from the CRF to the General Fund to help pay for the first year \$125 million cost of Property Tax Incentive Act

In the 2021 session, the budget included a \$50 million transfer from the General Fund in both FY21-22 and FY22-23 to help replenish the fund. At the time of enacting the budget, this would have achieved a balance at \$763 million which is 14.2% of revenues. The final balance was higher than that with actual receipts being well above forecast.

Transfers To & From Other Funds

In the 2019 session, the enacted budget transfers \$54.7 million from the Cash Reserve Fund to the Nebraska Capital Construction Fund to cover several construction projects primarily two additional high security housing units (384 beds) for the Dept. of Correctional Services.

In the 2020 session, 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. The original allocation was as follows: Local response efforts (\$38,156,700), DHHS staffing (\$4,004,000), Surge staffing for veterans hospitals & DHHS care facilities (\$13,000,000), COVID-19 Lab Testing (\$515,000), UNMC lab equipment, software programming and personnel (\$2,500,000), UNMC UV light boxes (\$100,000), and UNMC knowledge center (\$343,900). This left an available reserve of \$25,000,000

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. Of this amount, \$166 million went directly to Douglas County and the remaining \$1.083 billion to the State of Nebraska. The Governor credited these funds to the Governor's Emergency Program-COVID19. 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.

In the 2021 session, the budget included a \$50,000,000 transfer in FY23 from the CRF to a newly created cash fund - The United States Space Command Headquarters Assistance Fund. The transfer is subject to the State of Nebraska being selected as the site of the United States Space Command Headquarters. The newly created fund is to be administered by the Adjutant General of the Nebraska Military Department and will be utilized to contribute to the cost of constructing the United States Space Command Headquarters, should Nebraska be selected as the site of this installation. The United States Department of the Air Force anticipates making a final decision for the location of the United States Space Command Headquarters in the spring of 2023.

Table 2 Cash Reserve Fund – Historical Balances

Fiscal Yr	Beginning Balance	Direct Deposit and Interest	Automatic Transfers	Legislative Transfers	Cash Flow	Ending Balance	Balance as % of revenue
FY1983-84	0	37,046,760	na	0	0	37,046,760	4.7%
FY1984-85	37,046,760	(1,472,551)	na	0	0	35,574,209	4.5%
FY1985-86	35,574,209	227,855	na	(13,500,000)	0	22,302,064	2.7%
FY1986-87	22,302,064	1,428,021	na	0	0	23,730,085	2.7%
FY1987-88	23,730,085	1,654,844	na	(7,700,000)	0	17,684,929	1.7%
FY1988-89	17,684,929	139,000	na	32,600,000	0	50,423,929	4.4%
FY1989-90	50,423,929	113,114	na	(10,500,000)	0	40,037,043	3.5%
FY1990-91	40,037,043	0	na	(8,100,000)	0	31,937,043	2.3%
FY1991-92	31,937,043	0	na	(5,000,000)	0	26,937,043	1.8%
FY1992-93	26,937,043	0	na	(9,500,000)	0	17,437,043	1.1%
FY1993-94	17,437,043	0	3,063,462	7,250,000	0	27,750,505	1.7%
FY1994-95	27,750,505	0	(8,518,701)	1,250,000	0	20,481,804	1.2%
FY1995-96	20,481,804	0	(20,481,804)	18,189,565	0	18,189,565	1.0%
FY1996-97	18,189,565	0	19,740,786	3,032,333	0	40,962,684	2.0%
FY1997-98	40,962,684	0	91,621,018	0	0	132,583,702	6.3%
FY1998-99	132,583,702	0	111,616,422	(98,500,000)	0	145,700,124	6.9%
FY1999-00	145,700,124	0	20,959,305	(24,500,000)	0	142,159,429	5.9%
FY2000-01	142,159,429	0	77,576,670	(49,500,000)	0	170,236,099	6.9%
FY2001-02	170,236,099	0	0	(60,170,000)	0	110,066,099	4.7%
FY2002-03	110,066,099	66,476,446	0	(87,400,000)	(30,000,000)	59,142,545	2.4%
FY2003-04	59,142,545	59,463,461	0	(61,577,669)	30,000,000	87,028,337	3.2%
FY2004-05	87,028,337	8,170,556	108,727,007	(26,758,180)	0	177,167,720	5.8%
FY2005-06	177,167,720	0	261,715,297	(165,266,227)	0	273,616,790	8.2%
FY2006-07	273,616,790	0	259,929,524	(17,458,523)	0	516,087,791	15.1%
FY2007-08	516,087,791	0	191,436,773	(161,978,767)	0	545,545,797	15.6%
FY2008-09	545,545,797	0	116,976,571	(84,330,505)	0	578,191,863	17.2%
FY2009-10	578,191,863	0	0	(110,990,237)	0	467,201,626	14.6%
FY2010-11	467,201,626	0	0	(154,000,000)	0	313,201,626	8.9%
FY2011-12	313,201,626	8,422,528	145,155,092	(33,439,198)	(4,461,676)	428,878,372	11.6%
FY2012-13	428,878,372	0	104,789,781	(154,008,427)	4,461,676	384,121,402	9.5%
FY2013-14	384,121,402	0	285,292,610	49,651,294	0	719,065,306	17.5%
FY2014-15	719,065,306	0	96,721,232	(87,951,112)	0	727,835,426	16.9%
FY2015-16	727,835,426	0	84,599,532	(81,779,850)	0	730,655,108	17.0%
FY2016-17	730,655,108	0	0	(50,000,000)	0	680,655,108	16.0%
FY2017-18	680,655,108	150,000	0	(340,930,772)	0	339,874,336	7.4%
FY2018-19	339,990,065	0	61,995,773	(68,436,714)	0	333,549,124	6.8%
FY2019-20	333,549,124	0	176,378,178	(83,619,600)	0	426,307,702	8.6%
FY2020-21	426,307,702	0	10,655,528	(24,700,000)	0	412,263,230	7.8%
FY2021-22 Est	412,263,230	0	535,259,365	(74,700,000)	0	927,522,595	14.6%
FY2022-23 Est	927,522,595	0	1,287,988,911	(527,380,000)	0	1,688,131,507	29.0%
FY2023-24 Est	1,688,131,507	0	0	0	0	1,688,131,507	29.8%
FY2024-25 Est	1,688,131,507	0	0	0	0	1,688,131,507	30.7%

General Fund Revenues

General Fund Revenue Forecasts

Amounts shown for FY2021-22 are the actual tax receipts for the year and were \$624 million above the February 2022 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). Tax rate and base adjusted revenue growth for FY2021-22 actual receipts is 22.1% compared to the 10.6% growth calculated per the February forecast.

Revenue estimates for FY2022-23 remain at the February 2022 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) plus revenue legislation enacted in the 2022 legislative session. How this current forecast may be impacted by the FY2021-22 revenue performance and how any revised revenue forecasts will affect the financial status will not be known until October when the NEFAB is statutorily scheduled to meet.

For the following biennium or what’s commonly referred to as the “out years”, the preliminary estimates for FY2023-24 and FY2024-25 are prepared by the Legislative Fiscal Office (LFO) using the “capped” historical average methodology. This “smoothing” technique derives “out year” revenue estimates by calculating the level of revenues that would yield a five-year average growth (FY21 to FY25) roughly equal to the 40-year historical average (5.0%) less .25% which is the projected impact of indexing the tax brackets as enacted in LB987 (2014). The capped provision means that

Under this method, with the higher growth in FY21 and FY22, the revenue growth for the two “out years” would be an average -2.4% to achieve that 40-year average but +1.4% when extending the capped provision of the methodology to the low side as well as the high side. To recognize the extreme high growth in FY21 and FY22, we split the difference in the out-year estimates by assuming a flat zero percent adjusted revenue growth.

Table 3 - General Fund Revenue Forecasts

	Actual FY2020-21	Actual FY2021-22	NEFAB FY2022-23	LFO Prelim FY2023-24	LFO Prelim FY2024-25
Actual/Forecast					
Sales and Use Tax	2,009,748,270	2,133,152,081	2,343,598,000	2,361,186,000	2,350,972,000
Individual Income Tax	3,130,599,324	3,243,237,593	2,795,159,000	2,678,378,250	2,559,438,450
Corporate Income Tax	571,220,324	715,152,736	462,300,000	417,432,750	385,358,550
Miscellaneous receipts	247,474,510	257,452,292	223,317,525	208,487,525	200,402,525
Total General Fund Revenues	5,959,042,428	6,348,994,703	5,824,374,525	5,665,484,525	5,496,171,525
Bills Enacted - 2022 Session	0	0	in estimates	in estimates	in estimates
Net Receipts per Financial Status	5,959,042,428	6,348,994,703	5,824,374,525	5,665,484,525	5,496,171,525
Adjusted Growth					
Sales and Use Tax	7.9%	13.3%	5.0%	0.2%	-0.2%
Individual Income Tax	16.4%	21.9%	-9.0%	0.0%	0.0%
Corporate Income Tax	23.7%	57.5%	-26.4%	-0.9%	0.4%
Miscellaneous receipts	4.1%	14.7%	-3.3%	0.1%	0.8%
Total General Fund Revenues	13.5%	22.1%	-6.4%	0.0%	0.0%
Two Yr Average	9.2%	--	7.9%	--	0.0%
Five Yr Average	6.5%	--	8.6%	--	5.8%

We believe that a significant part of this high back-to-back revenue growth is attributed to a massive amount of federal pandemic funding assistance. Starting at that point with the enactment of the CARES Act, Congress provided large amounts of federal assistance to help offset the economic loss. A total of \$24 billion was allocated to the State of Nebraska in multiple forms. To put this in perspective, this is the equivalent of 22% of total state personal income. And this is not unique to Nebraska as most all of the other states are experiencing the same revenue growth phenomenon. This leads us to believe federal pandemic funding is the common denominator.

Federal COVID 19 Assistance (Source: FFIS)	Billions of \$	% of NPI	
Families First Coronavirus Response Act	262,968	0.2%	Another cause appears to be large capital gains in the 2021 income tax processing. This will not be known until later in the fall with the availability of detailed federal income tax data.
CARES Act	15,826,552	14.2%	
Consolidated Appropriations Act	1,846,301	1.7%	The down side is the high revenues attributed to circulation of this large amount of federal funds and capital gains are both likely to be temporary leading to low growth or a decline in revenues over the next 2-3 years.
American Rescue Plan Act	5,995,564	5.4%	
Coronavirus Preparedness and Response Act	8,448	0.0%	
Paycheck Protection & Health Care Enhancement Act	81,717	0.1%	
Executive Action	90,400	0.1%	
Total	24,111,950	21.6%	
2020 Nebraska Personal Income	111,545,000		

One thing to keep in mind when looking at the current revenue forecasts for the five-year financial status and comparing one year to the next, there are many large items that affect each year differently and impact on the adjusted revenue growth numbers. These are the types of adjustments that are made for purposes of calculating rate and base adjusted revenue growth.

A perfect example is the first item on the following table. The shift of \$280 million of income tax from FY20 to FY21 due to the extension of the income tax filing deadline until July 2020. This single item causes a \$560 million (10%) difference in comparing one year to the next.

	Actual FY2019-20	Actual FY2020-21	Est FY2021-22	Est FY2022-23	LFO Prelim FY2023-24	LFO Prelim FY2024-25
COVID-19 related tax filing deadline extension	(280,000,000)	280,000,000	0	0	0	0
Flood related tax filing deadline extension	20,000,000	0	0	0	0	0
2020 Fed Tax Changes (CARES Act)	0	(125,593,000)	(67,123,000)	(57,361,000)	(30,475,000)	(10,000,000)
Taxation of military retirement (LB 153-2020, LBV387-202)	0	0	(13,407,000)	(32,915,000)	(34,725,000)	(36,628,000)
Change taxation of social security (50%, 5 yr phase LB64-2021)	0	0	(15,098,000)	(28,602,000)	(42,403,000)	(57,448,000)
Legislative enacted cash fund transfers	65,416,628	53,795,957	33,295,957	39,295,957	0	0
Property Tax Relief Credit (LB 1107-2020)	0	(65,000,000)	(548,194,463)	(548,194,463)	(582,819,063)	0
2021 Fed Tax Changes (American Rescue Plan)	0	(29,253,000)	(33,442,000)	(1,229,000)	(452,000)	0
Tax incentive sales tax refunds (state only)	(78,252,000)	(74,184,490)	(143,000,000)	(103,000,000)	(83,000,000)	(85,000,000)
Total of Items Shown	(272,835,372)	39,765,467	(786,968,506)	(732,005,506)	(773,874,063)	(189,076,000)
Difference compared to prior year	na	312,600,839	(826,733,973)	54,963,000	(41,868,557)	584,798,063

Following Biennium FY24 and FY25

The NEFAB does not make official forecasts for the following biennium or what’s commonly referred to as the “out years”. Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY23-24 and FY24-25) are derived by the Legislative Fiscal Office (LFO) using a “capped” historical average methodology. This “smoothing” technique derives “out year” revenue estimates by calculating the level of revenues that would yield a five year average growth (FY21 to FY25) roughly equal to the 40 year historical average (5.1%) less .25% which is the projected impact of indexing the tax brackets as enacted in 2014 - LB987. **Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth.**

Over the past 40 years, there were 15 years in which revenue growth was "below average" (1.4% average) and 25 years in which revenue growth was above average (7.6% average). Because the revenue growth in the NEFAB forecasts is so much above average, the revenue growth needed to yield a 4.4% five-year average is -2.4% in both FY23-24 and FY24-25.

Alternative methods are also available for purposes of deriving revenue estimates for the following biennium. Both the Nebraska Dept. of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two “out years” using the same models and input from HIS Economics and Moody’s, the national forecasting services used as input into the tax forecast models. While these forecasts work well for the 1 to 3 year forecasts, when extended further they have a tendency to flatten out and follow the 3 year trend into the 4th and 5th year. In other words, they have difficulty picking up changes in the trend. The historical average methodology has been used since 1991 and the “smoothing” technique used for the most part relies on the trend changes.

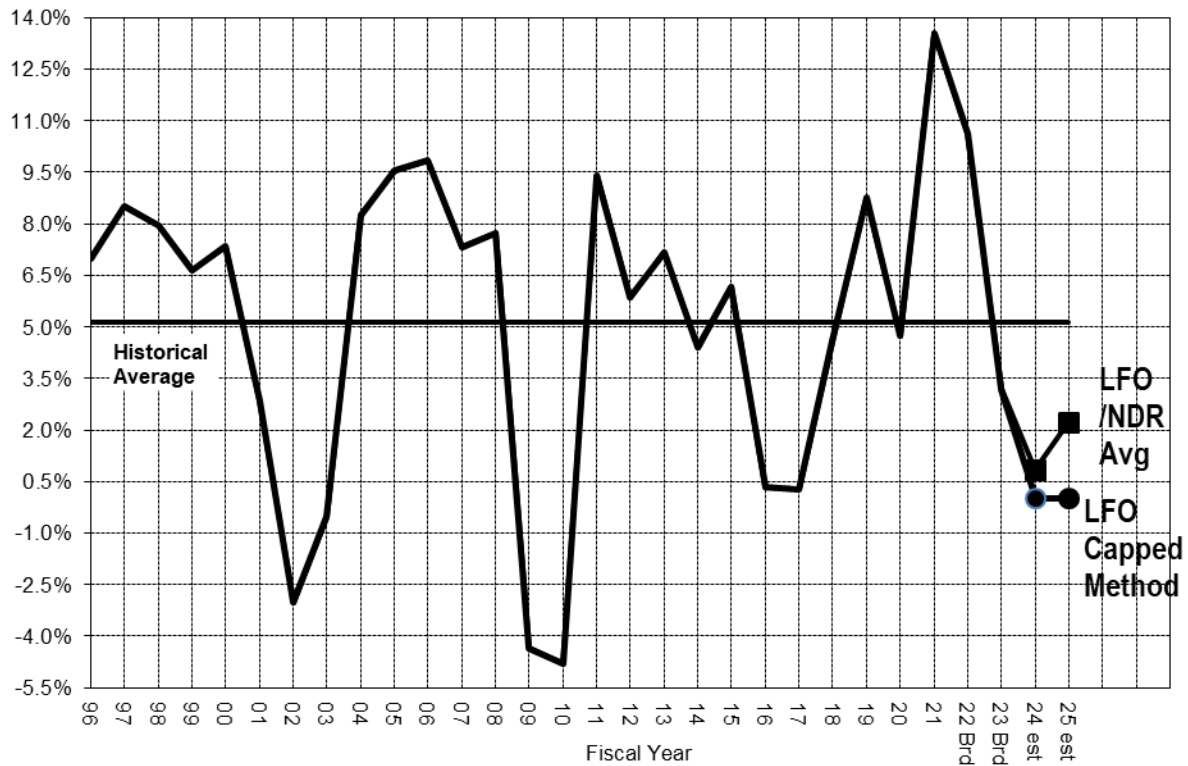
As shown in Table 4, the preliminary estimates for the two “out years” arrived at using the capped (both high and low) historical average concept (as used in the Financial Status) is much lower than the unofficial estimates prepared by the Nebraska Dept. of Revenue (NDR) and Legislative Fiscal Office (LFO) and quite close to the lowest of the forecasts (LFO-Moody).

Table 4 Comparison of "Out Year" Forecasts

Based on Feb 2022 Revenue Forecasts	Current (LFO Method)	Average (IHS Econ)	Average (All Forecasts)	High Est NDR-IHS	Low Est LFO-MOODY
Dollar Forecast (thousands of \$)					
FY2023-24 Prelim	5,908,000	5,963,867	5,963,710	6,074,329	5,867,976
FY2024-25 Prelim	6,087,000	6,294,454	6,293,947	6,505,405	6,081,525
Calculated Growth (rate and base adjusted)					
FY2023-24 Prelim	0.0%	0.8%	0.8%	2.5%	-0.6%
FY2024-25 Prelim	0.0%	2.2%	2.2%	3.6%	0.5%
Two Year Average	0.0%	1.5%	1.5%	3.0%	0.0%
Five Year Average	5.5%	6.1%	6.1%	6.7%	5.5%
\$ Difference from Status					
FY2023-24	0	55,867	55,710	166,329	(40,024)
FY2024-25	0	207,454	206,947	418,405	(5,475)
Cumulative Total	0	263,321	262,657	584,734	(45,499)

Even though the capped historical average is relatively close to the LFO & NDR preliminary average, when charting against the past 30-year revenue growth, **2 out of 3 times revenue growth following the revenue highs was below 0%**. Because FY21 and FY22 appear to be the two highest growth years, the low growth years which subsequently follow could very possibly be below 0%.

General Fund Adjusted Revenue Growth



Chronology of Revenue Forecasts

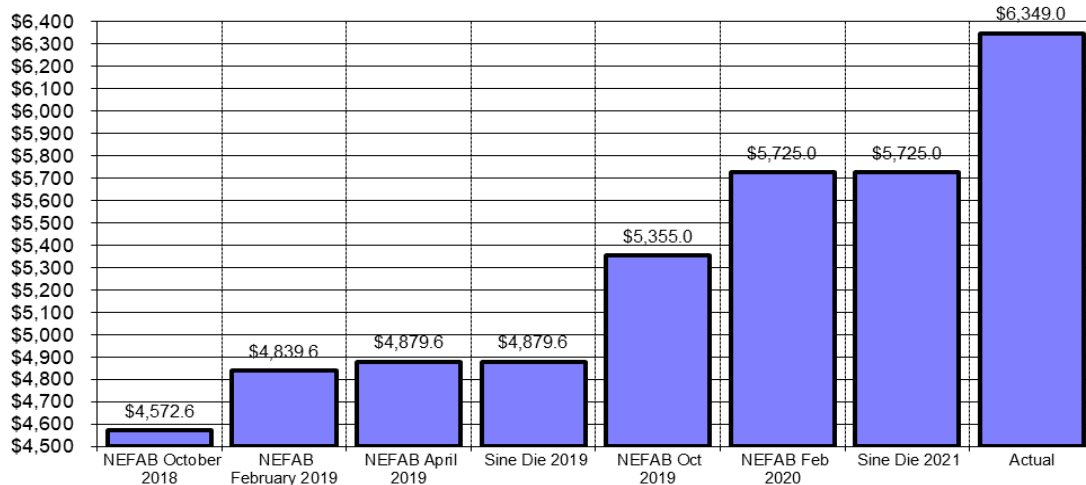
Table 5 contains a chronology of the revenue forecasts for FY2020-21 through FY2022-23. The first column shows the total revenue forecast while the last four columns breaks down the total dollar change in the forecast whether caused by bills enacted by the Legislature, other items such as federal tax changes, or simply a change in the revenue expectations (base). Note that in FY22 and 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 Chronology of Revenue Forecasts

FY2020-21							
Board Est-October 2018	1,805,000	2,700,000	320,000	175,000	5,000,000	2.8%	
Board Est-February 2019	1,795,000	2,695,000	325,000	175,000	4,990,000	3.0%	
Board Est-April 2019	1,795,000	2,695,000	325,000	175,000	4,990,000	3.2%	
Sine Die-2019 Session	1,795,000	2,699,000	325,000	225,919	5,044,919	3.1%	
Board Est-Oct 2019	1,820,000	2,750,000	360,000	220,000	5,150,000	2.0%	
Board Est-Feb 2020	1,820,000	2,765,000	370,000	220,000	5,175,000	0.6%	
Board Est-July 2020	1,765,000	2,700,000	440,000	220,000	5,125,000	-2.0%	
Sine Die-2020 Session (Aug)	1,765,000	2,606,536	408,393	220,660	5,000,589	-3.0%	
Board Est-Oct 2020	1,910,000	2,765,000	385,000	226,000	5,286,000	1.4%	
Board Est-Feb 2021	1,975,000	2,860,000	425,000	230,000	5,490,000	5.7%	
Board Est-April 2021	1,975,000	2,885,000	490,000	230,000	5,580,000	8.0%	
Sine Die-2021 Session	1,975,000	2,885,000	490,000	230,000	5,580,000	8.0%	
Actual Receipts FY2020-21	2,009,748	3,130,599	571,220	247,475	5,959,042	13.5%	
FY2021-22							
Board Est-Oct 2020	1,910,000	2,490,000	335,000	185,000	4,920,000	0.7%	
Board Est-Feb 2021	2,005,000	2,515,000	370,000	195,000	5,085,000	1.7%	
Board Est-April 2021	2,005,000	2,480,000	400,000	195,000	5,080,000	1.2%	
Sine Die-2021 Session	1,992,687	2,314,067	350,229	222,627	4,879,610	1.0%	
Board Est-October 2021	2,050,000	2,540,000	540,000	225,000	5,355,000	2.9%	
Board Est-February 2022	2,180,000	2,700,000	605,000	240,000	5,725,000	10.7%	
Sine Die-2022 Session	2,180,000	2,700,000	605,000	240,000	5,725,000	10.7%	
Actual Receipts FY2021-22	2,133,152	3,243,238	715,153	257,452	6,348,995	22.1%	
FY2022-23							
Board Est-Oct 2020	2,095,000	2,655,000	345,000	180,000	5,275,000	6.1%	
Board Est-Feb 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	4.6%	
Board Est-April 2021	2,145,000	2,670,000	368,000	185,000	5,368,000	3.9%	
Sine Die-2021 Session	2,119,794	2,477,629	310,601	219,333	5,127,358	3.3%	
Board Est-October 2021	2,180,000	2,700,000	450,000	225,000	5,555,000	3.2%	
Board Est-February 2022	2,350,000	2,900,000	475,000	235,000	5,960,000	3.2%	
Sine Die-2022 Session	2,343,598	2,795,159	462,300	223,318	5,824,375	3.2%	

Chronology of FY2021-22 Forecasts

Prior forecasts adjusted for subsequent legislation and federal tax changes



Nebr Property Tax Incentive Act (LB 1107)

The Nebraska Property Tax Incentive Act was included as part of LB1107 enacted in the 2020 legislative session. The act provides a refundable income tax credit or credit against franchise tax for any taxpayer who pays school district taxes, which is property taxes levied by a school district or school system, excluding property taxes levied for bonded indebtedness and property taxes levied as a result of an override of limits on property tax levies approved by voters.

Income Tax Credit for Property Taxes Paid - Original per LB1107-2020

Fiscal Yr Impact	Revenue Yr	Income Tax	Property Tax	Growth	Feb 2022
		Year	Year		Est \$
FY 2020-21	FY2019-20	2020	2019	Fixed amount at \$125 million	125,000,000
FY 2021-22	FY 2020-21	2021	2020	\$125 million + growth over 3.5%	548,194,063
FY 2022-23	FY 2021-22	2022	2021	Prior Yr max + growth over 3.5%	548,194,063
FY 2023-24	FY 2022-23	2023	2022	Prior Yr max + growth over 3.5%	560,769,063
FY 2024-25	FY 2023-24	2024	2023	Fixed amount at \$375 million	375,000,000
FY 2025-26	FY 2024-25	2025	2024	Prior Yr + valuation growth	390,000,000
FY 2026-27	FY 2025-26	2026	2025	Prior Yr + valuation growth	405,600,000

This was revised in the 2022 session by LB873 in several ways. First, the amounts for income tax year 2022 and 2023 were fixed at the February 2022 estimate of \$548 million and \$560.7 million respectively. Second, in income tax year 2024 when the credit amount was to be set at \$375 million, the amount was now set at the prior year (\$560.7 million) plus the growth in valuation. Third, a credit was added based on property taxes paid for community colleges.

Income Tax Credit for Property Taxes Paid - Revised per LB873-2022

Fiscal Yr Impact	Revenue Yr	Income Tax	Based on		Sine Die 2022
		Year	Property Tax Yr	Calculation	Est \$
K-12 Credit					
FY 2020-21 (LB1107-2020)	FY2019-20	2020	2019	Fixed amount at \$125 million	125,000,000
FY 2021-22 (LB1107-2020)	FY 2020-21	2021	2020	\$125 million + growth over 3.5%	548,194,063
FY 2022-23 (LB 873-2022)	FY 2021-22	2022	2021	Fixed amount at \$548,000,000	548,000,000
FY 2023-24 (LB 873-2022)	FY 2022-23	2023	2022	Fixed amount at \$560,700,000	560,700,000
FY 2024-25 (LB 873-2022)	FY 2023-24	2024	2023	Prior Yr + valuation growth	580,324,500
FY 2025-26 (LB 873-2022)	FY 2024-25	2025	2024	Prior Yr + valuation growth	600,635,858
FY 2026-27 (LB 873-2022)	FY 2025-26	2026	2025	Prior Yr + valuation growth	621,658,113
FY 2027-28 (LB 873-2022)	FY 2026-27	2027	2026	Prior Yr + valuation growth	643,416,146
Community College Credit					
FY 2020-21 (LB1107-2020)	FY2019-20	2020	2019	None	na
FY 2021-22 (LB1107-2020)	FY 2020-21	2021	2020	None	na
FY 2022-23 (LB 873-2022)	FY 2021-22	2022	2021	Fixed amount at \$55,000,000	50,000,000
FY 2023-24 (LB 873-2022)	FY 2022-23	2023	2022	Fixed amount at \$100,000,000	100,000,000
FY 2024-25 (LB 873-2022)	FY 2023-24	2024	2023	Fixed amount at \$125,000,000	125,000,000
FY 2025-26 (LB 873-2022)	FY 2024-25	2025	2024	Fixed amount at \$150,000,000	150,000,000
FY 2026-27 (LB 873-2022)	FY 2025-26	2026	2025	Fixed amount at \$195,000,000	195,000,000
FY 2027-28 (LB 873-2022)	FY 2026-27	2027	2026	Prior Yr + valuation growth	201,825,000

General Fund Revenue Bills - 2022

There were few significant revenue bills enacted in the 2020 legislative session. Because of operative dates and phased-in implementation, the largest dollar impact of the legislation enacted will not occur until the following biennium. The following table lists the bills enacted followed by a narrative description of the major bills in numerical order.

Table 6 Revenue Bills – 2022 Session

	FY2021-22	FY2022-23	FY2023-24	FY2024-25
LB 750 Multiple DMV changes,	0	(682,475)	(682,475)	(682,475)
LB 873 Ind & corp rates, social security, credits for prop taxes	0	(115,541,000)	(213,813,000)	(565,744,000)
LB 917 Income tax deduction, wages paid to felon individuals	0	0	(4,600,000)	(400,000)
LB 984 Sales tax collect fees, feminine hygiene, net wrap	0	(6,402,000)	(9,814,000)	(10,028,000)
LB 1024 Economic Recovery Act (interest income)	0	(11,000,000)	(6,000,000)	(3,000,000)
LB 1102 Nebr Environmental Response Act	0	(300,000)	0	0
LB 1150 Changes, ImagiNE Nebr Act, sales tax credits, etc...		(unknown cash flow revenue loss)		
LB 1261 Nebr Advantage Rural Develop, E15 & E25 tax break	0	(2,000,000)	(7,430,000)	(10,787,000)
LB 1273 Deduct, retired law enforcement health insurance	0	0	(176,000)	(187,000)
<i>2022 Revenue Bills (incorporated into forecast)</i>	0	(135,925,475)	(242,515,475)	(590,828,475)
LB 1024 Economic Recovery Act (transfers)	0	(10,000,000)	(10,000,000)	0
<i>2022 Revenue Bills (including transfers)</i>	0	(145,925,475)	(252,515,475)	(590,828,475)

LB 873 was a multi-pronged tax bill compiled by the Revenue Committee and included provisions related to income taxes, and incorporated the provisions of LB 723, LB 825, LB 938, and LB 939.

	Individual Rates	Corporate Rates	Community College Credit	Continue LB1107 Credit level	Social Security Tax	LB 873 Total
FY2022-23	(24,708,000)	0	(50,000,000)	0	(40,833,000)	(115,541,000)
FY2023-24	(86,100,000)	(5,177,000)	(100,000,000)	22,119,000	(44,655,000)	(213,813,000)
FY2024-25	(152,595,000)	(23,233,000)	(125,000,000)	(205,325,000)	(59,591,000)	(565,744,000)
FY2025-26	(229,915,000)	(48,301,000)	(150,000,000)	(212,511,000)	(70,080,000)	(710,807,000)
FY2026-27	(309,359,000)	(69,071,000)	(195,000,000)	(219,949,000)	(73,816,000)	(867,195,000)
FY2027-28	(357,921,000)	(84,176,000)	(201,825,000)	(227,647,000)	(76,400,000)	(947,969,000)

Individual Income Tax Rate: LB 873 reduces the tax rate on the top individual bracket from 6.84% to 5.84% over a five year period as shown below. For tax year 2021 the income level for the top bracket starts at \$32,210 single and \$64,430 married filing jointly.

Fiscal Year	Tax Year	Top Rate Prior Law	Top Rate LB873-2022	Annual \$ Rev Loss
FY2022-23	2022	6.84%	6.84%	(24,708,000)
FY2023-24	2023	6.34%	6.64%	(86,100,000)
FY2024-25	2024	6.14%	6.44%	(152,595,000)
FY2025-26	2025	5.84%	6.24%	(229,915,000)
FY2026-27	2026	5.84%	6.00%	(309,359,000)
FY2027-28	2027	5.84%	5.84%	(357,921,000)

Corporate Income Tax Rate: In the 2021 session, the Legislature enacted LB432 which reduced the top marginal corporate income tax rate (taxable income greater than \$100,000) from 7.81% to 7.5% for tax year 2022 and 7.25% for tax year 2023. The bill also had intent language that the Legislature reduce the tax rate to 7.00% for tax year 2024 and 6.84% for tax year 2025 and thereafter. LB 873 eliminates that intent language and enacts further reduction in rates to 5.84% by tax year 2027. At that time this top corporate rate would equal the top individual rate.

Fiscal Year	Tax Year	Per LB 432-2021 actual		Per LB 873-2022		Combined Annual \$ Rev Loss
		Top Rate *	\$ Rev Loss	Top Rate *	\$ Rev Loss	
FY2019-20	2020	7.81%	0	7.81%	0	0
FY2021-22	2021	7.81%	(1,901,000)	7.81%	0	(1,901,000)
FY2022-23	2022	7.50%	(8,695,000)	7.50%	in base	(8,695,000)
FY2023-24	2023	7.25%	(19,305,000)	7.25%	(5,177,000)	(24,482,000)
FY2024-25	2024	7.25%	(25,543,000)	6.50%	(23,233,000)	(48,776,000)
FY2025-26	2025	7.25%	(26,564,720)	6.24%	(48,301,000)	(74,865,720)
FY2026-27	2026	7.25%	(27,627,309)	6.00%	(69,071,000)	(96,698,309)
FY2027-28	2027	7.25%	(28,732,401)	5.84%	(84,176,000)	(112,908,401)

* taxable income > \$100,000

Exemption of Social Security Income In the 2021 session, the Legislature enacted LB64 which started the process of exempting social security income from taxation in Nebraska. The bill phased in an exemption to 50% over a five-year period starting in 2021 with intent language that the remaining 50% should be exempted starting in 2026. LB873 accelerated the exemption and then fully enacted the phase in to 100% exempt by tax year 2025. The following table shows the original exemption enacted in LB64-2021 and the accelerated and fully enacted exemption as contained in LB873.

Fiscal Year	Tax Year	Per LB 64-2021 actual		Per LB 873-2022		Combined Annual \$ Rev Loss
		% Exempt	\$ Rev Loss	% Exempt	\$ Rev Loss	
FY2019-20	2020	0.0%	0	0.0%	0	
FY2021-22	2021	5.0%	(15,098,000)	5.0%	0	(15,098,000)
FY2022-23	2022	20.0%	(28,602,000)	40.0%	(40,833,000)	(69,435,000)
FY2023-24	2023	30.0%	(42,403,000)	60.0%	(44,655,000)	(87,058,000)
FY2024-25	2024	40.0%	(57,448,000)	80.0%	(59,591,000)	(117,039,000)
FY2025-26	2025	50.0%	(73,798,000)	100.0%	(70,080,000)	(143,878,000)
FY2026-27	2026	50.0%	(76,380,930)	100.0%	(73,816,000)	(150,196,930)
FY2027-28	2027	50.0%	(79,054,263)	100.0%	(76,399,560)	(155,453,823)
FY2028-29	2028	50.0%	(81,821,162)	100.0%	(79,073,545)	(160,894,706)
FY2029-30	2029	50.0%	(84,684,902)	100.0%	(81,841,119)	(166,526,021)
FY2030-31	2030	50.0%	(87,648,874)	100.0%	(84,705,558)	(172,354,432)

Income Tax Credit for Community College Property Taxes The bill also creates a new type of income tax credit under the Nebraska Property Tax Incentive Act, which is a refundable income tax credit for community college property taxes paid. Community college taxes exclude taxes for bonded indebtedness or taxes as for an override of a levy limit approved by voters. The credit percentage is set by the Department of Revenue so that the total amount of credits equals the amounts derived from statute:

Fiscal Year	Income Tax Year	Based on Property Tax Yr	Credit \$ Amount	Est * Credit %	Comm College Prop Tax (Op) *	LB 873-2022 Credit Calculation
FY2020-21	2020	2019	---	---	---	---
FY2021-22	2021	2020	---	---	---	---
FY2022-23	2022	2021	50,000,000	25.61%	195,249,138	Fixed amount at \$55,000,000
FY2023-24	2023	2022	100,000,000	49.48%	202,082,858	Fixed amount at \$100,000,000
FY2024-25	2024	2023	125,000,000	59.76%	209,155,758	Fixed amount at \$125,000,000
FY2025-26	2025	2024	150,000,000	69.29%	216,476,209	Fixed amount at \$150,000,000
FY2026-27	2026	2025	195,000,000	87.03%	224,052,877	Fixed amount at \$195,000,000
FY2027-28	2027	2026	202,800,000	87.45%	231,894,727	Prior Yr + valuation growth

* Community College property taxes in 2021 were \$195 million operations and \$54.9 million other. Although the \$54.9 million does not show up in the CTL bond column it appears that the levy is almost equal to 2 cents which under 851517 (2b) is for paying off bonds or establishing a capital improvement and bond sinking fund.

Income Tax Credit for K-12 Property Taxes LB1107 enacted in the 2020 session, enacted the Nebraska Property Tax Incentive Act which created a refundable income tax credit for K-12 school property taxes paid, excluding property taxes levied for bonded indebtedness and property taxes levied as a result of an override of limits on property tax levies approved by voters.

This was revised in the 2022 session by LB873 in several ways. First, the amounts for income tax year 2022 and 2023 were fixed at the February 2022 estimated level of \$548 million and \$560.7 million respectively. Second, in income tax year 2024 when the credit amount was to be set at \$375 million, the amount was now set at the prior year (\$560.7 million) plus the growth in valuation.

Fiscal Year	Tax Year	Based on Property Tax Yr	Prior Law Est Credit \$	Per LB 873 Est Credit \$	Dollar Difference	LB 873-2022 Credit Calculation
FY2020-21	2020	2019	125,000,000	125,000,000	--	Fixed amount at \$125 million
FY2021-22	2021	2020	548,194,063	548,194,063	--	\$125 million + growth over 3.5%
FY2022-23	2022	2021	548,194,063	548,000,000	--	Fixed amount at \$548,000,000
FY2023-24	2023	2022	582,819,063	560,700,000	22,119,063	Fixed amount at \$560,700,000
FY2024-25	2024	2023	375,000,000	580,324,500	(205,324,500)	Prior Yr + valuation growth
FY2025-26	2025	2024	388,125,000	600,635,858	(212,510,858)	Prior Yr + valuation growth
FY2026-27	2026	2025	401,709,375	621,658,113	(219,948,738)	Prior Yr + valuation growth
FY2027-28	2027	2026	415,769,203	643,416,146	(227,646,943)	Prior Yr + valuation growth

LB 917 provides for tax credit for individual taxpayers, trusts and estates, and corporate taxpayers for tax years beginning January 1, 2023 and each year thereafter, for 10% of the wages paid by the taxpayer to an individual convicted of a felony in any state. The credit is allowed for the first 12 months of their employment, and the total deduction by any taxpayer cannot exceed \$20,000 in a tax year. The Department of Revenue will approve credits in the order in which applications are received up to a one-time total of \$5,000,000. It's assumed the credit will be reached in the first year and there will be no fiscal impact beyond a small carryover impact into FY24-25.

LB 974 amends provisions related to the fee imposed on the collection of sales and use taxes. The collection tax fee is equal to 2.5% of the sales or use tax collected each month, up to \$3,000 per month. This applies to both collectors of the tax as well as taxpayers that would choose to deduct and withhold such amounts themselves. As amended by LB974 the fee is increased to 3% of the first \$5,000 collected.

The bill also incorporated the provisions of LB 881 and LB 941. LB 881 defines feminine hygiene products and grooming and hygiene products, and exempts the gross receipts on the sale, storage, use, or consumption of such products from sales and use taxes. LB 881 also defines detention facilities, and requires such facilities to provide feminine hygiene products to any female prisoner free of charge. LB 941 defines "net wrap" as plastic wrap used in the baling of hay and provides for a sales and use tax exemption on the gross receipts from the sale, lease, or rental of net wrap used in commercial agriculture.

Impact of LB 984	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Revise collection Fee	(5,076,000)	(7,767,000)	(7,922,000)	(8,081,000)
Exempt feminine hygiene products	(1,085,000)	(1,671,000)	(1,716,000)	(1,763,000)
Exempt net wrap used in the baling of hay	(241,000)	(376,000)	(390,000)	(405,000)
Total Impact - LB 984	(6,402,000)	(9,814,000)	(10,028,000)	(10,249,000)

LB 1261 amends the Nebraska Advantage Rural Development Act to increase the total credits available for approved projects from \$1 million each calendar year to \$10 million. This increase would begin in calendar year 2022. The bill also extends the act until 2027. Additionally, the limit on the maximum credit that can be received by an approved applicant from

\$150,000 to \$500,000. This change would occur for applications filed on or after the effective date of LB 1261.

The bill also adopts the Nebraska Higher Blend Tax Credit Act. The act creates a new refundable tax credit, beginning in tax year 2022, for retail dealers who sell and dispense E-15 or higher blend ethanol. The credit amount is 5 cents per gallon of E-15 sold and 8 cents per gallon of E-25 or higher blend sold. The bill provides for an application process for the credit. Annual limits for the Nebraska Higher Blend Tax Credit Act are as follows: (1) for tax year 2022: \$2,000,000 and (2) for tax year 2023 and thereafter: 200% of the credits approved in the prior year, if the credits exceeded 90% of the limit to that year; or 100% of the credits approved in the prior year, if the credits did not exceed 90% of the limit in that year. In no case shall the annual limit exceed \$4,000,000.

Impact of LB1261	FY2022-23	FY2023-24	FY2024-25	FY2025-26
Change and extend, NE Advantage Rural Development Act	0	(4,600,000)	(7,872,000)	(9,920,000)
Higher Blend Tax Credit Act	(2,000,000)	(2,830,000)	(2,915,000)	(3,002,000)
Total Impact LB 1261	(2,000,000)	(7,430,000)	(10,787,000)	(12,922,000)

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.

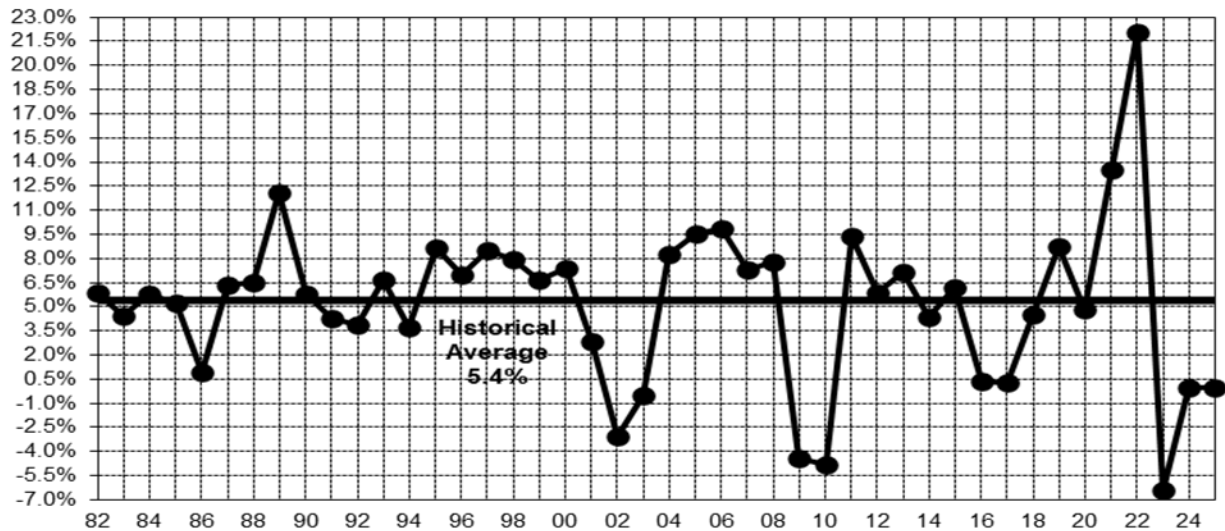
The average growth over the past 40 years is 5.4%. This revenue growth over time reflects the ebb and flow of economic activity and economic cycles. It reflects new businesses created and existing businesses that close. It reflects new products and services added to the tax base and existing products 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 5.4% growth.

Table 7 Actual and Projected General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Taxes and	Total Net Receipts	Adjusted Growth
FY 2004-05	1,231,011,089	1,400,076,680	198,380,442	207,726,086	3,037,194,297	9.5%
FY 2005-06	1,263,678,691	1,545,338,061	262,295,456	280,875,316	3,352,187,524	9.9%
FY 2006-07	1,303,826,416	1,650,895,394	213,027,010	240,582,953	3,408,331,773	7.3%
FY 2007-08	1,321,867,139	1,726,145,405	232,851,654	225,298,373	3,506,162,571	7.7%
FY 2008-09	1,326,161,017	1,600,418,236	198,483,786	232,405,148	3,357,468,187	-4.4%
FY 2009-10	1,289,796,877	1,514,830,114	154,332,137	245,720,545	3,204,679,673	-4.8%
FY 2010-11	1,372,784,033	1,735,208,600	154,944,966	236,717,493	3,499,655,092	9.4%
FY 2011-12	1,436,909,373	1,822,884,254	234,266,237	201,828,916	3,695,888,780	5.9%

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Taxes and	Total Net Receipts	Adjusted Growth
FY 2012-13	1,474,942,641	2,101,912,041	275,562,990	199,940,938	4,052,358,610	7.2%
FY 2013-14	1,524,793,763	2,060,758,896	306,591,027	225,264,546	4,117,408,232	4.4%
FY 2014-15	1,535,419,516	2,205,463,903	346,477,378	217,738,529	4,305,099,326	6.2%
FY 2015-16	1,528,023,310	2,221,088,817	307,669,694	251,199,454	4,307,981,275	0.3%
FY 2016-17	1,548,388,848	2,224,840,053	264,439,713	228,103,331	4,265,771,945	0.3%
FY 2017-18	1,602,737,358	2,360,595,935	313,689,521	289,972,959	4,566,995,773	4.5%
FY 2018-19	1,658,107,133	2,545,680,039	423,737,571	268,853,778	4,896,378,521	8.7%
FY 2019-20	1,848,235,959	2,445,647,485	391,163,752	254,715,415	4,939,762,611	4.8%
FY 2020-21	2,009,748,270	3,130,599,324	571,220,324	247,474,510	5,959,042,428	13.5%
FY 2021-22	2,133,152,081	3,243,237,593	715,152,736	257,452,292	6,348,994,702	22.1%
FY 2022-23 NEFAB+bills	2,343,598,000	2,795,159,000	462,300,000	223,317,525	5,824,374,525	3.2%
FY 2023-24 LFO Prelim	2,361,186,000	2,678,378,250	417,432,750	208,487,525	5,665,484,525	0.0%
FY 2024-25 LFO Prelim	2,350,972,000	2,559,438,450	385,358,550	200,402,525	5,496,171,525	0.0%
Avg Growth (adjusted)						
5 Yr Financial Status	5.0%	5.2%	8.1%	3.1%	5.3%	
Above Avg Years (26)	6.0%	10.1%	14.8%	3.9%	8.3%	
Below Avg Years (15)	2.1%	2.5%	-3.1%	0.7%	1.7%	
Hist Average (41 yrs)	4.5%	6.4%	6.4%	1.3%	5.4%	

General Fund Revenue Growth
(Adjusted for Tax Rate and Base Changes)



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 2022 budget actions includes seven changes amounting to \$166.7 million of which .

Table 8 General Fund Transfers-Out

Excludes CRF Transfers	Actual	Current Biennial Budget		Following Biennium	
	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Property Tax Credit Fund	(272,000,000)	(297,000,000)	(310,000,000)	(310,000,000)	(310,000,000)
Water Resources Cash Fund	(3,300,000)	(3,300,000)	(3,300,000)	0	0
Cultural Preservation Endowment Fund	(500,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Water Sustainability Fund	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
Critical Infrastructure Fund (Gering-Ft. Laramie)	(3,800,000)	0	0	0	0
Rural Workforce Housing Investment Fund	(10,000,000)	0	0	0	0
Middle Income Workforce Housing Investment	(10,000,000)	0	0	0	0
NCCF- Corrections overcrowding	0	(100,000,000)	0	0	0
Prison Overcrowding Contingency Fund	0	(15,000,000)	0	0	0
Nebraska Revolving Loan Fund (LB1107-2020)	0	(5,000,000)	(5,000,000)	0	0
Hall of Fame Trust Fund (LB 4-2021)	0	(10,000)	(10,000)	(10,000)	(10,000)
Customized Job Training Cash Fund (LB 391)	0	(2,500,000)	0	0	0
Nebraska Film Office Cash Fund	0	(1,000,000)	0	0	0
Public Advocacy Cash Fund	0	(520,000)	(520,000)	0	0
Municipal gas emergency act (LB131-2021)	0	(4,000,000)	0	0	0
Municipal Inland Port Authority Act (LB156-2021)	0	0	(5,000,000)	(5,000,000)	0
Shovel-Ready Capital Recovery/Invest (LB566)	0	0	(15,000,000)	0	0
<i>General Fund Transfers-Out (current law)</i>	<i>(310,600,000)</i>	<i>(440,330,000)</i>	<i>(335,830,000)</i>	<i>(327,010,000)</i>	<i>(322,010,000)</i>
Community College State Dependents Fund	0	(500,000)	(1,000,000)	0	0
Governors Emergency Fund (for Peru Levee)	0	0	(5,000,000)	0	0
Jobs & Econ Development Initiative (STARWARS)	0	0	(20,000,000)	0	0
Water Recreation Enhancement Fund (STARWARS)	0	0	(100,000,000)	0	0
NCCF - Fund shifts and new projects	0	0	(40,723,459)	0	0
LB 1024 Economic Recovery Act	0	0	(10,000,000)	(10,000,000)	0
LB 1102 Nebr Environmental Response Act	0	0	(300,000)	0	0
<i>General Fund Transfers-Out - 2022</i>	<i>0</i>	<i>(500,000)</i>	<i>(166,723,459)</i>	<i>0</i>	<i>0</i>
<i>Total-General Fund Transfers-Out</i>	<i>(310,600,000)</i>	<i>(440,830,000)</i>	<i>(502,553,459)</i>	<i>(327,010,000)</i>	<i>(322,010,000)</i>

Community College State Dependents Fund This includes a cash fund appropriation supported by a General Fund transfer of \$500,000 in FY21-22, and a \$1 million appropriation and transfer (General to Cash) in FY22-23. This is for a pilot program that would offer tuition reimbursement for dependents of state employees enrolled in one of the state's 6 community colleges. 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.

Governors Emergency Fund (for Peru Levee) The project includes a cash fund appropriation and transfer from the Cash Reserve Fund to the Governor's Emergency Cash

Fund of \$5 million in FY 2022-23 to assist the Peru levee, which was damaged in the historic flooding of 2019. The levee along the Missouri River was breached and flooded the town of Peru. Since then, the Army Corps of Engineers has designated the Peru levee eligible for federal funding to repair the damages. Peru needs to have funding available up front for this project and the transfer would enable the town to qualify for federal funds to help restore the levee that retains flood waters from entering the town. American Rescue Plan Act (ARPA) dollars are ineligible for this request as federal guidelines state that federal funds cannot be used to match this other federal grant.

STARWARS Funding (LB 1023) This proposal provides for transfers from the General Fund to the Jobs & Economic Development Initiative Fund (\$20 million) and Water Recreation Enhancement Fund (\$100 million) in FY 2022-23. Coupled with an \$80 million transfer from the Cash Reserve Fund to the Jobs & Economic Development Initiative Fund provides a total of \$200 million. These funds are to utilize Nebraska’s water resources by creating and upgrading recreational areas throughout the state. Not only would this increase tourism and recreational activity, but also help mitigate flooding and preserve communities drinking water. In one instance, the City of Lincoln’s drinking water has been degrading with recent flooding from the Platte River. One potential project would be to establish a reservoir between Omaha and Lincoln. This reservoir would impact local communities by establishing cleaner drinking water and boost economic growth to support the increased recreational activity in the area.

Lake McConaughy Region	
Road Improvements	6,800,000
Gateway Entrance	1,100,000
Marina & amenities	34,300,000
Subtotal	42,200,000
Lower Niobrara/Northern Knox County Region	
Niobrara Boat Launch	2,800,000
Lewis & Clark Marina expansion/retrofit	41,500,000
Niobrara Event Center and Site Improvement	24,000,000
Niobrara Lodge	18,400,000
Subtotal	86,700,000
Lower Platte River Area	
Platte River jetties	2,000,000
Schuyler Levee:	23,000,000
Lower Platte River Lake planning/permitting	20,000,000
Lower Platte River Lake Capital Account (lanc	26,100,000
Subtotal	71,100,000
Grand Total	200,000,000

NCCF - Fund shifts and new projects The enacted budget shifted funding for three existing capital construction projects from General Funds to the Nebraska Capital Construction Fund (NCCF) amounting to \$14.25 million. Another \$26.5 million was transferred for 5 new projects for a total transfer of \$23.8 million. This includes a doubling of the State Patrol Crime Lab space.

NCCF		FY2021-22	FY2022-23	2 Yr Total
Construction	Corrections - Security System Upgrades (fund shift NCCF)	0	1,250,000	1,250,000
Construction	Corrections - Capital Infrastructure and Maintenance (fund shift N	0	2,000,000	2,000,000
Construction	DAS - Capitol HVAC Funding , fund shift (NCCF)	0	11,000,000	11,000,000
Construction	Military - Bellevue Readiness Center Construction, state match	0	7,600,000	7,600,000
Construction	Military - Phase 2 HVAC & Interior Remodel	0	201,800	201,800
Construction	Military - Readiness Centers' Backup Generator Construction	0	457,500	457,500
Construction	Military - State-Federal Cost Share Projects	0	534,950	534,950
Construction	NETC - KUON-TV Transmitter replacement	0	800,000	800,000
Construction	State Patrol - Crime Lab Expansion	0	16,879,209	16,879,209
	General Fund Transfer to NCCF	0	40,723,459	40,723,459

General Fund Transfers-In

Cash funds are funds which 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.

Such transfers for the biennial budget are shown in Table 9 along with amounts that were transferred in FY20-21 which were enacted in the 2019 and 2020 legislative sessions and are already included in FY20-21 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. rs.

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 is cancellation of a \$2.25 million of the \$28 million FY21 transfer of Securities Act funds due to lack of adequate cash flow. The transfer-in amounts are lower than the past few years as heavy transfers from these funds in prior years have drawn down the balances to the point where a higher transfer is not sustainable

Table 9 General Fund Transfers-In

	Actual	Current Biennial Budget		Following Biennium	
	FY2020-21	FY2021-22	FY2022-23	FY2023-24	FY2024-25
Securities Act Cash Fund (FY21 revised)	25,750,000	18,000,000	24,000,000	0	0
Dept. of Insurance Cash Fund	13,500,000	8,000,000	8,000,000	0	0
Tobacco Products Admin Cash Fund	9,000,000	7,000,000	7,000,000	0	0
State Settlement Cash Fund	295,957	295,957	295,957	0	0
Water Sustainability Fund (LB1009)	500,000	0	0	0	0
<i>Transfers-In already in revenue forecast</i>	49,045,957	33,295,957	39,295,957	0	0
None	0	0	0	0	0
<i>General Fund Transfers-In – 2022 Session</i>	0	0	0	0	0
Total General Fund Transfers-In	97,589,933	48,795,957	50,795,957	0	0

General Fund Appropriations

Overview - FY22 & FY23 General Fund Biennial Budget as Revised

This section provides a summary of current General Fund appropriations which reflect the cumulative impact of the original budget as enacted in the 2021 Session and changes made during the 2022 Session. Table 11 contains a listing of the FY22 and FY23 significant increases and reductions which account for about 97% of the total net change in General Fund appropriations over the two year period. Table 12 provides a more detailed breakdown of operations and state aid and provides a narrative description of major changes for each area.

This report provides a description of the major changes enacted during the 2023 Session. The reader should refer to the 2021 Biennial Budget Report for a more detailed description of the budget actions taken in the initial enactment of the FY22 / FY23 biennial budget

Table 10 General Fund Appropriations FY2021-22 and FY2022-23

FY2020-21	Operations	State Aid	Construction	Total
Total Per 2020 Session	1,699,786,897	3,045,354,340	38,625,661	4,783,766,898
2021 Session Deficits	(45,624,700)	3,689,934	0	(41,934,766)
2021 Session State Claims	419,284	0	0	419,284
2021 Session - Deficits	(45,205,416)	3,689,934	0	(41,515,482)
Final Appropriation with deficits	1,654,581,481	3,049,044,274	38,625,661	4,742,251,416

FY2021-22	Operations	State Aid	Construction	Total
Total Per 2021 Session	1,742,467,584	3,031,379,312	41,526,176	4,815,373,072
2022 Session-Committee Preliminary	(11,058,001)	762,529	0	(10,295,472)
2022 Session-Post Hearing Adjustments	1,574,168	0	0	1,574,168
2022 Session "A" bills	2,000,000	0	0	2,000,000
2022 Session - Deficits	(7,483,833)	762,529	0	(6,721,304)
Final Appropriation with deficits	1,734,983,751	3,032,141,841	41,526,176	4,808,651,768
Change over prior year (excluding deficits)				
Dollar	42,680,687	(13,975,028)	2,900,515	31,606,174
Percent	2.5%	-0.5%	7.5%	0.7%

FY2022-23	Operations	State Aid	Construction	Total
Total Per 2021 Session	1,783,799,087	3,154,235,526	38,171,610	4,976,206,223
2022 Session-Committee Preliminary	76,720,088	(3,483,725)	(14,250,000)	58,986,363
2022 Session-Post Hearing Adjustments	2,655,369	53,410,293	0	56,065,662
2022 Session-Governor Vetoes	(1,080,000)	(50,704,061)	0	(51,784,061)
2022 Session-Veto Overrides	1,080,000	50,704,061	0	51,784,061
2022 Session "A" bills	10,017,616	24,396,389	0	34,414,005
2022 Session - Midbiennium Adjustments	89,393,073	74,322,957	(14,250,000)	149,466,030
Total Per 2022 Session	1,873,192,160	3,228,558,483	23,921,610	5,125,672,253
Change over prior year (excluding deficits)				
Dollar	130,724,576	197,179,171	(17,604,566)	310,299,181
Percent	7.5%	6.5%	-42.4%	6.4%
Two Yr Avg (excluding deficits)	5.0%	3.0%	-21.3%	3.5%

Major changes in the FY21-22 and FY22-23 General Fund budget as compared to the FY20-21 base year level is shown below and accounts for about 97% of the total net change in appropriations over the two-year period. All items shown reflect the cumulative impact of actions taken in the 2021 and 2022 sessions.

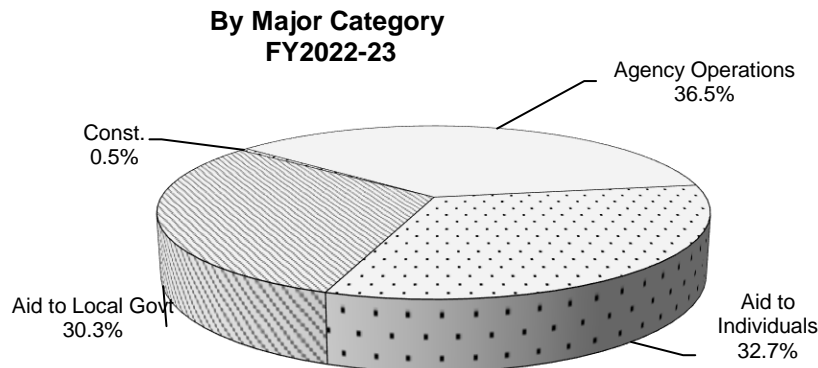
Table 11 Significant Increases and Reductions – FY22 and Revised FY23

	\$ Change over FY21 Base		Sum Total for the Biennium
	FY2021-22	FY2022-23	
SIGNIFICANT INCREASES:			
Provider rates, DHHS aid programs	28,235,449	147,238,011	175,473,460
Salaries & Health Insurance (Agencies)	17,808,823	97,444,247	115,253,070
Salaries & Health Insurance (University+Colleges)	13,979,351	29,530,124	43,509,475
Nebr Broadband Bridge Act (LB 388)	20,000,000	20,000,000	40,000,000
Medicaid (other than FMAP, provider rates, expansion)	(1,659,315)	37,431,370	35,772,055
Homestead Exemption	3,200,000	20,200,000	23,400,000
Shift from Health Care Cash to General, DHHS	10,100,000	10,100,000	20,200,000
Developmental Disability aid (other than FMAP, provider rates)	2,083,156	17,029,283	19,112,439
Business Innovation Act	8,000,000	9,000,000	17,000,000
Staffing, programs, equipment (Corrections)	4,887,515	10,702,751	15,590,266
Nebraska Career Scholarships	5,000,000	10,000,000	15,000,000
Assume operation of Eastern Service Area (DHHS)	0	15,000,000	15,000,000
Nebr Rural Projects Act (LB 40)	5,000,000	5,000,000	10,000,000
Operating inflation+DAS rates (State Agencies)	4,748,381	5,059,428	9,807,809
Fund source mix (Vets Affairs)	3,481,128	5,900,000	9,381,128
Community Colleges	3,086,750	6,245,991	9,332,741
TEEOSA Aid to Schools (General Funds only)	(7,640,083)	16,130,375	8,490,292
Aid to the arts programs	100,000	7,600,000	7,700,000
Retirement, K-12 School / Judges / Patrol	2,214,015	3,991,068	6,205,083
Special Education	2,310,798	4,644,704	6,955,502
Juvenile & community programs, 2% rate increase (Courts)	1,910,000	5,478,200	7,388,200
Public/Community Health Aid	2,543,789	4,043,789	6,587,578
Early Childhood Endowment	2,500,000	2,500,000	5,000,000
Aid to Counties, certain federal judgments	2,000,000	2,000,000	4,000,000
ACT test funding (Education)	1,500,000	1,500,000	3,000,000
Medical Student Assistance	1,500,000	1,500,000	3,000,000
SCHIP extra FMAP expires	0	2,714,139	2,714,139
Judges salaries (Courts)	777,027	1,576,038	2,353,065
Textbook loan program	1,000,000	1,000,000	2,000,000
Subtotal-Increases Listed	138,666,784	500,559,518	639,226,302
SIGNIFICANT REDUCTIONS:			
Governors Emergency Program	(55,240,974)	(55,240,974)	(110,481,948)
Federal Medicaid Match rate (FMAP, op & aid)	(34,483,957)	(42,534,286)	(77,018,243)
Health Insurance Provider Fee (HIPF)	(15,478,738)	(15,478,738)	(30,957,476)
Base Reductions (Courts - Juvenile Justice)	(8,500,000)	(10,900,000)	(19,400,000)
Child Welfare aid (other than FMAP & provider rates)	480,000	(14,520,000)	(14,040,000)
Capital Construction	2,900,515	(14,704,051)	(11,803,536)
Behavioral Health aid (other than FMAP, provider rates,)	1,442,527	(8,057,004)	(6,614,477)
Base adjustment, deficit (Corrections)	(2,300,000)	(2,300,000)	(4,600,000)
Base adjustment, deficit (DHHS)	(1,600,000)	(1,600,000)	(3,200,000)
Base Reductions (Courts - Community Corrections)	(1,500,000)	(1,500,000)	(3,000,000)
Subtotal-Reductions Listed	(114,280,627)	(166,835,053)	(281,115,680)
OTHER NOT LISTED (NET)	7,220,017	8,180,890	13,032,748
TOTAL GENERAL FUND CHANGE	31,606,174	341,905,355	373,511,529

Table 12 Summary of FY2021-22 and FY2022-23 General Fund Budget

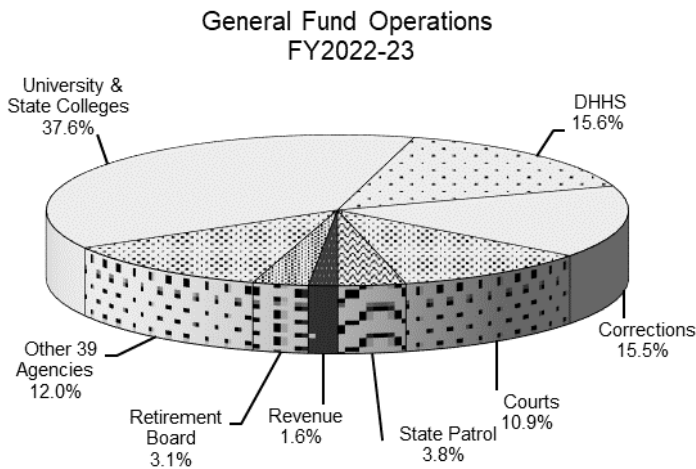
	w/o Deficits	w/o Deficits	Adjusted Total	Change vs Prior Yr		Change vs Prior Yr		2 Yr Avg	% Total
	FY2020-21	FY2021-22	FY2022-23	FY21-22 (w/o deficits)	%	FY22-23 (w/o deficits)	%	% Change	FY22-23
				\$	%	\$	%		
Agency Operations									
University & State /Colleges	669,962,990	685,481,715	704,132,488	15,518,725	2.3%	18,650,773	2.7%	2.5%	13.7%
Health & Human Services	251,533,219	252,746,312	291,885,024	1,213,093	0.5%	39,138,712	15.5%	7.7%	5.7%
Correctional Services	236,451,459	245,026,442	289,961,758	8,574,983	3.6%	44,935,316	18.3%	10.7%	5.7%
Courts	200,285,673	195,926,634	204,357,073	(4,359,039)	-2.2%	8,430,439	4.3%	1.0%	4.0%
State Patrol	64,448,023	67,522,904	70,282,670	3,074,881	4.8%	2,759,766	4.1%	4.4%	1.4%
Retirement Board	54,839,932	57,053,947	57,826,161	2,214,015	4.0%	772,214	1.4%	2.7%	1.1%
Revenue	28,992,188	28,848,741	30,222,159	(143,447)	-0.5%	1,373,418	4.8%	2.1%	0.6%
Other 39 Agencies	193,273,413	209,860,889	224,524,827	16,587,476	8.6%	14,663,938	7.0%	7.8%	4.4%
Total-GF Operations	1,699,786,897	1,742,467,584	1,873,192,160	42,680,687	2.5%	130,724,576	7.5%	5.0%	36.5%
State Aid to Individuals/Others									
Medicaid	921,250,222	899,933,133	991,653,018	(21,317,089)	-2.3%	91,719,885	10.2%	3.8%	19.3%
Child Welfare Aid	172,174,830	178,071,265	179,719,304	5,896,435	3.4%	1,648,039	0.9%	2.2%	3.5%
Developmental disabilities aid	157,255,751	157,634,528	174,638,509	378,777	0.2%	17,003,981	10.8%	5.4%	3.4%
Public Assistance	86,756,257	87,950,162	89,156,005	1,193,905	1.4%	1,205,843	1.4%	1.4%	1.7%
Behavioral Health aid	72,206,614	77,956,716	74,311,162	5,750,102	8.0%	(3,645,554)	-4.7%	1.4%	1.4%
Childrens Health Insurance (SCHIP)	23,778,754	23,275,936	26,433,262	(502,818)	-2.1%	3,157,326	13.6%	5.4%	0.5%
Nebr Broadband Bridge Act	0	19,782,208	19,795,788	19,782,208	--	13,580	100.0%	na	0.4%
Business Innovation Act	6,020,352	14,020,352	19,251,162	8,000,000	132.9%	5,230,810	37.3%	78.8%	0.4%
Aging Programs	11,722,579	11,722,579	11,722,579	0	0.0%	0	0.0%	0.0%	0.2%
Community health centers	7,783,060	9,814,060	11,314,060	2,031,000	26.1%	1,500,000	15.3%	20.6%	0.2%
Nebraska Career Scholarships	4,000,000	9,000,000	14,050,000	5,000,000	125.0%	5,050,000	56.1%	87.4%	0.3%
Higher Ed Student Aid programs	8,693,430	8,843,430	9,093,430	150,000	1.7%	250,000	2.8%	2.3%	0.2%
Public Health Aid	6,364,407	6,877,196	6,877,196	512,789	8.1%	0	0.0%	4.0%	0.1%
Nebraska Rural Projects Act	0	4,715,630	4,896,460	4,715,630	--	180,830	3.8%	na	0.1%
All Other Aid to Individuals/Other	12,869,453	16,336,995	43,937,821	3,467,542	26.9%	27,600,826	168.9%	84.8%	0.9%
Total-GF Aid to Individuals/Other	1,490,875,709	1,525,934,190	1,676,849,756	35,058,481	2.4%	150,915,566	9.9%	6.1%	32.7%
State Aid to Local Govts									
State Aid to Schools (TEEOSA)	1,022,555,859	1,014,915,776	1,038,686,234	(7,640,083)	-0.7%	23,770,458	2.3%	0.8%	20.3%
Property Tax Credit	Transfer	Transfer	Transfer	--	--	--	--	--	--
Special Education	231,079,770	233,390,568	235,724,474	2,310,798	1.0%	2,333,906	1.0%	1.0%	4.6%
Aid to Community Colleges	103,558,339	106,645,089	109,804,330	3,086,750	3.0%	3,159,241	3.0%	3.0%	2.1%
Homestead Exemption	101,100,000	104,300,000	121,300,000	3,200,000	3.2%	17,000,000	16.3%	9.5%	2.4%
Aid to ESU's	13,613,976	13,613,976	13,613,976	0	0.0%	0	0.0%	0.0%	0.3%
Aid to Counties programs	0	2,000,000	2,000,000	2,000,000	#DIV/0!	0	0.0%	na	0.0%
High ability learner programs	2,342,962	2,342,962	2,342,962	0	0.0%	0	0.0%	0.0%	0.0%
Early Childhood programs	8,619,357	11,119,357	11,119,357	2,500,000	29.0%	0	0.0%	13.6%	0.2%
Community Based Juvenile Services	6,048,000	5,798,000	5,798,000	(250,000)	-4.1%	0	0.0%	-2.1%	0.1%
Governors Emergency Program	60,240,974	5,000,000	5,000,000	(55,240,974)	-91.7%	0	0.0%	-71.2%	0.1%
Other Aid to Local Govt	5,319,394	6,319,394	6,319,394	1,000,000	18.8%	0	0.0%	9.0%	0.1%
Total-GF Aid to Local Govt	1,554,478,631	1,505,445,122	1,551,708,727	(49,033,509)	-3.2%	46,263,605	3.1%	-0.1%	30.3%
Capital Construction	38,625,661	41,526,176	23,921,610	2,900,515	7.5%	(17,604,566)	-42.4%	-21.3%	0.5%
TOTAL APPROPRIATIONS	4,783,766,898	4,815,373,072	5,125,672,253	31,606,174	0.7%	310,299,181	6.4%	3.5%	100.0%

The numbers in the enacted budget are the net result of about 200 individual issues which reflect both increases to and reductions from the current year appropriation. The following highlights some major changes in each category.



Agency Operations

This area accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc... In the FY2022-23 budget, 37.6% of all General Fund appropriations are for



agency operations. Although there are 47 state agencies that receive General Fund appropriations, higher education (University of Nebraska and State Colleges) and the six largest agencies (Health and Human Services, Corrections, Courts, State Patrol, Revenue, and Retirement Board) account for 88% of state operations. Note that all of the General Funds for the Retirement Board are actually state contributions for the K-12 School employee retirement plan. They are not shown

under aid to local governments as the monies are placed directly into the retirement fund and are not actually paid to a school district.

General Funds for agency operations shows a net \$42.7 million increase (2.5%) in FY21-22 and a \$130.7 million increase (7.5%) in FY22-23. The most significant increases in operations in FY21-22 are salary and health insurance increases for state employees and the University of Nebraska and State Colleges. Funding for the University salary and health insurance costs was limited to a 2% increase in their overall budget. Salary increases, which basically range from 1.0% to 2.0%, amount to \$24.6 million while health insurance cost increases is estimated at 4% per year amounts to \$7.2 million.

Other FY22 increases include \$4.9 million for additional staffing and programming in the Dept. of Correctional Services, \$3.5 million to replace lower cash & federal fund revenues at the Veterans Homes, and \$4.7 million for DAS charges largely Office of Chief Information Officer (OCIO). These increases were offset by several reductions including an \$8.5 million base adjustment to juvenile justice costs in the Supreme Court.

The budget increase in FY22-23 was 2.4% at the end of the 2021 session but increased to 7.5% after 2022 adjustments. This was mostly the result of second year salary and health insurance costs that were significantly enhanced in the 2022 session for high demand positions, selected healthcare related positions, and correctional services employees. These increases were in the 20-30% range and the cost of the FY23 pay increase went from \$15.8 million to \$79.6 million. A more detailed description of this 2022 salary adjustment is found on page 51.

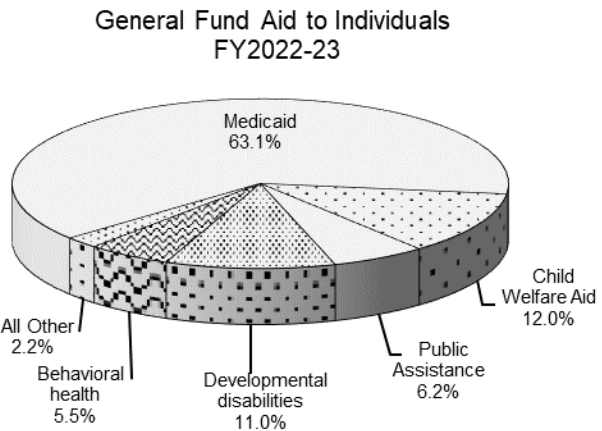
<u>Agency Operations</u>	<u>Change over FY21 base</u>		
	<u>FY2011-22</u>	<u>FY2022-23</u>	<u>Two Yr Total</u>
Salaries (State Agencies) (include DCS step and Courts)	14,265,185	90,215,223	104,480,408
Salaries (University & Colleges)	10,310,300	25,378,092	35,688,392
Staffing, security, programming, health services (Corrections)	4,887,515	10,702,751	15,590,266
Operation of Eastern Service Area, shift from aid (DHHS)	0	15,000,000	15,000,000
Health Insurance (State Agencies)	3,543,638	7,229,024	10,772,662
DAS related rates (State Agencies)	4,748,381	5,059,428	9,807,809
Fund source mix (Vets Affairs)	3,481,128	5,900,000	9,381,128
Health Insurance (University & Colleges)	3,669,051	4,152,032	7,821,083
Juvenile & community programs, 2% rate increase (Courts)	1,910,000	5,478,200	7,388,200
Retirement, K-12 School / Judges / Patrol	2,214,015	3,991,068	6,205,083
LB 1241 Law Enforce Attraction & Retention Act (Crime Comm)	0	5,080,000	5,080,000
LB 450 Nebraska Innovation Hub Act (DED)	0	5,000,000	5,000,000
ACT test funding (Education)	1,500,000	1,500,000	3,000,000
Judges salaries (Courts)	777,027	1,576,038	2,353,065
LB 406 STAR WARS (Tourism/Rec Water Access/Sustainability)	2,000,000	0	2,000,000
Historical sites, markers, grants (Historical Society)	1,000,000	500,000	1,500,000
Salary adjustments (Patrol)	593,871	675,552	1,269,423
Change where sentences of imprisonment are served (LB 921)	0	1,176,544	1,176,544
Changes relating to catastrophic livestock mortality (LB 848)	0	1,000,000	1,000,000
Base Reductions (Courts - Juvenile Justice)	(8,500,000)	(10,900,000)	(19,400,000)
Base adjustment, deficit (Corrections)	(2,300,000)	(2,300,000)	(4,600,000)
Base adjustment, deficit (DHHS)	(1,600,000)	(1,600,000)	(3,200,000)
Base Reductions (Courts - Community Corrections)	(1,500,000)	(1,500,000)	(3,000,000)
State Claims (2020 claims shifted to FY21)	(1,292,243)	(1,292,243)	(2,584,486)
Medicaid Expansion operations (DHHS)	(1,073,813)	(1,073,813)	(2,147,626)
FMAP-operations related (DHHS)	(680,190)	(837,795)	(1,517,985)
Other Not Listed (net)	4,726,822	10,775,162	15,501,984
Total - Operations	42,680,687	173,405,263	216,085,950
2021 Session	42,680,687	84,012,190	126,692,877
2022 Session	--	89,393,073	89,393,073
Total - Operations	42,680,687	173,405,263	216,085,950

State Aid to Individuals / Others

Aid to Individuals/Other includes programs such as Medicaid, public assistance programs, child welfare services and student scholarships where state funds are provided for the direct benefit of an individual. This area also includes aid to quasi-government units, which are those local agencies that do not have the authority to levy property taxes. This would include entities such as area agencies on aging, mental health regions and developmental disability regions.

This area has a 2.4% increase in FY2021-22 (\$35.1 million) and a 9.9% increase (\$150.9 million) in FY22-23. The lower growth in in FY22 reflected a \$33.8 million savings due to an increase in the Federal Medical Assistance Percentage (FMAP). There was also a \$15.5 million reduction in Medicaid due to no longer needing to budget for the Health Insurance Provider Fee (HIPF).

Furthermore, funding for eligibility and utilization increases in Medicaid, SCHIP, and developmental disability aid in FY21-22 were covered one-time by a reappropriation of unexpended funds.



The enacted budget includes a 2% per year provider rate increase for Medicaid, child welfare, public assistance, children’s health Insurance, behavioral health and developmental disability providers. This amounts to \$28.2 million in FY21-22 and \$57.8 million in FY22-23. During the 2022 session \$89 million was added to increase rates for behavioral health and developmental disabilities providers by 15%. Overall a total of \$175 million was included over the 2 year period making this the single largest increase in the budget. This was partially offset in FY23 only by using \$36 million of unexpended fund in behavioral health and developmental disability.

LB388 created the Broadband Bridge program with the purpose of facilitating and funding the development of broadband networks in unserved and underserved areas of Nebraska. Grant funding of \$19.8 million per year was provided.

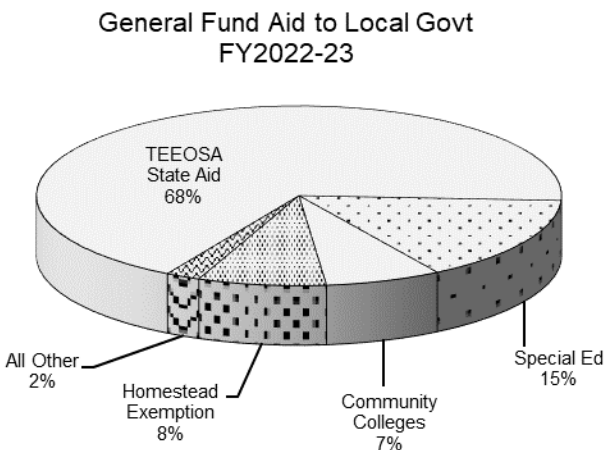
State Aid to Individuals / Other	Change over FY21 base		
	FY2021-22	FY2022-23	Two Yr Total
Provider rates, DHHS aid programs	28,235,449	147,238,011	175,473,460
Nebr Broadband Bridge Act (LB 388)	19,782,208	19,795,788	39,577,996
Business Innovation Act	8,000,000	9,000,000	17,000,000
Nebraska Career Scholarships	5,000,000	10,000,000	15,000,000
Shift from Health Care Cash to General, DHHS	10,100,000	10,100,000	20,200,000
Economic Recovery Act (LB 1024)	0	10,000,000	10,000,000
Nebr Rural Projects Act (LB 40)	4,715,630	4,896,460	9,612,090
Aid to the arts programs	100,000	7,600,000	7,700,000
Public/Community Health Aid	2,543,789	4,043,789	6,587,578
Teach in Nebraska Today Act (LB 1218)	0	5,000,000	5,000,000
Law enforcement Attraction and Retention Act (LB 1241)	0	4,789,769	4,789,769
Nebraska Innovation Hub Act (LB 450)	0	4,230,810	4,230,810
(table continued)	FY2021-22	FY2022-23	Two Yr Total

Public Assistance (other than FMAP, provider rate)	1,193,905	2,399,748	3,593,653
Medicaid (other than FMAP, provider rate)	(17,138,053)	21,952,632	4,814,579
Medical Student Assistance	1,500,000	1,500,000	3,000,000
Childrens Health Insurance (other than FMAP, provider rate)	(1,856,820)	1,588,681	(268,139)
Federal Medicaid Match rate (aid only)	(33,803,767)	(41,696,491)	(75,500,258)
Child Welfare aid (other than FMAP, provider rate)	480,000	(14,520,000)	(14,040,000)
Behavioral health aid (other than FMAP, provider rate)	1,442,527	(14,251,053)	(12,808,526)
Developmental Disability aid (other than FMAP, provider rate)	2,083,156	(9,374,216)	(7,291,060)
All Other	2,680,457	1,680,119	4,360,576
Total - Aid to Individuals	35,058,481	185,974,047	221,032,528
2021 Session	35,058,481	122,897,365	157,955,846
2022 Session	--	63,076,682	63,076,682
Total - Aid to Individuals	35,058,481	185,974,047	221,032,528

State Aid to Local Governments

Aid to Local Governments accounts for aid payments to local governments that have the authority to levy a property tax such as cities, counties, K-12 schools, community colleges, natural resource districts (NRD's), and educational services units (ESU's).

Aid to local governments declined by \$49.0 million (-3.2%) in FY2021-22 but a \$46.2 million (3.1%) increase in FY2022-23.



The primary reason for the reduction in aid in FY21-22 is the Governors Emergency Fund. The FY20-21 base appropriation included \$55.2 million which was funded to cover costs associated with the spring 2019 flooding. This \$55.2 million would normally have been a FY19-20 deficit. However, because the legislative session was suspended to July, FY19-20 had been completed and the funds had to be added to the FY20-21 appropriation. As a one-time item, this \$55 million is reduced from the baseline budget in FY21-22.

There also is a \$7.6 million reduction in TEEOSA school aid as calculated under existing law due to lower spending and higher property valuations.

Homestead Exemption reimbursement increases by 5% in FY21-22 partially offset by reducing the base appropriation due to a deficit being added to FY20-21 similar to the flood damage in the Governors Emergency Fund. Another \$11.7 million was added to FY22-23 during the 2022 session due to higher actual payments in FY22.

The budget also provides for a 1% per year increase in Special Education (\$2.2 million each year), a 2% per year increase in funding for Community College (about \$2.0 million each year)

plus a \$1.1 million increase each year for expanded funding for the dual credit enrollment program. Other significant increases include a \$1 million increase in the school textbook loan program and a \$2.5 million increased support for the Early Childhood Endowment program.

<u>State Aid to Local Government</u>	<u>Change over FY21 base</u>		
	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>Two Yr Total</u>
Homestead Exemption	3,200,000	20,200,000	23,400,000
Community Colleges	3,086,750	6,245,991	9,332,741
TEEOSA Aid to Schools (Gen Fund only net)	(7,640,083)	16,130,375	8,490,292
Special Education	2,310,798	4,644,704	6,955,502
Early Childhood Endowment	2,500,000	2,500,000	5,000,000
Aid to Counties, certain federal judgments	2,000,000	2,000,000	4,000,000
Textbook loan program	1,000,000	1,000,000	2,000,000
Governors Emergency Program	(55,240,974)	(55,240,974)	(110,481,948)
All Other	(250,000)	(250,000)	(500,000)
Total - Aid to Local Govt	(49,033,509)	(2,769,904)	(51,803,413)
2019 Session			
2020 Session	--	30,490,135	30,490,135
Total - Aid to Local Govt	(49,033,509)	(2,769,904)	(51,803,413)

Capital Construction

Of the General Funds included in the enacted budget for capital construction, 81% is to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations. There is a relatively small change in the overall amount relative to the FY2020-21 level.

Although not affecting FY22 and FY23, the construction bill included the provisions of LB588 extending existing appropriations for deferred maintenance under the University of Nebraska Facilities Program until 2062 and the State College Facilities Program until 2040. The bill would increase the annual appropriation to the University by \$2.5 million to renew, renovate, replace, or repair existing facilities.

Historical General Fund Appropriations

While the previous sections provide an overview of the FY2021-22 and FY2022-23 General Fund biennial budget, Table 13 provides an historical perspective showing appropriations for the twenty-year period FY2002-03 through the enacted budget for FY2022-23 by major area. Average spending growth over the 20-year period is 3.4%. Aid for developmental disabilities and Public Health aid have two of the largest average growth over the 20-year period.

Table 13 Breakdown of General Fund Appropriations – Last 20 Years

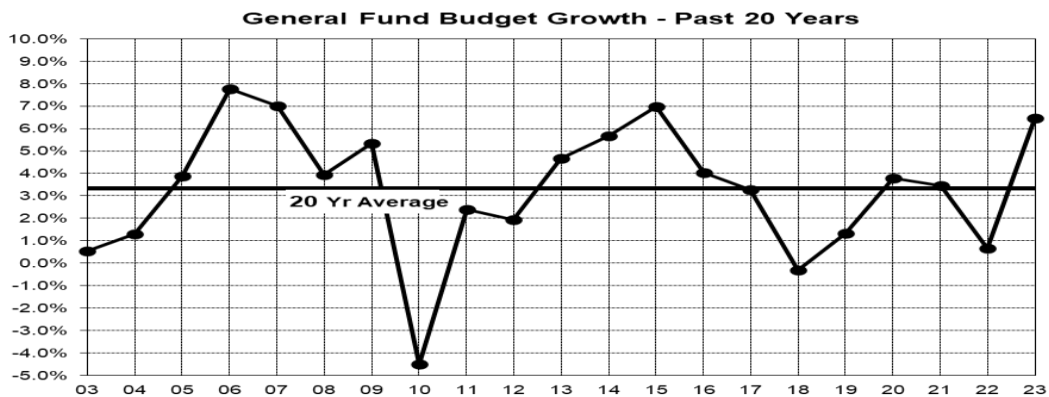
	New Approp FY2002-03	New Approp FY2012-13	2022 Session FY2022-23	Avg % 20 Yr 03 to 23
<u>AGENCY OPERATIONS</u>				
University + Colleges (w/o aid)	448,707,592	543,449,583	704,132,488	2.3%
Health & Human Services	189,807,430	236,425,259	291,885,024	2.2%
Correctional Services	117,101,371	156,840,269	289,961,758	4.6%
Court System (includes probation)	54,389,576	84,265,483	204,357,073	6.8%
State Patrol	39,266,782	54,253,448	70,282,670	3.0%
Retirement Board	15,389,214	29,991,325	57,826,161	6.8%
Revenue	23,652,781	25,642,530	30,222,159	1.2%
Other 39 Agencies	115,413,998	128,743,065	224,524,827	3.4%
Total-GF Operations	1,003,728,744	1,259,610,962	1,873,192,160	3.2%
<u>AID TO INDIVIDUALS</u>				
Medicaid	400,248,752	644,573,194	991,653,018	4.6%
Child Welfare aid	83,659,257	153,774,584	179,719,304	3.9%
Developmental disabilities	54,519,634	101,878,371	174,638,509	6.0%
Public Assistance	53,517,741	108,524,785	89,156,005	2.6%
Behavioral Health aid	31,756,515	75,133,219	74,311,162	4.3%
Childrens Health Insurance (SCHIP)	0	13,107,750	26,433,262	na
Public Health Aid and health centers	2,911,792	8,548,672	18,191,256	9.6%
Aging programs	5,696,975	7,999,438	11,722,579	3.7%
Higher Ed Student Aid	5,874,210	6,993,156	9,093,430	2.2%
Business Innovation Act	0	7,156,396	19,251,162	na
Other Aid to Individuals/Other	9,608,851	7,980,123	77,680,069	11.0%
Total-State Aid to Ind/Other	647,793,727	1,135,669,688	1,671,849,756	4.9%
<u>AID TO LOCAL GOVT</u>				
State Aid to Education (TEEOSA)	647,477,820	836,867,085	1,038,686,234	2.4%
Property Tax Credit (Gen Fund transfer)	--	\$115M	\$313M	na
Special Education	146,164,827	193,893,842	235,724,474	2.4%
Aid to Community Colleges	65,158,738	87,870,147	109,804,330	2.6%
Homestead Exemption	37,880,000	72,500,000	121,300,000	6.0%
Governors Emergency Program	0	500,000	5,000,000	na
Aid to ESU's	12,347,996	14,051,761	13,613,976	0.5%
Aid to Cities	13,148,625	0	0	-100.0%
Aid to Counties (all programs)	13,960,730	0	2,000,000	-9.4%
Early Childhood+High Ability Learner	5,194,577	0	13,462,319	4.9%
Community Based Juvenile Services	0	1,477,575	5,798,000	na
Other Aid to Local Govt	10,396,198	9,210,462	11,319,394	0.4%
Total-GF State Aid to Local Govt	951,729,511	1,216,370,872	1,556,708,727	2.5%
<u>CAPITAL CONSTRUCTION</u>				
	18,044,257	20,772,233	23,921,610	1.4%
<u>GENERAL FUND TOTAL</u>				
	2,621,296,239	3,632,423,755	5,125,672,253	3.4%

Table 14 Historical General Fund Appropriations

Excludes Deficits	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total	% Change
FY2001-02 Approp	989,205,923	646,333,088	944,027,473	27,384,852	2,606,951,336	6.0%
FY2002-03 Approp	1,003,728,744	647,793,727	951,729,511	18,044,257	2,621,296,239	0.6%
FY2003-04 Approp	999,655,261	705,616,238	929,503,078	20,515,031	2,655,289,608	1.3%
FY2004-05 Approp	1,018,017,210	785,572,536	935,446,662	19,046,316	2,758,082,724	3.9%
FY2005-06 Approp	1,079,894,592	850,904,771	1,018,289,225	23,350,481	2,972,439,069	7.8%
FY2006-07 Approp	1,151,463,639	938,524,594	1,058,983,563	31,878,981	3,180,850,777	7.0%
FY2007-08 Approp	1,172,764,317	978,026,675	1,146,759,149	8,150,822	3,305,700,963	3.9%
FY2008-09 Approp	1,221,557,978	1,015,815,632	1,236,048,810	8,238,322	3,481,660,742	5.3%
FY2009-10 Approp	1,210,527,988	880,256,943	1,220,339,540	14,172,233	3,325,296,704	-4.5%
FY2010-11 Approp	1,253,663,584	946,598,966	1,191,036,509	13,802,233	3,405,101,292	2.4%
FY2011-12 Approp	1,225,276,661	1,057,283,733	1,173,944,302	14,027,233	3,470,531,929	1.9%
FY2012-13 Approp	1,259,610,962	1,135,669,688	1,216,370,872	20,772,233	3,632,423,755	4.7%
FY2013-14 Approp	1,315,231,996	1,212,891,823	1,284,215,064	25,830,024	3,838,168,907	5.7%
FY2014-15 Approp	1,429,479,091	1,304,901,886	1,345,007,109	26,437,444	4,105,825,530	7.0%
FY2015-16 Approp	1,521,595,794	1,348,844,879	1,374,980,396	26,382,800	4,271,803,869	4.0%
FY2016-17 Approp	1,580,659,703	1,398,520,670	1,410,271,464	22,239,000	4,411,690,837	3.3%
FY2017-18 Approp	1,570,199,266	1,378,600,757	1,427,473,593	21,739,000	4,398,012,616	-0.3%
FY2018-19 Approp	1,583,458,863	1,415,580,493	1,435,505,259	21,739,000	4,456,283,615	1.3%
FY2019-20 Approp	1,639,165,838	1,437,130,930	1,510,109,279	38,265,811	4,624,671,858	3.8%
FY2020-21 Approp	1,699,786,897	1,490,875,709	1,554,478,631	38,625,661	4,783,766,898	3.4%
FY2021-22 Approp	1,742,467,584	1,525,934,190	1,505,445,122	41,526,176	4,815,373,072	0.7%
FY2022-23 Enacted	1,873,192,160	1,676,849,756	1,551,708,727	23,921,610	5,125,672,253	6.4%

Average Annual Growth

FY16 / FY17 Biennium	5.2%	3.5%	2.4%	-8.3%	3.7%
FY18 / FY19 Biennium	0.1%	0.6%	0.9%	-1.1%	0.5%
FY20 / FY21 Biennium	3.6%	2.6%	4.1%	33.3%	3.6%
FY21 / FY22 Biennium	5.0%	6.1%	-0.1%	-21.3%	3.5%
Avg FY03 to FY13 (10 yr)	2.3%	5.8%	2.5%	1.4%	3.3%
Avg FY13 to FY23 (10 yr)	4.0%	4.0%	2.5%	1.4%	3.5%
Avg F03 to FY23 (20 yr)	3.2%	4.9%	2.5%	1.4%	3.4%



2022 Session Budget Actions

Mid-biennium budget adjustments for FY22-23 increased General Fund new appropriations by a net total of \$149.5 million over the two-year period. This equals 1.5% of the original two-year appropriation.

Table 15 contains a listing of General Fund appropriations by bill. A summary listing of 2022 General Fund budget adjustments is contained in Table 16 as shown below, the listed items accounts for 97% of the total budget adjustments. A complete listing of all items is included in Appendix A.

Table 15 General Fund Appropriations by Bill – 2022 Session

	Appropriation. FY2021-22	Appropriation FY2022-23	Estimated FY2023-24	Estimated FY2024-25
LB 376 Family support program waiver, developmental disability	0	0	2,018,638	8,114,644
LB 450 Nebraska Innovation Hub Act	0	5,000,000	5,000,000	5,000,000
LB 698 Medicaid coverage, continuous glucose monitoring devices	0	325,810	655,472	655,472
LB 741 Review of stillbirths, Domestic Abuse Death Review Act	0	128,046	129,243	129,243
LB 752 Alzheimer's /Dementia Support Act, several compacts	0	79,552	99,326	99,326
LB 792 Rural Health Complex operating expenses	0	500,000	9,000,000	15,000,000
LB 809 Changes, CWSRF/DWSRF loan forgiveness, 404 program	0	720,527	953,468	953,468
LB 848 Changes relating to catastrophic livestock mortality	0	1,000,000	0	0
LB 896 Program evaluation, Nebr Treatment & Corrections Act	0	52,200	37,900	37,900
LB 902 Adopt the Nebraska Career Scholarship Act	0	50,000	50,000	50,000
LB 917 Income tax deduction, wages paid to felon individuals	0	202,931	0	0
LB 921 Change where sentences of imprisonment are served"	0	1,176,544	951,497	951,497
LB 922 District court judge (4th district), cash medical support, other changes	0	325,893	316,499	316,499
LB 925 Resilient Soils and Water Quality Act	0	250,000	250,000	250,000
LB 984 Sales tax collect fees, feminine hygiene, net wrap, agents (1)	0	22,188	0	0
LB 1015 Perkins County Canal Project Act			\$53.5M CRF transfer in LB1013	
LB 1023 JEDI Act and the Water Recreation Enhancement Act			\$120M GF, \$80M CRF transfers in LB1013	
LB 1024 Economic Recovery Act	2,000,000	10,000,000	0	0
LB 1037 Evaluation of the state's procurement practices	0	400,000	0	0
LB 1068 Changes, Behavioral Health Education Center (BHECN)	0	2,600,000	2,600,000	2,600,000
LB 1112 Computer Science and Technology Act	0	134,247	87,311	87,311
LB 1150 Changes, ImagiNE Nebr Act, sales tax credits, etc...	0	114,750	28,500	28,500
LB 1173 Work and strategic leadership group, child welfare	0	479,954	466,518	216,000
LB 1218 Teach in Nebraska Today Act	0	5,192,007	5,087,311	5,087,311
LB 1241 Law enforcement training, cert, Attraction & Retention Act	0	5,080,000	5,000,000	5,000,000
LB 1261 Nebr Advantage Rural Develop, E15 & E25 tax break (1)	0	473,696	256,100	256,100
LB 1273 Income tax deduction, retired law enforce insurance premiums	0	105,660	0	0
Subtotal-"A" Bills	2,000,000	34,414,005	32,987,783	44,833,271
LB 1011 Mainline Budget Bill	(8,721,304)	115,052,025	154,865,596	154,297,990
LB 1083 State Claims	474,000	0	0	0
Total General Funds - 2022 Session	(6,247,304)	149,466,030	187,853,379	199,131,261

Table 16 Significant Increases & Reductions – 2022 Session

	Enacted in 2022 Session		
	FY2021-22	FY2022-23	2 Yr Total
1 SIGNIFICANT INCREASES:			
2 DHHS & Juvenile Justice provider rate increase	0	94,620,660	94,620,660
3 All Agencies-Salary costs, revised NAPE, FOP agreement	491,138	62,473,686	62,964,824
4 DHHS-Child Welfare, assume operation of Eastern Service Area.	7,000,000	15,000,000	22,000,000
5 Revenue-Adjust Homestead Exemption to actual under current law	7,900,000	11,700,000	19,600,000
6 DED- Economic Recovery Act (LB 1024)	0	10,000,000	10,000,000
7 Education- Teach in Nebraska Today Act (LB 1218)	0	5,000,000	5,000,000
8 Crime Comm-Law enforcement Attraction & Retention Act (LB 1241)	0	5,080,000	5,080,000
9 DED-Nebraska Innovation Hub Ac (LB 450)t	0	5,000,000	5,000,000
10 Corrections-NSP Security Camera Systems	4,000,000	0	4,000,000
11 University- Changes, Behavioral Health Education Center (LB 1068)	0	2,600,000	2,600,000
12 Education-relocation and consolidation costs	1,506,303	914,683	2,420,986
13 Supreme Court-Salary increases per trial court staff salary study	0	2,400,000	2,400,000
14 Leg Council- Economic Recovery Act (LB 1024)	2,000,000	0	2,000,000
15 DHHS-Change where sentences of imprisonment are served (LB 921)	0	1,176,544	1,176,544
16 Agriculture- Changes relating to catastrophic livestock mortality (LB 848)	0	1,000,000	1,000,000
17 Subtotal-Increases listed	22,897,441	216,965,573	239,863,014
18 SIGNIFICANT REDUCTIONS:			
19 Utilize onetime unexpended funds, offset provider rate increases	0	(39,590,367)	(39,590,367)
20 Corrections-Presumed Payroll (Cares Act)	(23,000,000)	0	(23,000,000)
21 DHHS-Child Welfare, assume operation of Eastern Service Area.	(7,000,000)	(15,000,000)	(22,000,000)
22 Construction-DAS - Capitol HVAC Funding , fund shift	0	(11,000,000)	(11,000,000)
23 Courts-Excess juvenile justice funds, reallocate for salary increases	0	(2,400,000)	(2,400,000)
24 Construction-Corrections - Security System Upgrades (fund shift)	0	(1,250,000)	(1,250,000)
25 Construction-Corrections - Capital Infrastructure & Maintenance (fund shift)	0	(2,000,000)	(2,000,000)
26 Education-TEEOSA aid adjustment	0	(453,725)	(453,725)
27 Subtotal-Reductions listed	(30,000,000)	(71,694,092)	(101,694,092)
28 ALL OTHER (Net)	381,255	4,194,549	4,575,804
29 GENERAL FUND NEW APPROPRIATIONS	(6,721,304)	149,466,030	142,744,726

Salary Costs, Revised NAPE & FOP Agreement (All Agencies)

The enacted budget provides funding to cover salary increases that had been negotiated with Nebraska Association of Public Employees (NAPE) and FOP Fraternal Order of Police (FOP) for specific highest demand positions and an additional July 1, 2023 for other employees

This includes 20% increases for the highest demand positions, 30% increases for selected healthcare related positions, and a three dollar pay differential for 24-hour facilities. Also included is a two hundred percent overtime pay rate through FY 2021-22 for 24-hour facilities and through FY 2022-23 for Fraternal Order of Police (FOP) employees in correctional facilities.

Additionally funding is included for a \$4 pay differential for FOP employees in security and Military Department positions, and an \$8 pay differential is included for FOP employees in Corrections and DHHS,

Also for FY 2022-23, the recommendation includes funding equivalent to an additional 2% percent for employees within the state personnel system represented by NAPE and FOP, as well as other State Personnel system employees not represented under a collective bargaining agreement. This additional 2% is also included for employees represented by SLEBC, contingent upon ratification, and employees for the Dept. of Education and Nebraska State College System.

Salary Increase Costs	General Fund FY2021-22	General Fund FY2022-23
#46 Corrections	73,183	33,847,305
#25 DHHS	0	19,224,002
#28 Veterans Affairs	0	4,606,518
#5 Supreme Court	0	1,174,957
#50 State Colleges	0	1,046,944
All other agencies	417,955	2,573,960
State Total	491,138	62,473,686

Note the amount funded is a net figure. In addition to these salary increases, there will be no health insurance premium increase in FY22-23. A 6% increase had already been funded in FY22-23 so funding for the salary increase costs was reduced by the health insurance savings already in the agency budgets.

Provider Rates – DHHS and Courts

Worker shortages and competition to fill positions led the Governor and DAS Personnel to negotiate significant salary increases for a variety of health care and social services related jobs ranging in the 20% to 30% range. The same factors which affected state agencies in hiring and retaining staff are also impacting various service providers in areas of behavioral health, nursing facilities, child welfare, and developmental disabilities.

Provider Rate Increases - General Funds	Prog	Gen Funds FY2022-23	Gen Funds FY2023-24	Gen Funds FY2024-25
DHHS Behavioral Health regions - provider rates (15%)	38	10,305,951	10,305,951	10,305,951
DHHS Medicaid - behavioral health providers (+15%)	348/349	13,491,698	15,083,520	15,083,520
DHHS Medicaid - nursing facility rates (to target level)	348	26,000,000	26,000,000	26,000,000
DHHS Medicaid - hospitals	348	0	0	0
DHHS Medicaid - physicians and other providers	348	0	0	0
DHHS Child Welfare - reimbursement rates (+15%)	354	13,209,145	13,209,145	13,209,145
DHHS Developmental disability services rate increase (+15%)	424	26,403,499	26,403,499	26,403,499
Courts - Community Corrections behavioral health providers (+15%)	434	1,620,000	1,620,000	1,620,000
Courts - Juvenile Justice behavioral health providers (+15%)	437	1,080,000	1,080,000	1,080,000
Courts - Juvenile Justice other providers (+15%)	437	2,510,367	2,510,367	2,510,367
Subtotal - Gross cost increase		94,620,660	96,212,482	96,212,482
Less: Use of unexpended balance (see below)		(39,590,367)	0	0
Less: base reduction		0	0	0
Less: Use of ARPA funds		0	0	0
Total - Net cost increase		55,030,293	96,212,482	96,212,482
Use of unexpended balance				
25-38 Behavioral Health (50% of est. unencumbered balance)	38	16,500,000	0	0
25-424 Developmental Disability (50% of est. unencumbered balance)	424	19,500,000	0	0
05-437 Juvenile Justice (cover 1st yr costs to Prog 437)	347	3,590,367	0	0
Total Use of unexpended balance		39,590,367	0	0

Medicaid - Nursing Facilities A total of \$26 million General Funds is included to allow for a provider rate increase of approximately 16%. A recent study of Nebraska nursing facility rates by BKD CPAs showed a shortfall of \$126.9 million is needed for nursing facilities to offer competitive wages. This amount will fill in approximately 50% of the funding gap.

Medicaid - behavioral health providers Funding (\$13.5 million General Funds) was included to provide a 15% increase for Medicaid behavioral health rates. This aligns these providers' rates with other similar increases. During the pandemic the need for behavioral health services increased while filling the need became difficult. This increase will help to attract Medicaid behavioral health providers.

Behavioral Health Region funding was increased to allow for a 15% increase in service provider rates to attract and retain staff and to address deficits in service provider agency's budgets. The expected costs of the provider rate increases totaled to \$10,305,951 in General Funds. Funding for the provider rates for FY2022-23 was offset by utilizing \$16.5 million of the unexpended balance in the program. Based on year to date expenditures, it's estimated that \$16.5 million of unexpended FY21-22 will be carried forward into FY22-23 to offset the cost of the rate increases. The net impact of these two transactions is a reduction in FY23 funding of \$6,194,049 for FY 2022-23. The offsetting reduction is considered one-time and does not affect the base amount for the behavioral health aid going into the next biennium.

Developmental Disability services. The committee included \$26.4 million of additional General Funds to allow for a 15% increase in service provider rates to attract and retain staff and to address deficits in service provider agency's budgets and to address deficits in service provider agency's budgets. Funding for the provider rates for FY2022-23 was offset by utilizing \$19.5 million of the unexpended balance in the program. Based on year to date expenditures, it's estimated that \$19.5 million of unexpended FY21-22 will be carried forward into FY22-23 to offset the cost of the rate increases. The net impact of these two transactions is a net \$6.9 million increase in FY 2022-23. The offsetting reduction is one-time and does not affect the base amount for the developmental disability aid going into the next biennium.

Juvenile Justice behavioral health providers Funding is included for a 15% increase in behavioral health provider rates which aligns the rate increase with other similar programs. Accessing services has been difficult due to a shortage of providers. The increase is intended to assist in attracting more providers which will reduce wait time for services. FY2021-22 estimated unexpended funds of \$1,080,000 are used to cover the increased costs in FY22-23. The offsetting reduction of the General Fund is considered one-time and does not affect the base amount going into the next biennium.

Juvenile Justice providers Juvenile services provider rates are increased by 15% to align with other provider rates. The providers have had difficulty attracting employees. Due to this, children linger in detention, a shelter or jail for long periods waiting for a service opening or are sent out of state to higher cost facilities at a great distance from their home. FY2021-22 estimated unexpended funds of \$2,510,367 are used to cover the increased costs in FY22-23. The offsetting reduction of the General Fund is considered one-time and does not affect the base amount going into the next biennium.

Community Corrections behavioral health provider rates are increased by 15% in line with behavioral health rate increases across other programs providing these services. Accessing services has been difficult due to a shortage of providers. The increase is intended to assist in attracting more providers which will reduce wait time for services.

Employee Salary Increase (Courts)

The Supreme Court contracted with National Center for State Courts for a salary market study of positions that directly support trial courts. The study compared the salaries of other Midwest states' courts, other similar private and public sector positions including those in state and county agencies in Nebraska. On average the consultant found that salaries averaged 9.7% below market rate and ranged between -4.7% to -17.7%. The proposed budget includes an additional \$2.4 million General Funds to cover the cost of the salary increases. This was subsequently financed with a \$2.4 million reduction in excess juvenile justice funds.

TEEOSA School Aid (Education)

The enacted budget adjustments modify the budgeted TEEOSA aid amount to the level called for under the existing law as calculated and released by the Dept of Education January 2022. In total this is only \$453,725 below that which had been budgeted last spring.

The following table shows the total amounts for TEEOSA aid (under current law), the key data elements important in determining the total, and the dollar and percent changes.

	Actual FY2020-21	Actual FY2021-22	Current Law FY2022-23	Estimated FY2023-24	Estimated FY2024-25
<u>Key Assumptions</u>					
School Disbursements	1.61%	2.94%	5.56%	3.69%	3.50%
Gen Fund Operating Expenditures (GFOE)	1.42%	1.53%	4.31%	3.69%	3.50%
Property Valuations (assessed)	2.13%	2.21%	3.87%	3.96%	2.40%
Property Valuations (used in formula)	3.88%	4.16%	4.38%	4.67%	3.52%
Cost Growth Factor	4.5%	5.0%	5.0%	5.0%	5.0%
Local Effort Rate	\$1.000	\$1.000	\$1.000	\$1.000	\$1.000
General Funds	1,022,555,859	1,014,915,767	1,038,686,233	1,051,712,265	1,098,164,744
Insurance Premium Tax	30,300,000	32,100,000	32,700,000	33,200,000	33,700,000
Total TEEOSA Aid	1,052,855,859	1,047,015,767	1,071,386,233	1,084,912,265	1,131,864,744
<u>General Funds - Change over Prior Year</u>					
General Funds - \$ Change	(13,681,907)	(7,640,092)	23,770,466	13,026,032	46,452,479
General Funds - % Change	-1.3%	-0.7%	2.3%	1.3%	4.4%
<u>All Funds - Change over Prior Year</u>					
Total TEEOSA Aid - \$ Change	(13,056,990)	(5,840,092)	24,370,466	13,526,032	46,952,479
Total TEEOSA Aid - % Change	-1.2%	-0.6%	2.3%	1.3%	4.3%
Two Yr Avg % Change	2.7%		1.8%		2.8%

The Governors recommendation was based on the estimate from the statutory required November joint TEEOSA forecast meeting which had estimated an \$18.8 million reduction compared to the amount budgeted during the 2021 session.

The following table shows the chronology of the TEEOSA estimates since Sine Die 2021. The amounts shown are total TEEOSA aid including amounts financed with General Funds and Insurance Premium Tax. Since Sine Die 2021 the estimates for the formula data elements and subsequent aid amount, have now been replaced with actual data that is utilized to certify the FY2022-23 TEEOSA state aid. This includes calculation of formula students, actual Annual Financial Report data which is the basis for calculating NEEDS and other receipts, and property valuations which is the basis for calculating yield from local effort rate.

There were two revisions in the TEEOSA number. The first revision was made at the statutory joint meeting where the Department of Education (NDE), the Property Tax Administrator, the Legislative Fiscal Analyst, and the budget division of DAS are to provide an estimate for the upcoming year. This basically was the estimate used in the Governors recommendation.

The second changes occurred with the development of the NDE calculation of aid under the current law in January 2022.

	All Funds FY2021-22	All Funds FY2022-23	All Funds FY2023-24	All Funds FY2024-25
NDE Jan Calc and Sine Die 2021	1,047,015,767	1,071,239,958	1,116,339,113	1,157,639,442
Valuation, 2021 from 2.99% DPAT Est to 3.87% DPAT certified	0	(6,574,360)	(7,169,984)	(8,104,659)
Valuation; 2022 (2.31% est to 3.96% DPAD est)	0	0	(28,253,307)	(24,787,254)
Student Growth Adjustment (est to NDE)	0	227,021	342,346	354,328
New School Adjustment (est to NDE)	0	9,808,048	9,914,858	10,251,374
Spending growth: FY21 from 4.07% to 3.92% (est from draft AFR)	0	(25,676,558)	(27,498,230)	(24,960,571)
Spending growth: FY22 from 3.5% to 3.7% (use last 5 yr avg)	0	0	5,658,044	6,057,672
Total Change - Nov 2021 Joint Meeting	0	(22,215,848)	(47,006,273)	(41,189,110)
November 2021 Joint Meeting	1,047,015,767	1,049,024,109	1,069,332,840	1,116,450,332
Higher GFOE	0	13,999,612	14,513,711	15,016,338
Change in NEEDS gained or lost in basic funding calculation	0	333,773	(9,436,245)	(9,494,531)
Formula NEEDS Stabilization	0	11,422,393	5,461,745	2,894,694
Averaging Adjustment	0	(1,616,375)	(499,006)	(804,447)
Poverty/LEP adjustments	0	(5,671,255)	0	0
Other NEEDS	0	(1,655,129)	(1,711,853)	(1,772,036)
Other Actual Receipts	0	10,150,857	10,428,996	10,714,756
Yield from LER	0	(4,601,753)	(3,177,924)	(1,140,362)
Total Change - NDE Jan 2021	0	22,362,123	15,579,425	15,414,412
NDE Jan Calc 2022 & Certified	1,047,015,767	1,071,386,233	1,084,912,265	1,131,864,744

Homestead Exemption (Revenue)

The enacted budget includes appropriation increases for the Homestead Exemption program. The Department of Revenue had requested an additional \$7.9 million be appropriated to the FY22 Homestead Exemption appropriation. Total county certificates for FY22 exceeded the current appropriation by \$7.793 million, and counties are still able to amend their totals until May 30th, 2022, hence the request for \$7.9 million. Total amount needed for FY2021-22 is \$112.2 million.

The department also requested an additional \$11.7 million be added to the FY23 Homestead Exemption estimate of \$109.6 million, based on the current year's growth and expected increase to residential valuations. This brings the FY23 appropriation to \$121.3 million.

Medicaid Expansion, Clawback, FMAP Unwind (DHHS)

The Governor's recommendation and enacted budget includes utilizing FY 2020-21 carryover of \$55 million General to finance the agency's requested Medicaid issues. This balance was incurred due to the enhanced Federal Medical Assistance Percentage (FMAP) and will be utilized to assist future Medicaid costs. The recommendation also includes the use of \$21.6 million that is expected to be returned by the Managed Care Organization (MCO) into the Medicaid Managed

Care Excess Profit Fund to support the Public Health Unwind. The three Medicaid requests are detailed below:

- Medicaid Expansion – The agency requested \$26,552,237 General Funds and \$238,970,137 federal funds in FY 2021-22 and \$24,498,399 General Funds and \$220,485,295 federal funds in FY 2022-23 to rebase the program for a full 12 months, as the original appropriation was based on nine months of use.
- Medicare Part D Clawback – The agency requested \$5.5 million General Funds in FY 2022-23 due to an increase in amount the state is required to contribute toward the cost of prescription drugs for Medicaid/Medicare Dual Eligible individuals.
- Medicaid Public Health Unwind – The agency requested \$20,238,085 General Funds and \$114,259,325 federal funds over the biennium to finance the increased cases that were the result of the continuous eligibility requirement that came with the enhanced FMAP. When the public health emergency (PHE) and enhanced FMAP ends, there will be a period of up to 12 months where the agency will no longer receive the enhanced FMAP, but will have the increased number of cases, until all cases are reviewed for eligibility. The request and funding is based on the assumption that the PHE will be extended one additional period, beginning in April 2022, and the enhanced FMAP will end June 30, 2022. As of the writing of this report, the PHE had been extended for an additional quarter.

Medicaid	FY2021-22	FY2022-23	2 Yr Total
Medicaid Public Health Emergency (PHE) FMAP unwind	(36,493,812)	56,776,897	20,283,085
Medicaid expansion, annualize	26,552,237	24,498,366	51,050,603
Medicaid Part D Clawback	0	5,500,000	5,500,000
Subtotal	(9,941,575)	86,775,263	76,833,688
Less: Use of Medicaid Managed Care Excess Profit Fund		(21,555,907)	(21,555,907)
Net Amount Needed	(9,941,575)	65,219,356	55,277,781

Child Welfare Case Counts (DHHS)

The agency requested \$8,044,726 General Funds and \$17,635,565 federal funds in FY 2021-22 and \$22,069,700 General Funds and \$15,270,758 federal funds in FY 2022-23 due to increases in child welfare cases. From July 2019 to October 2021, the number of child welfare cases grew by 29.9%. The more recent months of February 2021 through October 2021 account for 20.2% of the growth. The request assumes the growth rate will continue through the end of FY 2023.

The Governors recommendation and enacted budget includes utilizing FY 2020-21 carryover of \$19.9 million General Funds in the Child Welfare Program, and \$10.1 million in ARPA federal funding related to the General Fund portion of the request to support increased case counts.

Child Welfare, assume operation of Eastern Service Area (DHHS)

The enacted budget includes the agency request of a transfer of child welfare aid funding to the administrative budget program. The department announced on December 14th that by mutual agreement the contract for case management services in the Eastern Service Area with Saint Francis Ministries would begin transitioning starting January 3, 2022, with the transition completed within 180 days. Current contract costs are funded in the Program 354 Child Welfare

Aid. With state staff assuming the case management responsibilities the costs shift to Program 033 Administration; \$7 million for the remainder of FY21-22 and \$15 million for FY22-23..

CARES Act, Presumed Payroll (Corrections)

The 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act included over one billion dollars in federal Coronavirus Relief funding to Nebraska. Under United States Treasury guidelines, salary expenditures for local and state public safety personnel from March 1, 2020 – December 31, 2021, could be presumed to apply to COVID-19 related activities, and therefore qualified for federal reimbursement through the federal Coronavirus Relief Fund (CRF).

The Nebraska Department of Correctional Services (NDCS) submitted for reimbursement from the CRF, \$23 million General Fund payroll expenditures for protective services and direct-contact medical services personnel within the agency for the period July 1, 2021 – November 30, 2021. Through the reimbursement process, these expenditures were shifted to the CRF federal funds, thereby reducing the agency General Fund expenditures by a like amount in FY 2021-22. The proposed budget reduces the FY 2021-22 General Fund appropriations to NDCS by \$23 million, but then subsequently adds \$4 million for the agency to use toward replacements and upgrades to facility security camera systems.

**Total
Appropriations
All Funds**

Total Appropriations – All Funds

Table 17 shows the total appropriation from all fund sources as enacted in the 2021 legislative session with budget adjustments enacted in the 2022 session.

Table 19 shows the major cash, federal, revolving and NCCF items included in the 2022 budget adjustments. Following that table is a narrative description of several of the largest items. Note that the increase in Federal Funds is almost all due to matching funds for General Fund items described in other areas of this report.

While this report provides a narrative description of the major changes enacted during the 2018 Session, the reader should refer to the 2021 Biennial Budget Report for a more detailed description of the budget actions taken in that session for the initial enactment of the FY22 / FY23 biennial budget.

Table 17 Total Appropriations - All Funds

FY2020-21	General	Cash	Federal	Rev/Other	Total
Adjusted Per 2020 Session	4,783,766,898	2,577,453,163	3,577,212,658	973,836,789	11,912,269,508
2021 Session Deficits	(41,934,766)	886,480	6,971,361	0	(34,076,925)
2021 Session State Claims	419,284	0	0	380,335	799,619
2021 Session "A" bills	0	0	95,062	0	95,062
Final Appropriation per 2021 Session	4,742,251,416	2,578,339,643	3,584,279,081	974,217,124	11,879,087,264
FY2021-22	General	Cash	Federal	Rev/Other	Total
Total Per 2021 Session	4,815,373,072	2,803,645,227	3,977,876,101	995,503,003	12,592,397,403
2022 Session-Committee Proposed	(8,721,304)	(15,743,688)	873,708,141	3,802,150	853,045,299
2022 Session Floor Actions	0	0	(234,000,000)	0	(234,000,000)
2022 Session State Claims	474,000	0	0	425,000	899,000
2022 Session "A" bills	2,000,000	0	1,000,000	0	3,000,000
2022 Deficits	(6,247,304)	(15,743,688)	640,708,141	4,227,150	622,944,299
Final Total - 2022 Session	4,809,125,768	2,787,901,539	4,618,584,242	999,730,153	13,215,341,702
Change over prior year (without deficits)					
Dollar	31,606,174	226,192,064	400,663,443	21,666,214	680,127,895
Percent	0.7%	8.8%	11.2%	2.2%	5.7%
FY2022-23	General	Cash	Federal	Rev/Other	Total
Total Per 2021 Session	4,976,206,223	2,765,076,742	3,872,871,585	946,345,942	12,560,500,492
2022 Session-Committee Proposed	115,052,025	489,897,135	964,293,589	91,428,340	1,660,671,089
2022 Session Floor Actions	0	0	(16,000,000)	0	(16,000,000)
2022 Session Vetoes	(51,784,061)	(28,950,000)	(91,481,176)	0	(172,215,237)
2022 Session Overrides	51,784,061	28,950,000	91,481,176	0	172,215,237
2022 Session "A" bills	34,414,005	71,394,350	388,039,423	375,000	494,222,778
2022 Session Midbiennium Actions	149,466,030	561,291,485	1,336,333,012	91,803,340	2,138,893,867
Total Per 2022 Session	5,125,672,253	3,326,368,227	5,209,204,597	1,038,149,282	14,699,394,359
Change over prior year (without deficits)					
Dollar	310,299,181	522,723,000	1,231,328,496	42,646,279	2,106,996,956
Percent	6.4%	18.6%	31.0%	4.3%	16.7%

Table 18 Listing of 2022 Session "A" Bills

Description	Fund	Approp. FY2021-22	Approp.. FY2022-23	Estimated FY2023-24	Estimated FY2024-25
LB 376 Family support program waiver, developmental disability	General	0	0	2,018,638	8,114,644
LB 376 Family support program waiver, developmental disability	Federal	0	500,000	16,004,510	10,007,673
LB 450 Nebraska Innovation Hub Act	General	0	5,000,000	5,000,000	5,000,000
LB 450 Nebraska Innovation Hub Act	Cash	0	11,000	11,000	11,000
LB 697 Provide for licensure of rural emergency hospital services	Cash	0	91,082	91,082	91,082
LB 698 Medicaid coverage, continuous glucose monitoring devices	General	0	325,810	655,472	655,472
LB 698 Medicaid coverage, continuous glucose monitoring devices	Federal	0	442,960	899,443	899,443
LB 741 Review of stillbirths, Domestic Abuse Death Review Act	General	0	128,046	129,243	129,243
LB 750 Multiple DMV changes, Title Act, Registration Act, License Act	Cash	0	804,338	861,250	861,250
LB 750 Multiple DMV changes, Title Act, Registration Act, License Act	Revolving	0	375,000	750,000	750,000
LB 752 Alzheimer's /Dementia Support Act, several compacts	General	0	79,552	99,326	99,326
LB 792 Rural Health Complex operating expenses	General	0	500,000	9,000,000	15,000,000
LB 804 Change compensation, Power Review Board	Cash	0	15,000	15,000	15,000
LB 805 Changes, prioritize applications Noxious Weed Control Act	Federal	0	2,000,000	2,000,000	2,000,000
LB 809 Changes, CWSRF/DWSRF loan forgiveness, 404 program	General	0	720,527	953,468	953,468
LB 848 Changes relating to catastrophic livestock mortality	General	0	1,000,000	0	0
LB 896 Program evaluation, Nebr Treatment & Corrections Act	General	0	52,200	37,900	37,900
LB 902 Adopt the Nebraska Career Scholarship Act	General	0	50,000	50,000	50,000
LB 917 Income tax deduction, wages paid to felon individuals	General	0	202,931	0	0
LB 921 Change where sentences of imprisonment are served"	General	0	1,176,544	951,497	951,497
LB 921 Change where sentences of imprisonment are served"	Federal	0	0	148,191	148,191
LB 922 District court judge (4th district), cash medical support	General	0	325,893	316,499	316,499
LB 925 Resilient Soils and Water Quality Act	General	0	250,000	250,000	250,000
LB 977 Funds for DED, expanding electrical system capabilities	Cash	0	15,000,000	0	0
LB 984 Sales tax collect fees, feminine hygiene, net wrap, agents	General	0	22,188	0	0
LB 1024 Economic Recovery Act	General	2,000,000	10,000,000	0	0
LB 1024 Economic Recovery Act	Cash	0	55,000,000	0	0
LB 1024 Economic Recovery Act	Federal	1,000,000	380,814,178	0	0
LB 1037 Evaluation of the state's procurement practices	General	0	400,000	0	0
LB 1068 Changes, Behavioral Health Education Center (BHECN)	General	0	2,600,000	2,600,000	2,600,000
LB 1068 Changes, Behavioral Health Education Center (BHECN)	Federal	0	1,000,000	0	0
LB 1102 Nebraska Environmental Response Act	Cash	0	300,000	0	0
LB 1112 Computer Science and Technology Act	General	0	134,247	87,311	87,311
LB 1144 Changes, Telecomm Regulation Act, Broadband Bridge Act	Federal	0	2,955,435	2,850,022	2,850,022
LB 1144 Changes, Telecomm Regulation Act, Broadband Bridge Act	Federal	0	324,875	316,738	316,738
LB 1150 Changes, ImagiNE Nebr Act, sales tax credits, etc...	General	0	114,750	28,500	28,500
LB 1173 Work and strategic leadership group, child welfare	General	0	479,954	466,518	216,000
LB 1173 Work and strategic leadership group, child welfare	Federal	0	1,975	2,174	2,200
LB 1218 Teach in Nebraska Today Act	General	0	5,192,007	5,087,311	5,087,311
LB 1241 Law enforcement training, cert, Attraction & Retention Act	General	0	5,080,000	5,000,000	5,000,000
LB 1273 Income tax deduction, retired law enforce health insurance	General	0	105,660	0	0
LB 1261 Nebr Advantage Rural Develop, E15 & E25 tax break	General	0	473,696	256,100	256,100
General		2,000,000	34,414,005	32,987,783	44,833,271
Cash		0	71,394,350	1,154,609	1,154,609
Federal		1,000,000	388,039,423	22,221,078	16,224,267
Revolving		0	375,000	750,000	750,000
Total 2022 A Bills		3,000,000	494,222,778	57,113,470	62,962,147

Cash Funds

Table 19 Significant Cash Fund Items – 2022 Session

Major Items - Cash Funds	FY2021-22	FY2022-23	2 Yr Total
<u>Appropriation Authority of Transferred Funds:</u>			
Natural Resources - Jobs & Econ Development Initiative (STARWARS)	0	100,000,000	100,000,000
Const – Game & Parks - Water Recreation Enhancement (STARWARS)	0	100,000,000	100,000,000
LB 1024 Economic Recovery Act	0	55,000,000	55,000,000
Natural Resources - Perkins County Canal Project	0	53,500,000	53,500,000
Natural Resources - Surface Water Irrigation Infrastructure Fund	0	50,000,000	50,000,000
DED - Nebraska Rural Projects Act	0	50,000,000	50,000,000
DED - Rural Workforce Housing fund	0	30,000,000	30,000,000
Vets Affairs - Military Base Development fund	0	25,000,000	25,000,000
DED - US Strategic Command facility	0	20,000,000	20,000,000
DED - Middle Income Housing fund	0	20,000,000	20,000,000
DED - Intern Nebraska Cash Fund	0	20,000,000	20,000,000
LB 977 Funds for DED, expanding electrical system capabilities	0	15,000,000	15,000,000
Game / Parks - Develop/improvements national rail-trail route	0	8,300,000	8,300,000
Military Dept - Peru Levee	0	5,000,000	5,000,000
Vets Affairs - Offutt & STRATCOM Promotion	0	5,000,000	5,000,000
<u>Other Cash Fund Items</u>			
DHHS - Medicaid Public Health Emergency (PHE) FMAP unwind	21,555,907	0	21,555,907
DHHS - Cash Spending Authority for Opioid Settlements	2,000,000	15,000,000	17,000,000
All Agencies - Salary costs, revised NAPE, FOP agreement	1,304,784	4,693,203	5,997,987
Corrections - Additional funding, Vocational and Life Skills	0	4,300,000	4,300,000
Motor Vehicles - License Plate Cost Increase	1,293,476	654,222	1,947,698
Game & Parks - Web-based Permit/Licensing System	600,000	1,200,000	1,800,000
DAS - Dependent Community College Scholarships	500,000	1,000,000	1,500,000
Const - Game & Parks - New Cabins at Mahoney State Park	1,750,000	0	1,750,000
Const - Vets Affairs - State Veterans Cemetery Construction	750,000	0	750,000
Corrections – Grants, skilled labor and trades mentoring	0	500,000	500,000
Education - Move COVID-19 Aid Appropriation to Correct Fund	(46,971,361)	(26,971,361)	(73,942,722)
All Other	1,409,456	4,051,371	5,460,827
TOTAL CASH FUNDS 2022 SESSION	(15,743,688)	561,291,485	545,547,797

About 99% of the cash fund appropriations in the Appropriations Committee proposal relates to transfers from either the Cash Reserve Fund or General Fund to another cash fund. A narrative description of the projects is included in the transfer section for the CRF (page 15) and General Fund (page 35)

DHHS - Medicaid Public Health Emergency (PHE) FMAP unwind

The Families First Coronavirus Response Act provided for an enhanced Medicaid match of 6.2% through the end of the quarter in which the Public Health Emergency ends. The PHE has been extended multiple times and is projected to end in April 2022. Based on an April end date of the PHE, the enhanced FMAP would be discontinued at the end June 2022. The deficit

request in FY 2022 reflects General Fund savings from the 6.2% enhanced match, netting out the additional payments to nursing facilities the Governor authorized through June 2022.

A condition of receiving the enhanced FMAP is that enrollees cannot be disenrolled until after the end of the PHE and the cases are redetermined. Additionally no more than one-twelfth of the PHE eligibles can be redetermined each month per. During the redetermination period the FMAP drops to the normal percentage match. The FY 2023 deficit is due to the stratification of the redetermination process without the enhanced match. The recommendation also includes the use of \$21.6 million that is expected to be returned by the Managed Care Organization (MCO) into the Medicaid Managed Care Excess Profit Fund to support the Public Health Unwind.

DHHS - Cash Spending Authority for Opioid Settlements

The Department of Health and Human Services, Division of Behavioral Health (Program 38), is requested a \$2 million increase in FY 2021-22 and a \$15 million increase for FY 2022-23 for the distribution of national opioid settlement funds awarded to Nebraska. The Nebraska Attorney General indicates that the state will receive \$100 Million over an 18-year period from a settlement with three drug distribution companies and the largest producer of opioids. The AG states 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. The Attorney General's Nebraska Coalition to Prevent Opioid Abuse workgroup is in the process of identifying the priority use of the funds and it is anticipated that expenditures could begin in early 2022. To date, Nebraska has received \$2.1 million in settlement funding and additional funding is expected in the upcoming months.

Vocational and Life Skills Programming (LB1111 and LB1197)

Last year, the Appropriations Committee had proposed allocating \$115 million to the NCCF for purposes of correctional facilities. A floor amendment reallocated \$15 million of these funds to the Prison Overcrowding Contingency Fund.

The Committee's recommendation amends the fund language to permit transfers and includes a transfer of \$5 million per year for three years from this fund to the Vocational and Life Skills Programming Fund, which is appropriated to the Department of Correctional Services, to fund the provisions of LB 1111 and LB 1197 for the next three fiscal years. The proposal appropriates \$4.3 million per year for grants to organizations that provide: reentry and restorative justice programming; reentry centers; transitional, community, and half-way housing; supportive permanent housing; wrap-around services; facility-based programming; community corrections; front-end, middle, and back-end services and interventions; and family support per LB 1111. Funding is also increased for grants for apprenticeship programs by \$500,000 Cash Funds per LB 1197. Current funding for these grants is \$500,000 General Funds per year.

Federal Funds

Table 20 Significant Federal Fund Items – 2022 Session

Major Items - Federal Funds	FY2021-22	FY2022-23	2 Yr Total
DHHS - Medicaid expansion, annualize	238,970,137	220,485,295	459,455,432
DHHS - Medicaid Public Health Emergency (PHE) FMAP unwind	36,493,812	77,765,513	114,259,325
DHHS & Juvenile Justice provider rate increase	0	99,331,766	99,331,766
Education - Move COVID-19 Aid Appropriation to Correct Fund	46,971,361	26,971,361	73,942,722
DHHS - Child Welfare, increased caseload	17,635,565	15,270,758	32,906,323
All Agencies - Salary costs, revised NAPE, FOP agreement	4,018,746	7,341,333	11,360,079
Construction - Vets Affairs - State Veterans Cemetery Construction	6,750,000	0	6,750,000
Education - Relocation and consolidation costs	2,153,254	1,360,972	3,514,226
DHHS - Child Care provider rates to 75th percentile Market Rate Survey	0	2,372,215	2,372,215
Construction - Military - State-Federal Cost Share Projects	0	1,418,850	1,418,850
All Other	715,266	2,162,726	2,877,992
Subtotal – non ARPA Items	353,708,141	454,480,789	808,188,930
ARPA Coronavirus State Fiscal Recovery Fund (CSFRF)	287,000,000	746,137,675	1033,137,675
TOTAL FEDERAL FUNDS 2022 SESSION	640,708,141	1,336,333,012	1,977,041,153

Excluding ARPA, about 90% of the federal fund appropriations in the Appropriations Committee proposal relates to a Dept. of Health and Human Services (DHHS) General Fund issue discussed starting on page 55. And the fourth largest item totaling \$73.9 million simply corrects a fund source error which had shown this amount as cash funds but should have been federal funds.

Description of the ARPA Coronavirus State Fiscal Recovery Fund (CSFRF) begins on page 67.

Revolving & Nebraska Capital Construction Fund (NCCF)

Table 21 Significant NCCF / Revolving Fund Items – 2022 Session

Major Items – NCCF / Revolving	FY2021-22	FY2022-23	2 Yr Total
<i><u>Nebr Capital Construction Fund (NCCF) Cash Reserve Transfers</u></i>			
Construction-University - ag innovation facility, Innovation Campus (LB703)	0	25,000,000	25,000,000
Construction-DHHS - YRTC Kearney project (LB 792)	0	15,580,000	15,580,000
<i><u>Nebr Capital Construction Fund (NCCF) General Fund Transfers</u></i>			
Construction-Military - Bellevue Readiness Center Construction, state match	0	7,600,000	7,600,000
Construction-Military - State-Federal Cost Share Projects	0	534,950	534,950
Construction-Military - Readiness Centers' Backup Generator Construction	0	457,500	457,500
Construction-Military - Phase 2 HVAC & Interior Remodel	0	201,800	201,800
Construction-Corrections - Security System Upgrades (fund shift NCCF)	0	1,250,000	1,250,000
Construction-Corrections - Capital Infrastructure & Maintenance (fund shift NCCF)	0	2,000,000	2,000,000
Construction-Corrections - Mental Health Beds (NCCF)	0	4,000,000	4,000,000
Construction-NETC - KUON-TV Transmitter replacement	0	800,000	800,000
Construction-State Patrol - Crime Lab Expansion	0	16,879,209	16,879,209
Construction-DAS - Capitol HVAC funding, fund shift (NCCF)	0	11,000,000	11,000,000
<i><u>Revolving</u></i>			
All Agencies-Salary costs, revised NAPE, FOP agreement	1,683,609	3,195,850	4,879,459
DAS-Increase PSL and Appropriation-Personnel Program	1,076,500	1,076,500	2,153,000
DAS-Revolving fund impact, Child Welfare ESA shift to oper	539,017	668,100	1,207,117
DAS-Revolving fund impact, Child Welfare ESA shift to oper	237,500	570,000	807,500
DAS-Revolving fund impact, Child Welfare ESA shift to oper	208,333	500,000	708,333
All Other (Revolving)	57,191	489,431	546,622
TOTAL NCCF / REVOLVING FUNDS 2022 SESSION	3,802,150	91,803,340	95,605,490

The NCCF projects financed with a Cash Reserve Fund transfers are described in the CRF section starting on page 15.

State Patrol - Crime Lab Expansion The Nebraska State Patrol contracted for and completed a needs assessment study and subsequent program statement to evaluate the current state of the State Patrol Crime Laboratory facility (NSP Crime Lab). The demands on the NSP Crime Lab have increased significantly since the facility was built in 2015. The program statement concluded an additional 30,827 square feet of space is needed for current and future needs of the NSP Crime Lab. The Lincoln Airport Authority, which built and owns the original building and grounds, is willing to partner with the State Patrol to expand the facility to accommodate these needs. The cost of the project is estimated at \$16,879,209. The recommendation includes Nebraska Capital Construction Fund (NCCF) appropriation of \$16,879,209 in FY 2022-23 to allow for this expansion. The recommendation also provides for a transfer from the Cash Reserve Fund to the NCCF of this same amount.

Military - Bellevue Readiness Center Construction, state match During the 2019 session federal funding for this project was included in the biennial Capital Construction bill (over the two fiscal years, a total of \$30,554,000). These amounts were reappropriated during the 2021 session. The first construction bidding period occurred during June of 2020 with the

lowest bid coming in at \$39 million. Due to various reasons, which includes the National Guard Bureau directing the original federal cost of \$29 million developed in 2013 remain unchanged, the project was redesigned and the project scope reduced by 20%. A second bidding period occurred in June 2021 where the lowest bid was \$37.4 million. After the second bidding period, the Military Department determined the main factors which contributed to the bid being over budget were related to federal requirements:

With these factors being identified, the Military Department determined that having a state share-of-cost to fund the project would negate the federal requirements allowing for cost savings in addition to the cost savings achieved when the project was redesigned and scope reduced by 20%. This would provide \$7.6 million of state funding to contribute to building the ~105,000 sq./ft. Bellevue Readiness Center which would house five units (352 individuals).

State Capitol HVAC Funding The committee's recommendation has two issues related to the Capitol HVAC Project. First is a shift of \$11 million from General Funds to NCCF and a like transfer from the General Fund to the NCCF. The second provides additional funding of \$25,288,007 for the Capital HVAC Project in the 2023-25 biennium (subject to a reaffirmation by the 108th Legislature). This increase was precipitated by several factors including supply chain issues, labor cost increases, and material cost increases. The additional funding will allow the Office of the Capital Commission to complete the HVAC project *as originally planned/designed*.

Coronavirus State Fiscal Recovery Fund (CSFRF)

American Rescue Plan Act (ARPA)

The American Rescue Plan Act (ARPA) was passed by Congress on March 11, 2021 creating various support programs for businesses, residents and local government.

At the present time, Nebraska is projected to receive about \$6 billion of American Rescue Plan Act (ARPA) funds. The following shows a breakdown of the fund allocations. The source for the “specific program” amounts is Federal Funds Information for States (FFIS) state funding spreadsheet version 31.

Estimated ARPA Fund Allocations (FFIS updated 9/21/21)	Nebraska	US Total	Much of these additional federal funds flow directly through existing programs and/or funding mechanisms that dictate the allocation of these new funds. There are 73 specific programs through which funds are distributed. Note in the table the “Economic Impact Payments” are the \$1,400 checks sent to individuals.
Coronavirus State Fiscal Recovery Fund (State)	1,040,157,440	195,300,000,000	
Coronavirus State Fiscal Recovery Fund (Territories & Trib)	na	24,500,000,000	
Coronavirus Local Fiscal Recovery Fund (Cities)	287,219,766	65,100,000,000	
Coronavirus Local Fiscal Recovery Fund (Counties)	375,736,074	65,100,000,000	
Coronavirus Capital Projects Fund (State, Territories & Tribal)	128,740,178	10,000,000,000	
Subtotal - State and Local	1,831,853,458	360,000,000,000	
Elementary & Secondary School Emergency Relief Fund (ESSE)	546,290,147	121,974,800,000	
Emergency Assistance to Non-Public Schools Program	18,618,767	2,750,000,000	
Higher Education Emergency Relief Fund (HEERF)	208,292,309	36,021,881,801	
Subtotal - Education	773,201,223	160,746,681,801	
Economic Impact Payments (ARP)	2,395,029,000	389,928,923,000	
Emergency Rental Assistance (ARP)	152,000,000	21,550,000,000	
Child Care Stabilization Grants	143,093,320	23,975,000,000	
Child Care and Development Block Grant (ARP)	89,286,484	14,960,830,000	
Epidemiology and Lab Capacity for School Testing	58,263,420	10,000,000	
State Small Business Credit Initiative (ARP)	56,234,176	10,000,000	
Homeowner Assistance Fund	50,000,000	9,961,000,000	
All other direct programs (68)	434,763,454	120,128,741,858	
Subtotal - specific programs	3,382,748,507	580,524,417,959	
ARPA Total (per FFIS)	5,987,803,188	1,101,271,099,760	
Fixed - Total	5,983,724,535	1,101,271,176,659	
Fixed - Subtotal Specific programs	3,378,669,854	580,524,494,858	Another \$773 million is allocated directly to K-12 schools and higher education institutions each through a specific formula. This is the third installment of direct assistance, the first two through the

CARES Act (March 2020) and Consolidated Appropriations Act PL 116-260 (December 2020). The K-12 aid is referred to as the Elementary and Secondary School Emergency Relief Fund (ESSER) while the higher education funding is called the Higher Education Emergency Relief Fund (HEERF).

A total of \$1.8 billion is provided under the provisions of subtitle M of ARPA, Coronavirus State and Local Fiscal Recovery Funds. This consists of \$1.04 billion under the Coronavirus State Fiscal Recovery Fund (State allocation), \$663 million under the Coronavirus Local Fiscal Recovery Fund (\$287.2 million for cities, \$375.3 million counties), and \$128.7 million under the Coronavirus Capital Projects Fund. In the CARES Act (March 2020) a total of \$1.25 billion was

provided to Nebraska of which \$106 million went directly to Douglas County (subdivisions of more than 500,000 got direct allocations) and \$1.084 billion was retained for allocation by the state.

Coronavirus State Fiscal Recovery Fund (CSFRF)

Authorized Uses

The language of ARPA contained four uses of the Coronavirus State Fiscal Recovery Fund (CSFRF) monies and two specific exclusions. The law states:

“(1) USE OF FUNDS.—Subject to paragraph (2), and except as provided in paragraph (3), a State, territory, or Tribal government shall only use the funds provided under a payment made under this section, or transferred pursuant to section 603(c)(4), to cover costs incurred by the State, territory, or Tribal government, by December 31, 2024—

(A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

(B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the State, territory, or Tribal government that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.

(C) for the provision of government services to the extent of the reduction in revenue of such State, territory, or Tribal government due to such emergency; or

(D) to make necessary investments in water, sewer, or broadband infrastructure.”

(2) FURTHER RESTRICTION ON USE OF FUNDS.—

(A) IN GENERAL.—A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the 2 imposition of any tax or tax increase.

(B) PENSION FUNDS.—No State or territory may use funds made available under this section for deposit into any pension fund.

(3) TRANSFER AUTHORITY.—A State, territory, or Tribal government receiving a payment from funds made available under this section may transfer funds to a private nonprofit organization (as that term is defined in paragraph (17) of section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360(17)), a Tribal organization (as that term is defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 5304)), a public benefit corporation involved in the transportation of passengers or cargo, or a special-purpose unit of State or local government.”

The description of the allowable uses of the funds as listed in the statutory language is fairly vague. Additional guidance on the use of the funds can be found on the Treasury Department website [Coronavirus State and Local Fiscal Recovery Funds | U.S. Department of the Treasury](#) especially in the following documents:

(1) [Coronavirus State and Local Fiscal Recovery Funds Frequently Asked Questions](#)

(2) [Final Rule adopted by the Treasury Dept. January 6, 2022 \(Federal Registry\)](#)

(3) [Treasury Quick Reference Guide](#)

(4) [Compliance and Reporting Guidance](#)

Allocation of Funds

Treasury distributes these funds directly to each state, territorial, metropolitan city, county, and Tribal government. Local governments that are classified as non-entitlement units will receive this funding through their applicable state government.

State governments should expect to receive funds in two tranches, with 50% provided in May 2021 and the balance delivered 12 months later (May 2022). However States that have experienced a net increase in the unemployment rate of more than 2 percentage points from February 2020 to the latest available data as of the date of certification will receive their full allocation of funds in a single payment. A total of 20 states get their funds in a single payment. Nebraska will receive their funds in two payments.

Recoupment

Even with all of this guidance, the specific uses of the State Recovery Funds are still subject to much interpretation. In addition, ARPA contains a recoupment provision requiring repayment of any funds expended on any noncompliant purpose.

Time Period

A recipient may only use funds to cover costs incurred during the period beginning March 3, 2021, and ending December 31, 2024. A cost shall be considered to have been incurred if the recipient has incurred an obligation with respect to such cost by December 31, 2024. A recipient must return any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026.

Appropriation and Control of Funds

The biennial budget bills contain specific lines and amounts for budget programs for federal funds although the amounts are considered as an estimate. These estimates are for funds that typically have a long history and are reasonably predictable. However because of the uncertainty of timing and amounts of additional federal funds throughout the fiscal year, the “mainline” budget bills also contains language that appropriates federal funds as received. This language shown below from LB 294 (2019) has been a part of budget bills for decades, to accommodate unanticipated federal sources and uncertainty in that funding.

“Sec. 257. FEDERAL FUNDS.

The receipts for FY2019-20 and FY2020-21 inuring to the several Federal Funds, together with any amounts held in account by the State Treasurer on June 30, 2019, are hereby credited to each of the funds respectively. Expenditure of Federal Funds appropriated in this act shall not be limited to the amount shown.

Any Federal Funds, not otherwise appropriated, any additional Federal Funds made available to the credit of the State Treasurer, and any amounts on hand in any such Federal Funds on June 30, 2019, are hereby appropriated to the expending agency designated by the federal government or, if none is designated, to such expending agency as may be designated by the Governor.”

All COVID-19 funds (including the CARES Act and ARPA Act, first tranche) are appropriated and available for expenditure by virtue of this language in the bill that appropriates federal funds as received. The CARES Act and ARPA Act, first tranche funds were made available in the spring of 2020 and 2021 respectively and fell under the provisions of LB 294 (2019).

The second tranche of the ARPA Act will be received in the spring of 2022 and will be subject to the same provisions which are included in LB 380 (2021), Section 262. Unexpended amounts from the original appropriations in FY20-21 are also reappropriated under this LB380 provision.

In LB 1011, Coronavirus State Fiscal Recovery Fund (CSFRF) monies were excluded from this general provision. Therefore, all appropriations of these funds must be specifically made by the Legislature thus LB1014 and other bills.

There were two important things the state had to think about in allocating the CSFR monies.

(1) The language regarding the use of the funds is relatively vague and, some would argue, invites attempts to stretch the purpose for which funds are used. However improper use of the funds is subject to recoupment by the federal government.

There were several items that the committee considered funding but were not convinced were eligible under CSFR guidelines. For these they used Cash Reserve Funds including YRTC Kearney improvements, the STARWARS project, and Perkins County Canal project.

(2) While the time period for the use of these funds is basically 3 years to allocate and up to 5 years to expend, these are still one-time funds and will expire. Any on-going programs established will have to be funded with state sources. The longer time period under ARPA versus the CARES Act could tend to make it more likely to establish on-going programs.

Process

There were a total of 130 issues and bills that needed to be considered relating to use of the Coronavirus State Fiscal Recovery Fund (CSFRF). This includes 30 items in the original LB1014 (Governors Recommendation), 84 bills referenced to the Appropriations Committee, and 16 bills that had been referenced to other committees. The Appropriations Committee advanced their recommendation for use of the funds in LB1014 which was then considered for amendment and advancement as all other bills.

The following table shows the funded projects in LB1014 and showing the original bill which contained the item and the section of the bill. There were also four other bills that utilized CSRF funds and are listed after LB1014..

Table 22 Coronavirus State Fiscal Recovery Fund (CSFRF)

	Sec	FY2021-22	FY2022-23	2 Yr Total
Salary Increases 24-Hour Facilities (LB 1014)	12	36,700,000	0	36,700,000
NDE, services to students deaf or hard of hearing (LB 1161)	13	0	1,000,000	1,000,000
Small & Medium Meat Processors (LB 1014)	14	10,000,000	0	10,000,000
Internships and expanding and retaining workforce (LB 1167)	15	0	10,000,000	10,000,000
DHHS, pediatric mental health services technology (LB 1075)	16	0	1,800,000	1,800,000
Repayment of health professionals educational debts (LB 1269)	17	5,000,000	0	5,000,000
Behavioral Health and Nursing Assistance (LB 1014)	18	5,000,000	0	5,000,000
DHHS for nonprofit organization food assistance grants (LB 1201)	19	0	20,000,000	20,000,000
DHHS for various child care programs (LB 1203)	20	0	4,000,000	4,000,000
Child Welfare Case Counts & Provider Rates (LB 1014)	21	10,000,000	15,000,000	25,000,000
Services for youth who have aged out of the foster care (LB 1254)	22	0	1,000,000	1,000,000
Rate increases certain develop disabilities providers (LB 1172)	23	0	47,500,000	47,500,000
DHHS, funds for local public health departments (LB 1138)	24	0	10,000,000	10,000,000
DHHS for Health Aid (LB 867)	25	500,000	0	500,000
DHHS for a model system of care (LB 1159)	26	0	5,000,000	5,000,000
Payments to assisted-living facilities (LB 996)	27	0	5,462,800	5,462,800
Licensed and medicaid-certified nursing facilities (LB 1089)	28	0	47,500,000	47,500,000
Replace Aging Rural Ambulances (LB 1014)	29	0	20,000,000	20,000,000
DHHS, grants to emergency medical services programs (LB 760)	30	0	5,000,000	5,000,000
DHHS & University, behavioral health care services (LB 1066)	31	0	2,500,000	2,500,000
Ft. Laramie-Gering Canal (LB 1014)	32	23,100,000	0	23,100,000
Grants for water transport infrastructure (LB 1081)	33	20,000,000	0	20,000,000
ARPA Fund Administration (including DHHS OCIO) (LB 1014)	34	10,000,000	5,000,000	15,000,000
Wastewater System Projects (LB 1014)	35	0	8,100,000	8,100,000
Community College: Workforce Development (LB 1014)	36	25,000,000	35,000,000	60,000,000
State Colleges Facility & Equipment Upgrades (LB 1014)	37	0	8,000,000	8,000,000
Rural Health Complex (LB 1014)	38	10,000,000	50,000,000	60,000,000
DHHS & University, behavioral health care services (LB 1066)	39	0	25,500,000	25,500,000
University for an updated climate change report (LB 1255)	40	0	150,000	150,000
Wyuka Cemetary Stormwater Project (LB 1014)	41	0	1,800,000	1,800,000
Workforce Housing (LB 1014)	42	21,500,000	18,000,000	39,500,000
Grants for international competitions in Nebraska (LB 1195)	43	500,000	0	500,000
Meat Processing Plant Grant (LB 1014)	44	0	20,000,000	20,000,000
Healthcare Facility Capacity Expansion (LB 1014)	45	10,000,000	30,000,000	40,000,000
Shovel-Ready Capital Projects (LB 1014)	46	50,000,000	50,000,000	100,000,000
DED, feasibility study relating to nuclear reactors (LB 1100)	47	0	1,000,000	1,000,000
Law Enforcement Training Center (LB 1014)	48	47,700,000	0	47,700,000
Rural in-person interpreting and legal communication (LB 1162)	49	0	500,000	500,000
Aid to Community Colleges for dual enrollment (LB 1087)	50	0	15,000,000	15,000,000
Grants for reverse osmosis systems (LB 1160)	51	0	4,000,000	4,000,000
State Fair wastewater and drainage upgrades (LB 1014)	52	0	20,000,000	20,000,000
Drinking Water Projects (LB 1014)	53	1,000,000	6,000,000	7,000,000
Subtotal - LB 1014		286,000,000	493,812,800	779,812,800
LB 805 prioritize applications Noxious Weed Control Act		0	6,000,000	6,000,000
LB 1024 Economic Recovery Act		1,000,000	249,000,000	250,000,000
LB 1068 Changes, Behavioral Health Ed Ctr, toxic chemical		0	1,000,000	1,000,000
LB 1144 Changes, Telecomm Regulation Act, Broadband Bridge Act		0	641,613	641,613
Total - ARPA Coronavirus State Fiscal Recovery Fund (CSFRF)		287,000,000	750,454,413	1,037,454,413

LB 1014 Appropriate Coronavirus State Fiscal Recovery Funds

Section 12 Salary Increases 24-Hour Facilities

FY2021-22	36,700,000	Agency 25 Dept of Health and Human Services
FY2022-23	0	Agency 28 Dept of Veterans Affairs
Total	36,700,000	Agency 46 Dept of Correctional Services

The Governor's recommendation included 20% increase for classifications identified as high demand and a 30% increase for healthcare classifications identified as critical. In Program 033 developmental disabilities service and children and family service positions are included in the premium pay adjustments. Salary Increases 24-hour Facilities - The recommendation includes \$36.7 million in FY 2021-22 to provide premium pay increases for front-line workers in 24-hour facilities. These teammates worked closely with the public health response and provided services during the height of the pandemic. This increase ensures the state is competitive in pay for positions that respond to public health and public safety.

Section 13 Services to students who are deaf or hard of hearing

FY2021-22	1,000,000	Agency 13 Dept of Education
FY2022-23	0	
Total	1,000,000	

Recommended in LB 1161, appropriates \$1 million to the State Department of Education exclusively for programs and interpreters that provide services to students who are deaf or hard of hearing.

Section 14 Small & Medium Meat Processors

FY2021-22	10,000,000	Agency 18 Dept of Agriculture
FY2022-23	0	
Total	10,000,000	

The recommendation includes \$10 million in FY 2021-22 to assist small and medium meat processors across the state and to conduct a dairy industry study. Meat processor assistance will be used to upgrade equipment and facilities to accommodate increased demand for processing. Throughout the pandemic, supply chain issues affected small and medium meat packing plants when larger meat packing plants closed. Included in the recommendation is \$125,000 for a dairy industry study. In Nebraska, livestock producers were diverted to smaller processors causing significant backlogs in animal processing. This in turn affected Nebraskans by not having quality meat on the shelves at the stores. Businesses were forced to have employees work overtime to handle the increased need for processing, also putting a strain on existing equipment in the plants.

Section 15 Worker training, expanding and retaining workforce

FY2021-22	10,000,000	Agency 23 Dept of Labor
FY2022-23	0	
Total	10,000,000	

This recommendation includes \$10,000,000 appropriated to the Department of Labor for existing worker training programs.

Section 16 Pediatric mental health services technology

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	1,800,000	
Total	1,800,000	

Appropriates \$1.8 million to the Department of Health and Human Services for telehealth technology related to pediatric mental health services. The bill stipulates that funding be provided to any pediatric trauma center to support statewide pediatric mental health services.

Section 17 Repayment of health professionals educational debts (LB 1269)

FY2021-22	5,000,000	Agency 25 Dept of Health and Human Services
FY2022-23	0	
Total	5,000,000	

Rural Health Provider Incentive Program from Coronavirus State Fiscal Recovery Fund under the American Rescue Plan Act (ARPA). The funds would be used for repayment of qualified educational debts owed by eligible health professionals under the Rural Health Systems and Professional Incentive Act.

Section 18 Behavioral Health and Nursing Assistance

FY2021-22	5,000,000	Agency 25 Dept of Health and Human Services
FY2022-23	0	
Total	5,000,000	

The recommendation includes \$5 million in FY 2021-22 to provide funding for a loan repayment program for individuals who pursue careers as nurses and behavioral health professionals. This expands on the current loan repayment program administered by the Department of Health and Human Services. The expansion of the program will ensure the state is utilizing effective retention tools to attract and retain these vital professionals.

Section 19 DHHS for nonprofit organization food assistance grants

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	20,000,000	
Total	20,000,000	

Provides \$20 million to the Department of Health and Human Services for grants to nonprofit organizations to be distributed in the following manner: (1) \$10 million to be awarded to nonprofit organizations that focus on food distribution in ten or more counties and qualify for the Emergency Food Assistance Program for the purchase and distribution of food, infrastructure and equipment and construction of increased capacity. (2) \$10 million to be awarded for regional or local capacity and food security innovation grants. The department is required to create a process for soliciting, vetting, awarding and monitor grants or contracting with the third party to handle those responsibilities.

Section 20 Various child care programs

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	4,000,000	
Total	4,000,000	

Contract with a statewide nonprofit organization that supports children and families to increase child care capacity in areas of need by providing grants to expand or start child care programs for children from birth through five years of age.

Section 21 Child Welfare Case Counts & Provider Rates

FY2021-22	10,000,000	Agency 25 Dept of Health and Human Services
FY2022-23	15,000,000	
Total	25,000,000	

The recommendation includes \$10 million in FY 2022 and \$15 million in FY 2023 for child welfare aid to assist in managing escalated costs in this program related to increased case counts (\$7 million FY22 and \$3 million FY23) and provider rate increases for three fiscal years, FY 2022 (\$3 million, FY 2023 (\$6 million) and FY 2024 (\$6 million). Child welfare case counts have spiked substantially across the country and have continued throughout the pandemic. Funding will be provided to ensure services are provided to youth in the care of the state.

Section 22 Services for youth who have aged out of the foster care

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	1,000,000	
Total	1,000,000	

Provides \$1 million for a grant program for a non-profit which prepares youth who have aged out of the foster care system to enter the workforce. The funds would be used for facility upgrades, building maintenance, transportation, construction and training. The recipient of the funds must provide low-income housing in a campus environment. The youth must find employment, attend school or both.

Section 23 Rate increases certain developmental disabilities providers

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	47,5000,000	
Total	47,5000,000	

Service provider rates were increased by 15% in the budget bill (LB 1011) to attract and retain staff and to address deficits in service provider agency’s budgets. This section provides additional Federal Funds to the Department of Health and Human Services Developmental Disability Aid to be used for the purpose of enhancing employee retention and recruitment. These funds are to offer competitive wages similar the pay rate for State of Nebraska employees who provide essential services for those with developmental disabilities. The total ARPA funds for the DD provider rate increases are appropriated as \$20,000,000 FY 2022-23 and the intent to appropriate \$15,000,000 FY 2023-24 and \$12,500,000 FY 2024-25.

Section 24 Funds for local public health departments

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	10,0000,000	
Total	10,0000,000	

The funds would be distributed evenly to local public health departments and used for one-time infrastructure needs and any other costs including testing, personal protective equipment and other preventative measures to combat COVID-19 and any mutations.

Section 25 Public health aid, Human Immunodeficiency Virus (HIE) Surveillance and Prevention

FY2021-22	500,000	Agency 25 Dept of Health and Human Services
FY2022-23	0	
Total	500,000	

This section appropriates \$500,000 to the Department of Health and Human Services for Human Immunodeficiency Virus (HIE) Surveillance and Prevention Program for education on the benefits of pre-exposure prophylaxis medication and the cost of medication.

Section 26 Model system of care (COVID-19)

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	5,000,000	
Total	5,000,000	

Funds for a grant program for a model system of care for individuals who have recovered from COVID-19 with persistent symptoms. The one-time grant shall be awarded to a rehabilitation hospital with the capacity to provide interdisciplinary research. The model system of care shall be a comprehensive program to address persistent COVID-19 symptoms and include the following activities: (1) Post-COVID-19 research; (2) Post-COVID-19 clinics (3) Mental health services expanded to address cognitive and psychiatric needs of post-COVID-19 patients; and (4) Educational materials for health care providers and the public.

Section 27 Payments to assisted-living facilities

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	5,462,800	
Total	5,462,800	

The Department of Health and Human Services shall distribute the funds appropriated in this section to assisted-living facilities. Such distribution to a licensed assisted-living facility shall equal four hundred dollars per licensed bed in such facility. A licensed assisted-living facility shall use the funds distributed pursuant to this section for (a) Incentives for staff members employed by the licensed assisted living facility in order to enhance employee recruitment and retention; or (b) Assistance with costs for supplies and equipment purchased by the licensed assisted-living facility

Section 28 Payments to licensed and Medicaid-certified nursing facilities

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	47,500,000	
Total	47,500,000	

The Department of Health and Human Services shall provide money to licensed and Medicaid-certified nursing facilities in the following manner over three fiscal years, FY 2023, FY 2024 and FY 2025: (i) \$35,625,000 to Medicaid-certified nursing facilities divided proportionately by the Medicaid-certified beds at such facilities; and (ii) \$11,875,000 divided proportionately by the Medicaid certified beds at the facilities that are in the top twenty-five percent of Medicaid certified nursing facilities with the highest percentage of Medicaid days, as a percentage of that facility's total days as reported on provider tax forms and equally among the Medicaid-certified nursing facilities that were in the top twenty-five percent of Medicaid certified nursing facilities with the highest percentage of bed-days paid by Medicaid in fiscal year 2021-22.

It is the intent of the Legislature that the money paid to the licensed and Medicaid-certified nursing facilities pursuant to this section be expended by such facilities for the purpose of enhancing employee recruitment and retention of direct care staff as follows: \$20,000,000 total for FY2022-23, \$15,000,000 total for FY2023-24; and \$12,500,000 total for FY2024-25

Section 29 Replace Aging Rural Ambulances

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	20,000,000	
Total	20,000,000	

The recommendation includes \$20 million in FY 2022-23 to assist rural communities to replace aging ambulances. Many ambulances in rural areas have reached the end of their useful life and are in significant need of replacement. This funding will ensure that essential equipment is provided in rural communities to support necessary public health services.

Section 30 Grants to emergency medical services programs

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	5,000,000	
Total	5,000,000	

Provides grants to licensed emergency medical services programs for the one-time purchase of equipment, including, but not limited to power cots, defibrillators, and other similar lifesaving equipment. It is the intent of the Legislature that priority in awarding grants be given to an emergency medical services program that (1) is volunteer-based, (2) is located in a community with a population of fewer than one hundred thousand inhabitants as determined by the most recent federal decennial census or the most recent revised certified count by the United States Bureau of the Census, and (3) has high needs, as determined by the department in consultation with a statewide organization dedicated to supporting providers of prehospital emergency medical care in Nebraska.

Section 31 Behavioral health care, acute bed services

FY2021-22	0	Agency 25 Dept of Health and Human Services
FY2022-23	2,500,000	
Total	2,500,000	

In this section, \$2.5 million is appropriated to the Department of Health and Human Services to provide grants of up to \$250 thousand for capital costs related to the expansion of behavioral health acute care beds in rural areas where a shortage exists.

Section 32 Ft. Laramie-Gering Canal

FY2021-22	23,100,000	Agency 29 Dept of Natural Resources
FY2022-23	0	
Total	23,100,000	

This section appropriates \$23.1 million in FY 2021-22 to repair irrigation tunnels that collapsed in the Ft. Laramie – Gering Irrigation District which supplies roughly 107,000 acres with water for irrigation. In July 2019, Irrigation Tunnel 1 and 2 collapsed and temporary work was done to secure the stability of both tunnels, but only provided 80-85 percent capacity of the water needed. The recommended funding will enable Nebraska to partner with Wyoming to completely repair both tunnels to secure water for our farmers and ranchers. Nebraska’s funding share represents fifty one percent ownership of the canal, with the rest of the funding coming from Wyoming.

Section 33 Grants for water transport infrastructure

FY2021-22	20,000,000	Agency 29 Dept of Natural Resources
FY2022-23	0	
Total	20,000,000	

Originally proposed in LB 1081, this creates a grant program for the design, construction, and implementation of water supply projects. Eligible grantees are cities of the primary class that utilize more than 30 million gallons/day. Eligible projects shall include, but not be limited to, design, construction, and implementation of additional water supply project.

Section 34 ARPA Fund Administration

FY2021-22	10,000,000	Agency 31 Military Dept
FY2022-23	5,000,000	
Total	15,000,000	

The recommendation includes \$10 million in FY 2021-22 and \$5 million in FY 2022-23 to provide funding for the operating and administrative costs of applicable agencies, boards, and commissions who are administering the ARPA-State Fiscal Recovery Fund. Funding will be utilized to directly pay such expenses or reimburse said entities for their expenses. Examples of costs include salaries, operational support, software licensing, and vendor/contractor support. Funding is also included (up to \$5 million each year) to reimburse the Department of Health and Human Services for expenses incurred from March 3, 2021 through June 30, 2023 which are related to pandemic relief processing, and equipment and operating a mobile workforce.

Section 35 Wastewater System Projects, Game & Parks

FY2021-22	0	Agency 33 Game and Parks Commission
FY2022-23	8,100,000	
Total	8,100,000	

The recommendation includes \$8.1 million in FY 2022-23 to update/improve several locations with wastewater and sewage issues that need to be addressed as current systems are outdated and in need of replacement. This would ensure that the Nebraska Game and Parks Commission is compliant with federal requirements for sanitary sewer systems and the state is providing safe and clean accommodations to customers.

The specific locations are Niobrara State Park, Branched Oak State Recreation Area, Two Rivers State Recreation Area, Lewis and Clark State Recreation Area, and Mormon Island State Recreation Area.

Section 36 Community College: Workforce Development

FY2021-22	25,000,000	Agency 48 Postsecondary Coordinating Commission
FY2022-23	35,000,000	
Total	60,000,000	

The bill includes \$25 million in FY 2021-22 and an additional \$35 million in FY 2022-23 to the six community college areas for various projects to strengthen and grow a post-pandemic skilled workforce. This funding will provide up to \$10 million to each community college and

substantially increase their ability to train the next workforce of Nebraska. The state currently has a 1.8 percent unemployment rate and needs highly skilled workers particularly in the healthcare, agricultural, HVAC, CDL, and construction industries. This funding will provide for the acquisition, construction, and upgrades of several educational institutions across the state to upskill and reskill the population, especially in low income, underserved, and disproportionately impacted communities. The community colleges will utilize the funding to expand facilities and equipment to provide an education in these high demand fields.

Section 37 State Colleges Facility & Equipment Upgrades

FY2021-22	0	Agency 50 State Colleges
FY2022-23	8,000,000	
Total	8,000,000	

This section provides \$8 million to purchase equipment and upgrade campus drinking water and wastewater projects. This will provide \$2 million to purchase equipment for Chadron, Peru, and Wayne campuses to aid healthcare professionals in combatting the effects of COVID-19, and \$6 million to upgrade their water and sewer systems that need repaired or replaced. With this appropriation being for FY22-23, this would be contingent upon receiving the 2nd tranche of ARPA funds (expected May 2022).

Section 38 LB 1014 Rural Health Complex

FY2021-22	10,000,000	Agency 51 University of Nebraska
FY2022-23	50,000,000	
Total	60,000,000	

The section appropriates \$10 million in FY 2021-22 and \$50 million in FY 2022-23 for a joint University of Nebraska at Kearney (UNK) and University of Nebraska Medical Center (UNMC) Rural Health Complex to be located on the UNK campus. The complex will be located adjacent to UNK’s Health Education Complex and will provide much needed space to expand education and development to healthcare providers in rural Nebraska. The project is expected to cost \$85 million and remaining costs will be funded by private funds with ARPA funding provided upon receipt of the remaining total estimated project cost.

Section 39 Behavioral Health Education Center

FY2021-22	0	Agency 51 University of Nebraska
FY2022-23	25,500,000	
Total	25,500,000	

This section appropriates \$25,500,000 Federal Funds for the Behavioral Health Education Center for the purposes described in section 71-830 to be spent by the Behavioral Health Education Center in the following manner: (1) \$13,000,000 for graduate and postgraduate training opportunities such as internships, practicums, and fellowships; (2) \$8,000,000 for the expansion of telebehavioral health services in rural areas; (3) \$2,500,000 for education and training opportunities for students and behavioral health professionals related to behavioral

health issues caused or exacerbated by the COVID-19 public health emergency; and (4) \$2,000,000 for stipends for provisionally licensed behavioral health professionals employed in the field of behavioral health.

Section 40 Updated climate change report

FY2021-22	0	Agency 51 University of Nebraska
FY2022-23	150,000	
Total	150,000	

This section appropriates \$150,000 in federal ARPA funds to the University, who would direct the funds to be used by the Institute of Agriculture and Natural Resources (IANR) on the Lincoln campus to update the Assessing Climate Change report released in 2014. IANR would then contract with an independent third party to update that report as specified in LB 1255.

Section 41 Wyuka Cemetary Stormwater Project

FY2021-22	0	Agency 65 Dept of Administrative Services
FY2022-23	1,800,000	
Total	1,800,000	

These funds are provided to control sediment and stormwater coming to the pond at Wyuka cemetary (as state-owned cemetary) and downstream drainage.

Section 42 Workforce Housing

FY2021-22	21,500,000	Agency 72 Dept of Economic Development
FY2022-23	18,000,000	
Total	39,500,000	

The section includes \$39.5 million total to address unprecedented labor shortages and attract workers to Nebraska. Funds are allocated to rural projects eligible under Nebraska’s Rural Workforce Housing Investment Act, to urban projects eligible under the state’s Middle-Income Workforce Housing Investment Act, to the Nebraska Investment Finance Authority for affordable housing projects eligible for federal tax credit programs, and for housing and job training programs for certain low income and refugee populations. The allocation is as follows: \$00 million for the Middle-Income Workforce Housing Investment Act; \$10 million for the Rural Workforce Housing Investment Act; \$20.5 million for NIFA programs, \$8 million for housing and job training programs for refugees, and \$1 million job training and placement grants to nonprofit organizations for employment and employability services for refugees

Section 43 Grants for international competitions in Nebraska

FY2021-22	500,000	Agency 72 Dept of Economic Development
FY2022-23	0	
Total	500,000	

This funding is appropriated for the purpose of awarding major sponsorship grants for international competitions to be hosted in Nebraska that are recognized by an international governing body.

Section 44 Meat Processing Plant Grant

FY2021-22	0	Agency 72 Dept of Economic Development
FY2022-23	20,000,000	
Total	20,000,000	

The section includes \$20 million in FY 2022-23 related to the state’s ability to secure meat producers ability to sell livestock and keep quality meat on the shelves for all Nebraskans. Supply chain issues have affected the ability to purchase meat in stores throughout the pandemic. When large packing houses shut down, producers were forced to send their livestock to smaller processors. Supporting the proposed meat packing plant in North Platte will significantly assist the state in addressing supply chain issues. This project will also attract additional skilled jobs for Nebraska. The proposed North Platte meat packing plant will have to retrofit the flood mitigation lagoons and wastewater pre-treatment system. Controlling the runoff and treating the wastewater from the operations of the processing plant are vital in ensuring that clean water is going back into the sewer system of North Platte.

Section 45 Healthcare Facility Capacity Expansion

FY2021-22	10,000,000	Agency 72 Dept of Economic Development
FY2022-23	30,000,000	
Total	40,000,000	

The recommendation includes \$10 million in FY 2021-22 and an additional \$30 million in FY 2022-23 for to build mental health care and education

Section 46 Shovel-Ready Capital Recovery and Investment projects

FY2021-22	50,000,000	Agency 72 Dept of Economic Development
FY2022-23	50,000,000	
Total	100,000,000	

The recommendation includes \$50 million for FY 2021-22 and an additional \$50 million in FY 2022-23 for capital projects eligible under the Shovel-Ready Capital Recovery and Investment Act enacted in 2020. This \$100 million is in addition to the \$15 million of state funds appropriated last year. Eligible projects related to arts, culture, humanities, and sports complexes were submitted by non-profit organizations prior to July 15, 2021, and must be resumed by June 30, 2022 to be eligible for grant awards. The Legislature includes intent language to allocate appropriated funds equally by congressional district and to prioritize projects of \$5 million or less.

Section 47 Feasibility study relating to nuclear reactors

FY2021-22	0	Agency 72 Dept of Economic Development
FY2022-23	1,000,000	
Total	1,000,000	

The recommendation includes \$1 million for a grant to a political subdivision of the state who owns or operates a nuclear plant in Nebraska. The funds would be used to conduct a feasibility study to assess (1) siting options for new advanced nuclear reactors throughout Nebraska and (2) existing electric generation facilities based on key compatibility assets for such advanced nuclear reactors

Section 48 Law Enforcement Training Center expansion

FY2021-22	47,700,000	Agency 78 Comm Law Enforcement & Criminal Justice
FY2022-23	0	
Total	47,700,000	

This appropriation would provide funding to purchase new land and and expansion and improvement of the Nebraska Law Enforcement Training Center.

Section 49 Rural in-person interpreting and legal communication access

FY2021-22	0	Agency 82 Deaf and Hard of Hearing
FY2022-23	500,000	
Total	500,000	

This section appropriates \$500,000 Federal Funds in FY2022-23 for the purpose of supporting in- person interpreting in rural areas and legal communication access.

Section 50 Aid to Community Colleges for dual enrollment

FY2021-22	0	Agency 83 Community Colleges
FY2022-23	15,000,000	
Total	15,000,000	

This section appropriates \$15 million of Federal ARPA funds to Nebraska's six Community Colleges to be used as State Aid to fund dual enrollment. The appropriation would occur in FY2022-23, but is intended to be spent over the next three fiscal years: \$5 million in FY2022-23; \$5 million in FY2023-24, and \$5 million in FY2024-25. The aid would not be allocated evenly among the six Community Colleges; it would be a need-based allocation, in direct proportion to the full-time-equivalent enrollment in dual credit courses. Dual credit means the student is enrolled in both high school and college: the student receives college credit and may also receive high school credit.

Section 51 Grants for reverse osmosis systems

FY2021-22	0	Agency 84 Dept of Environment and Energy
FY2022-23	4,000,000	
Total	4,000,000	

Funds appropriated in this section are to provide grants for villages and cities of the second class to install reverse osmosis systems in community water systems where drinking water test levels are above ten parts per million of nitrate and, if appropriate, provide grant funds for use to install reverse osmosis systems if test levels for nitrate in drinking water pumped from private wells are above ten parts per million

Section 52 State Fair wastewater and drainage upgrades

FY2021-22	0	Agency 84 Dept of Environment and Energy
FY2022-23	20,000,000	
Total	20,000,000	

The section includes \$20 million in FY 2022-23 to assist the State Fair in improving their sewage system for storm drainage and assist in creating a new wastewater system. Over the past several years, the State Fair has experienced significant rain and inadequate drainage has created large areas of the fair grounds to become unusable due to flooding. These improvements will allow the fair to increase attendance and grow substantially in the future.

Section 53 Drinking Water Projects

FY2021-22	1,000,000	Agency 84 Dept of Environment and Energy
FY2022-23	6,000,000	
Total	7,000,000	

Funds are to provide grant assistance for a rural drinking water project that serves rural water connections and at least four communities in two contiguous counties in order to convert to ground water sources and to provide for water system infrastructure and distribution

LB 1024 Economic Recovery Act.

LB1024 created the Economic Recovery Act. The bill creates the Economic Recovery and Incentives Division within the Dept. of Economic Development (DED) who shall develop a coordinated plan to direct and prioritize the use of grants toward the economic recovery of communities and neighborhoods within qualified census tracts with an emphasis on housing needs, assistance for small businesses, job training, and business development within such communities and neighborhoods. A federally qualified census tract is one in which 50 percent or more of households have an income less than 60 percent of the area median gross income or a poverty rate of at least 25 percent.

The bulk of funding in LB 1024 is designated for the Qualified Census Tract Recovery Grant Program. Funding for various programs and projects is also specifically listed out in the bill, including:

Up to \$60 million for the Airport Business Park II project
 Up to \$30 million for Innovation Hubs (iHubs) in North Omaha
 Up to \$3 million for internships and crime prevention programs run by the City of Omaha
 Up to \$5 million to the Nebraska Film Office for production of a film on Chief Standing Bear
 Up to \$5 million to the Lancaster Event Center
 Up to \$1 million for financial literacy programs for individuals residing in North & South Omaha

LB 1024 specifically provides up to \$20 million each in funding for affordable housing activities in North/South Omaha and Lincoln (limited to QCTs) Grants are available to both public and private entities, and are not tied to requirements of the Middle Income Workforce Housing Investment Act

Funds can be used to: prepare land parcels for affordable housing and conduct other eligible affordable housing interventions under ARPA, including production of affordable rental housing and affordable homeownership units, rehabilitation of affordable rental housing and affordable homeownership units, and preservation of affordable rental housing and affordable homeownership units

The bill provides multiple funding sources including creation of the Economic Recovery Contingency Fund and provides for a \$55 million transfer from the Cash Reserve Fund to this new fund. The bill also utilizes a total of \$250 million of the ARPA Coronavirus State Fiscal Recovery Fund (CSFRF)

LB 1024 Appropriations		FY2021-22	FY2022-23	Total
Leg Council - special committee	Gen	2,000,000	0	2,000,000
DED - grants	Gen	0	10,000,000	10,000,000
DED - ARPA (CSFPF)	Fed	1,000,000	249,000,000	250,000,000
DED - ARPA (Capital Projects)	Fed	0	128,740,178	128,740,178
DED - ARPA (EDA)	Fed	0	3,074,000	3,074,000
DED - Contingency Fund	Cash	0	55,000,000	55,000,000
Total Funds		3,000,000	445,814,178	448,814,178

Appendix A

Detailed Listing – All 2022 Budget Adjustments

		Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
#03-Legislative Council					
122	LB 1024 Economic Recovery Act	Gen	2,000,000	0	0
638	LB 1150 Changes, Imagine NEbr Act, sales tax credits, etc...	Gen	0	88,500	28,500
#05-Supreme Court					
6	LB 922 District court judge (4th district), cash medical support, other	Gen	0	209,768	209,768
52	LB 922 District court judge (4th district), cash medical support, other	Gen	0	116,125	106,731
52	Salary increases per trial court staff salary study	Gen	0	2,400,000	2,400,000
52	Dispute Resolution, unstustainable cash fund level	Gen	0	270,000	270,000
434	Additional funds, Office of Public Guardian (LB 1049)	Gen	0	500,000	500,000
435	Community Corrections, behavioral health provider rates (+15%)	Gen	0	1,620,000	1,620,000
437	Excess juvenile justice funds, reallocate for salary increases	Gen	0	(2,400,000)	(2,400,000)
437	Juvenile Justice, behavioral health provider rates (+15%)	Gen	0	1,080,000	1,080,000
437	Juvenile Justice, other provider rates (+15%)	Gen	0	2,510,367	2,510,367
437	Utilize onetime unexpended funds, offset provider rate increase	Gen	0	(3,590,367)	0
437	Excess juvenile justice funds, reallocate for Office of Public Guardian	Gen	0	(500,000)	(500,000)
#11-Attorney General					
507	DHHS contract amount	Rev	57,191	114,431	114,431
507	LB 741 Review of stillbirths, Domestic Abuse Death Review Act	Gen	0	116,837	118,034
#12-State Treasurer					
475	Program manager expenses	Cash	64,050	64,050	64,050
#13-Dept of Education					
25	Security and support services	Gen	38,580	3,549	0
25	Security and support services	Cash	4,065	374	0
25	Security and support services	Fed	56,065	5,473	0

	Fund	Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
25 Correct LB396A Farm to School Appropriation	Gen	100,000	100,000	100,000	100,000
158 Correct LB396A Farm to School Appropriation	Gen	(100,000)	(100,000)	(100,000)	(100,000)
25 LB 1112 Computer Science and Technology Act	Gen	0	134,247	87,311	87,311
25 LB 1218 Teach in Nebraska Today Act	Gen	0	84,247	87,311	87,311
25 LB 1218 Teach in Nebraska Today Act	Gen	0	5,000,000	5,000,000	5,000,000
158 Move COVID-19 Aid Appropriation to Correct Fund	Cash	(46,971,361)	(26,971,361)	(26,971,361)	(26,971,361)
158 Move COVID-19 Aid Appropriation to Correct Fund	Fed	46,971,361	26,971,361	26,971,361	26,971,361
158 TEEOSA aid adjustment	Gen	0	(453,725)	(32,026,848)	(26,474,697)
158 TEEOSA aid adjustment (insurance premium tax)	Gen	(137,471)	0	0	0
401 ARPA - NDE, services to students who are deaf or hard of hearing (LB 1014)	Fed	0	1,000,000	0	0
521 Retiree Vacation & Sick Leave Payout	Fed	19,282	0	0	0
All OCIO Technology Deployment Rate Increases	Gen	9,748	11,458	11,458	11,458
All OCIO Technology Deployment Rate Increases	Cash	1,389	1,631	1,631	1,631
All OCIO Technology Deployment Rate Increases	Fed	45,863	53,911	53,911	53,911
All Relocation and consolidation costs	Gen	1,506,303	914,683	914,683	914,683
All Relocation and consolidation costs	Cash	163,927	100,106	100,106	100,106
All Relocation and consolidation costs	Fed	2,153,254	1,360,972	1,360,972	1,360,972
#14-Public Service Commission					
54 General Fund Shortfall Program 54	Gen	186,092	186,092	186,092	186,092
64 Increase 211 Information & Referral Grant (LB 911)	Cash	0	655,000	(300,000)	(300,000)
793 LB 1144 Changes, Telecomm Regulation Act, Broadband Bridge Act	Fed	0	2,955,435	2,850,022	2,850,022
793 LB 1144 Changes, Telecomm Regulation Act, Broadband Bridge Act	Fed	0	324,875	316,738	316,738
#16-Dept of Revenue					
108 Adjust Homestead Exemption to actual under current law	Gen	7,900,000	11,700,000	11,700,000	11,700,000
102 LB 917 Income tax deduction, wages paid to felon individuals	Gen	0	202,931	0	0
102 LB 984 Sales tax collect fees, feminine hygiene, net wrap, agents	Gen	0	22,188	0	0
102 LB 1150 Changes, ImagiNE Nebr Act, sales tax credits, etc...	Gen	0	26,250	0	0
102 LB 1218 Teach in Nebraska Today Act	Gen	0	107,760	0	0
102 LB 1261 Nebr Advantage Rural Develop, E15 & E25 tax break	Gen	0	473,696	256,100	256,100
102 LB 1273 Income tax deduction, law enforce health insurance premiums	Gen	0	105,660	0	0

	Fund	Enacted 2022 Session		Est for Following Biennium		
		FY2021-22	FY2022-23	FY2023-24	FY2024-25	
#18-Dept of Agriculture						
78	ARPA - Small & Medium Meat Processors (LB 1014)	Fed	10,000,000	0	0	0
78	LB 805 Changes, prioritize applications Noxious Weed Control Act	Fed	0	2,000,000	2,000,000	2,000,000
78	LB 848 Changes relating to catastrophic livestock mortality	Gen	0	1,000,000	0	0
#22-Dept of Insurance						
69	Market Stabilization Cycle I Federal Grant	Cash	(278,821)	0	0	0
69	Market Stabilization Cycle I Federal Grant	Fed	278,821	0	0	0
69	Market Stabilization Cycle II Federal Grant	Cash	0	(183,100)	(183,100)	(183,100)
69	Market Stabilization Cycle II Federal Grant	Fed	0	183,100	183,100	183,100
69	LB 767 Pharmacy Benefit Manager Licensure and Regulation Act	Cash	0	172,930	176,277	176,277
#23-Dept of Labor						
31	ARPA - Internships and expanding and retaining workforce (LB 1014)	Fed	0	10,000,000	0	0
#24-Dept of Motor Vehicles						
90	License Plate Cost Increase	Cash	1,293,476	654,222	654,222	654,222
70	LB 750 Multiple DMV changes, Title Act, Registration Act, License Act	Cash	0	804,338	861,250	861,250
#25-Health and Human Services						
33	Economic Assistance Staff Additions	Gen	29,285	117,137	117,137	117,137
33	Economic Assistance Staff Additions	Fed	315,235	1,260,942	1,260,942	1,260,942
33	LB 697 Provide for licensure of rural emergency hospital services	Cash	0	91,082	91,082	91,082
33	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	2,987,914	0	0	0
33	LB 376 Family support program waiver, developmental disability	Fed	0	500,000	0	0
33	LB 376 Family support program waiver, developmental disability	Fed	0	0	1,660,224	1,085,178
33	"LB 921 Change where sentences of imprisonment are served"	Fed	0	0	148,191	148,191
33	LB 376 Family support program waiver, developmental disability	Gen	0	0	510,131	1,085,178
33	LB 752 Alzheimer's /Dementia Support Act, several compacts	Gen	0	79,552	99,326	99,326
33	"LB 921 Change where sentences of imprisonment are served"	Gen	0	1,176,544	951,497	951,497
33	LB 1173 Work and strategic leadership group, child welfare	Gen	0	346,413	317,867	46,518

	Fund	Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
38 Cash Spending Authority for Opioid Settlements	Cash	2,000,000	15,000,000	15,000,000	15,000,000
38 Behavioral Health aid, provider rate increase (15%)	Gen	0	10,305,951	10,305,951	10,305,951
38 Utilize onetime unexpended funds, offset provider rate increase	Gen	0	(16,500,000)	0	0
38 ARPA - DHHS, pediatric mental health services technology (LB 1014)	Fed	0	1,800,000	0	0
175 Federal and Cash Spending Authority for Loan Repay	Cash	1,500,000	1,500,000	1,500,000	1,500,000
175 ARPA - Repayment of health professionals educational debts (LB 1014)	Fed	5,000,000	0	0	0
176 ARPA - Behavioral Health and Nursing Assistance (LB 1014)	Fed	5,000,000	0	0	0
250 ARPA - Public Health and Safety Premium Pay	Fed	1,947,943	0	0	0
347 Child Care provider rates to 75th percentile Market Rate Survey	Fed	0	2,372,215	2,372,215	2,372,215
347 ARPA - DHHS for various child care programs (LB 1014)	Fed	0	4,000,000	0	0
347 ARPA - DHHS for nonprofit organization food assistance grants (LB 1014)	Fed	0	20,000,000	0	0
348 Medicaid Public Health Emergency (PHE) FMAP unwind	Cash	21,555,907	0	0	0
348 Medicaid Public Health Emergency (PHE) FMAP unwind	Fed	36,493,812	77,765,513	77,765,513	77,765,513
348 Medicaid expansion, annualize	Fed	238,970,137	220,485,295	220,485,295	220,485,295
348 Medicaid reappropriation (\$55,277,781)	Gen	0	0	0	0
348 Medicaid behavioral health provider rate increase (15%)	Gen	0	13,491,698	15,083,520	15,083,520
348 Medicaid behavioral health provider rate increase (15%)	Fed	0	22,966,424	25,676,140	25,676,140
348 Medicaid nursing facility rates (to target level)	Gen	0	26,000,000	26,000,000	26,000,000
348 Medicaid nursing facility rates (to target level)	Fed	0	34,482,216	34,482,216	34,482,216
348 Developmental Disability, provider rate increase (+15%)	Fed	0	41,297,781	41,297,781	41,297,781
348 LB 376 Family support program waiver, developmental disability	Gen	0	0	0	3,701,122
348 LB 376 Family support program waiver, developmental disability	Fed	0	0	8,288,373	4,686,420
348 LB 698 Medicaid coverage, continuous glucose monitoring devices	Gen	0	325,810	655,472	655,472
348 LB 698 Medicaid coverage, continuous glucose monitoring devices	Fed	0	442,960	899,443	899,443
354 LB 1173 Work and strategic leadership group, child welfare	Fed	0	1,975	2,174	2,200
354 LB 741 Review of stillbirths, Domestic Abuse Death Review Act	Gen	0	11,209	11,209	11,209
354 LB 1173 Work and strategic leadership group, child welfare	Gen	0	133,541	148,651	169,482
354 Child Welfare, increased caseload	Gen	0	0	0	0
354 Child Welfare, increased caseload	Fed	17,635,565	15,270,758	15,270,758	15,270,758
354 Child Welfare, reappropriation (\$19,986,519)	Gen	0	0	0	0
354 Child Welfare, assume operation of Eastern Service Area.	Gen	(7,000,000)	(15,000,000)	(15,000,000)	(15,000,000)
354 Child Welfare, assume operation of Eastern Service Area.	Gen	7,000,000	15,000,000	15,000,000	15,000,000

		Fund	Enacted 2022 Session		Est for Following Biennium	
			FY2021-22	FY2022-23	FY2023-24	FY2024-25
354	Child Welfare, provider rate increase (+15%)	Gen	0	13,209,145	13,209,145	13,209,145
354	Child Welfare, provider rate increase (+15%)	Fed	0	585,345	585,345	585,345
354	ARPA - Child Welfare Case Counts & Provider Rates (LB 1014)	Fed	10,000,000	15,000,000	0	0
354	ARPA - Services for youth who have aged out of the foster care (LB 1014)	Fed	0	1,000,000	0	0
359	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	12,041	0	0	0
365	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	7,047,420	0	0	0
421	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	762,616	0	0	0
424	Developmental Disability, provider rate increase (+15%)	Gen	0	26,403,499	26,403,499	26,403,499
424	Utilize onetime unexpended funds, offset provider rate increase	Gen	0	(19,500,000)	0	0
424	ARPA - Rate increases developmental disabilities providers (LB 1014)	Fed	0	47,500,000	0	0
424	LB 376 Family support program waiver, developmental disability	Gen	0	0	1,508,507	3,328,345
424	LB 376 Family support program waiver, developmental disability	Fed	0	0	6,055,913	4,236,075
502	ARPA - DHHS, funds for local public health departments (LB 1014)	Fed	0	10,000,000	0	0
502	ARPA - DHHS for Health Aid (HIV surveillance and prevention) (LB 1014)	Fed	500,000	0	0	0
514	Perinatal Quality Improvement Collaborative (LB 782)	Cash	0	130,000	130,000	130,000
514	University of Nebraska pancreatic cancer research (LB 766)	Cash	0	0	0	0
514	ARPA - DHHS, grants to emergency medical services programs (LB 1014)	Fed	0	5,000,000	0	0
514	ARPA - Payments to assisted-living facilities (LB 1014)	Fed	0	5,462,800	0	0
514	ARPA - DHHS & University, behavioral health care services (LB 1014)	Fed	0	2,500,000	0	0
514	ARPA - Replace Aging Rural Ambulances (LB 1014)	Fed	0	20,000,000	0	0
514	ARPA - DHHS for a model system of care, COVID 19 (LB 1014)	Fed	0	5,000,000	0	0
514	ARPA - Licensed and medicaid-certified nursing facilities (LB 1014)	Fed	0	47,500,000	0	0
#27-Dept of Transportation						
569	NDOT EnterpriseOne Financial System Implementation	Cash	(381,152)	(1,429,414)	(1,429,414)	(1,429,414)
572	NDOT EnterpriseOne Financial System Implementation	Cash	381,152	1,429,414	1,429,414	1,429,414
#28-Dept of Veterans Affairs						
511	Offutt & STRATCOM Promotion	Cash	0	5,000,000	0	0
511	Military Base Development fund (LB 1233)	Cash	0	25,000,000	0	0
511	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	3,546,602	0	0	0

		Enacted 2022 Session		Est for Following Biennium		
		Fund	FY2021-22	FY2022-23	FY2023-24	FY2024-25
#29-Dept of Natural Resources						
319	Perkins County Canal Project	Cash	0	53,500,000	0	0
319	Lake Development Fund (STARWARS)	Cash	0	100,000,000	0	0
309	Surface Water Irrigation Infrastructure Fund (LB 1074)	Cash	0	50,000,000	0	0
314	ARPA - Ft. Laramie-Gering Canal (LB 1014)	Fed	23,100,000	0	0	0
319	ARPA - Grants for water transport infrastructure (LB 1014)	Fed	20,000,000	0	0	0
334	LB 925 Resilient Soils and Water Quality Act	Gen	0	250,000	250,000	250,000
#31-Military Dept						
192	Peru Levee	Cash	0	5,000,000	0	0
191	ARPA - Fund Administration (including DHHS OCIO) (LB 1014)	Fed	10,000,000	5,000,000	0	0
#33-Game and Parks Commission						
337	Applications Lead Developer	Cash	0	100,000	100,000	100,000
337	Web-based Permit/Licensing System	Cash	600,000	1,200,000	1,200,000	1,200,000
550	Funding for develop/improvements national rail-trail route (LB 813)	Cash	0	8,300,000	0	0
#46-Dept of Correctional Services						
200	NSP Security Camera Systems	Gen	4,000,000	0	0	0
200	Presumed Payroll (Cares Act)	Gen	(23,000,000)	0	0	0
214	Additional funding, community corrections programs (LB 1111)	Cash	0	4,300,000	4,300,000	4,300,000
214	Grants, skilled labor and trades mentoring (LB 1197)	Cash	0	500,000	500,000	500,000
200	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	20,262,543	0	0	0
200	LB 896 Program evaluation, Nebr Treatment & Corrections Act	Gen	0	52,200	37,900	37,900
214	ARPA - Public Health and Safety Premium Pay (LB 1014)	Fed	132,921	0	0	0
#48-Postsecondary Coordinating Commission						
697	ARPA - Community College: Workforce Development (LB 1014)	Fed	25,000,000	35,000,000	0	0

	Fund	Enacted 2022 Session		Est for Following Biennium		
		FY2021-22	FY2022-23	FY2023-24	FY2024-25	
#50-State Colleges						
48	ARPA - State Colleges Facility & Equipment Upgrades (LB 1014)	Fed	0	8,000,000	0	0
48	LB 902 Adopt the Nebraska Career Scholarship Act	Gen	0	50,000	50,000	50,000
#51-University of Nebraska						
781	ARPA - DHHS & University, behavioral health care services (LB 1014)	Fed	0	25,500,000	0	0
781	ARPA - University for an updated climate change report (LB 1014)	Fed	0	150,000	0	0
781	LB 1068 Changes, Behavioral Health Education Center (BHECN)	Fed	0	1,000,000	0	0
781	LB 792 Rural Health Complex operating expenses	Gen	0	500,000	9,000,000	15,000,000
781	LB 1068 Changes, Behavioral Health Education Center (BHECN)	Gen	0	2,600,000	2,600,000	2,600,000
#53-Real Property Appraisers Board						
79	Reclassification of NRPAB Position	Cash	2,614	3,010	3,010	3,010
#54-Historical Society						
648	Retirees Leave Payouts	Gen	158,508	0	0	0
648	Retirees Leave Payouts	Cash	16,282	0	0	0
#65-Administrative Services						
171	LB 1037 Evaluation of the state's procurement practices	Gen	0	400,000	0	0
173	Revolving fund impact, Child Welfare ESA shift to oper	Rev	539,017	668,100	668,100	668,100
180	Revolving fund impact, Child Welfare ESA shift to oper	Rev	237,500	570,000	570,000	570,000
560	Revolving fund impact, Child Welfare ESA shift to oper	Rev	208,333	500,000	500,000	500,000
594	Appropriation - Risk Management - State Insurance	Gen	1,476	0	0	0
536	State Claims - Misc (LB927)	Gen	0	0	0	0
536	State Claims - Misc (LB927)	Cash	0	0	0	0
591	State Claims - Tort (LB927)	Gen	0	0	0	0
560	ARPA - request- Wyuka Cemetary Stormwater Project ((LB 1014)	Fed	0	1,800,000	0	0
560	LB 750 Multiple DMV changes, Title Act, Registration Act, License Act	Rev	0	375,000	750,000	750,000
605	Increase PSL and Appropriation-Personnel Program	Rev	1,076,500	1,076,500	1,076,500	1,076,500
606	Dependent Community College Scholarships	Cash	500,000	1,000,000	1,000,000	1,000,000

		Enacted 2022 Session		Est for Following Biennium		
Fund		FY2021-22	FY2022-23	FY2023-24	FY2024-25	
#69-Arts Council						
329	One-Time Retirement Pay-Out	Gen	0	41,946	0	0
#72-Dept of Economic Development						
601	Lead based paint hazard control (LB 722)	Cash	0	250,000	0	0
601	Nebraska Rural Projects Act (LB 788)	Cash	0	50,000,000	0	0
601	Rural Workforce Housing fund (LB 1071) aid	Cash	0	29,785,330	0	0
601	Rural Workforce Housing fund (LB 1071) oper	Cash	0	214,670	214,670	214,670
601	Middle Income Housing fund (LB 1252) aid	Cash	0	19,788,150	0	0
601	Middle Income Housing fund (LB 1252) oper	Cash	0	211,850	0	0
601	ARPA - Workforce Housing (LB 1014)	Fed	21,500,000	18,000,000	0	0
601	ARPA - Qualified census tract grants (LB 1014)	Fed	0	0	0	0
603	US Strategic Command facility (LB 1232)	Cash	0	20,000,000	0	0
603	Intern Nebraska Cash Fund (LB 1167)	Cash	0	20,000,000	0	0
603	LB 450 Nebraska Innovation Hub Act	Cash	0	11,000	11,000	11,000
603	LB 977 Funds for DED, expanding electrical system capabilities	Cash	0	15,000,000	0	0
603	ARPA - Meat Processing Plant Grant (LB 1014)	Fed	0	20,000,000	0	0
603	ARPA - Healthcare Facility Capacity Expansion (LB 1014)	Fed	10,000,000	30,000,000	0	0
603	ARPA - Shovel-Ready Capital Projects (LB 1014)	Fed	50,000,000	50,000,000	0	0
603	ARPA - Site and Building Development (LB 1014)	Fed	0	0	0	0
603	ARPA - North 24th Street Project (LB 1014)	Fed	0	0	0	0
603	ARPA - Commercial Real Estate Assistance (LB 1014)	Fed	0	0	0	0
603	ARPA - Grants for international competitions in Nebraska (LB 1014)	Fed	500,000	0	0	0
603	ARPA - DED, feasibility study relating to nuclear reactors (LB 1014)	Fed	0	1,000,000	0	0
603	LB 450 Nebraska Innovation Hub Act oper	Gen	0	769,190	785,950	785,950
603	LB 450 Nebraska Innovation Hub Act aid	Gen	0	4,230,810	4,214,050	4,214,050
611	LB 1024 Economic Recovery Act	Cash	0	55,000,000	0	0
611	LB 1024 Economic Recovery Act	Fed	1,000,000	2,500,000	0	0
611	LB 1024 Economic Recovery Act	Fed	0	246,500,000	0	0
611	LB 1024 Economic Recovery Act	Fed	0	128,740,178	0	0
611	LB 1024 Economic Recovery Act	Fed	0	3,074,000	0	0
611	LB 1024 Economic Recovery Act	Gen	0	10,000,000	0	0

	Fund	Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
#74-Power Review Board					
72 LB 804 Change compensation, Power Review Board	Cash	0	15,000	15,000	15,000
#75-Investment Council					
610 Increased legal fees	Cash	0	100,000	0	0
#76-Commission on Indian Affairs					
584 In-grade pay increase, Admin Program Officer	Gen	0	11,745	11,745	11,745
#78-Crime Commission					
199 LB 1241 Law enforcement training, cert, Attraction & Retention Act oper	Gen	0	290,231	155,231	155,231
199 LB 1241 Law enforcement training, cert, Attraction & Retention Act aid	Gen	0	4,789,769	4,844,769	4,844,769
#82-Deaf/Hard of Hearing					
578 ARPA - Rural in-person interpreting and legal communication access (LB 1014)		Fed	0	500,000	0
#83-Community Colleges					
151 ARPA - Aid to Community Colleges for dual enrollment (LB 1014)		Fed	0	15,000,000	0
#84-Dept of Environment and Energy					
513 LB 1102 Nebraska Environmental Response Act	Cash	0	300,000	0	0
513 LB 809 Changes, CWSRF/DWSRF loan forgiveness, 404 program	Gen	0	720,527	953,468	953,468
523 ARPA - State Fair Sewer Upgrades (LB 1014)	Fed	0	20,000,000	0	0
528 ARPA - Grants for reverse osmosis systems (LB 1014)	Fed	0	4,000,000	0	0
528 ARPA - Drinking Water Projects (LB 1014)	Fed	1,000,000	6,000,000	0	0
#85-Public Employees Retirement Board					
515 Statutory Contribution - School 2%	Gen	0	738,533	738,533	738,533
515 Statutory Contribution - OPS service annuity	Gen	0	503,111	503,111	503,111
515 Actuarially required contribution - Judges plan	Gen	0	(1,299,463)	(1,299,463)	(1,299,463)
515 Actuarially required contribution - State Patrol plan	Gen	0	(947,020)	(947,020)	(947,020)

	Fund	Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
#89-Hemp Commission					
408	Insufficient cash funds, Hemp Commission	Gen	Transfer \$5,000, Noxious Weed0		0
Capital Construction Projects					
900	DHHS - YRTC Kearney project (LB 792)	NCCF	0	15,580,000	0
938	Vets Affairs - State Veterans Cemetery Construction	Cash	750,000	0	0
938	Vets Affairs - State Veterans Cemetery Construction	Fed	6,750,000	0	0
990	Military - Bellevue Readiness Center Construction, state match	NCCF	0	7,600,000	0
913	Military - Phase 2 HVAC & Interior Remodel	Fed	0	201,800	0
913	Military - Phase 2 HVAC & Interior Remodel	Rev	0	201,800	0
992	Military - Readiness Centers' Backup Generator Construction	Fed	0	457,500	0
992	Military - Readiness Centers' Backup Generator Construction	NCCF	0	457,500	0
927	Military - State-Federal Cost Share Projects	Fed	0	1,418,850	0
927	Military - State-Federal Cost Share Projects	NCCF	0	534,950	0
967	Game & Parks - New Cabins at Mahoney State Park	Cash	1,750,000	0	0
965	Game & Parks - Water Recreation Enhancement Fund (STARWARS)	Cash	0	100,000,000	0
901	Game & Parks - ARPA - Wastewater System Projects (LB 1014)	Fed	0	8,100,000	0
900	Corrections - Security System Upgrades (fund shift)	Gen	0	(1,250,000)	0
900	Corrections - Security System Upgrades (fund shift NCCF)	NCCF	0	1,250,000	0
900	Corrections - Capital Infrastructure and Maintenance (fund shift)	Gen	0	(2,000,000)	0
900	Corrections - Capital Infrastructure and Maintenance (fund shift NCCF)	NCCF	0	2,000,000	0
928	Corrections - Mental Health Beds (NCCF)	NCCF	0	4,000,000	0
900	University - agricultural innovation facility, Innovation Campus (LB703)	NCCF	0	25,000,000	0
900	University - ARPA - Rural Health Complex (LB 1014)	Fed	10,000,000	50,000,000	0
991	NETC - KUON-TV Transmitter replacement	NCCF	0	800,000	0
904	State Patrol - Crime Lab Expansion	NCCF	0	16,879,209	0
900	DAS - Capitol HVAC Project, shortfall in funding	Gen	0	0	16,000,000
922	DAS - Capitol HVAC Funding , fund shift	Gen	0	(11,000,000)	0
922	DAS - Capitol HVAC Funding , fund shift (NCCF)	NCCF	0	11,000,000	0
903	Crim Comm - ARPA - Law Enforcement Training Center (LB 1014)	Fed	47,700,000	0	0

	Fund	Enacted 2022 Session		Est for Following Biennium	
		FY2021-22	FY2022-23	FY2023-24	FY2024-25
All Agencies					
-- Salary costs, revised NAPE, FOP agreement	Gen	491,138	62,473,686	62,473,686	62,473,686
-- Salary costs, revised NAPE, FOP agreement	Cash	1,304,784	4,693,203	4,693,203	4,693,203
-- Salary costs, revised NAPE, FOP agreement	Fed	4,018,746	7,341,333	7,341,333	7,341,333
-- Salary costs, revised NAPE, FOP agreement	Rev	1,683,609	3,195,850	3,195,850	3,195,850
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General Funds	Gen	(6,721,304)	149,466,030	187,853,379	199,131,261
Cash Funds	Cash	(15,743,688)	561,291,485	3,161,040	3,161,040
Federal Funds	Fed	640,708,141	1,336,333,012	477,327,960	471,331,149
Revolving Funds	Rev	3,802,150	6,499,881	6,874,881	6,874,881
Nebraska Capital Construction Fund	NCCF	0	85,303,459	0	0
Total		622,045,299	2,138,893,867	675,217,260	680,498,331
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REAPPROPRIATE FY21 BALANCES					
DHHS - Prog 348 Medicaid	Gen	55,277,781	0	0	0
DHHS - Prog 524 Child Welfare	Gen	19,986,519	0	0	0
Total Lapsed Reappropriations	Gen	75,264,300	0	0	0

Appendix B

General Fund Appropriations by Agency

			FY2020-21	FY2021-22			FY2022-23			Change over Prior Year (excludes deficits)			
			Without deficits	Enacted	2022	Revised	Enacted	2022	Revised	FY22	FY22	FY23\$	FY23
				Session	Deficits	Per 2022	Session	Changes	Session	\$ Change	% Change	Change	% Change
#03	Legislative Council	Oper	21,749,920	24,392,007	2,000,000	26,392,007	23,726,018	316,780	24,042,798	2,642,087	12.1%	(349,209)	-1.4%
#03	Legislative Council	Total	21,749,920	24,392,007	2,000,000	26,392,007	23,726,018	316,780	24,042,798	2,642,087	12.1%	(349,209)	-1.4%
#05	Supreme Court	Aid	500,000	0	0	0	0	270,000	270,000	(500,000)	-100.0%	270,000	na
#05	Supreme Court	Oper	200,285,673	195,926,634	2,000,000	197,926,634	201,236,223	3,120,850	204,357,073	(4,359,039)	-2.2%	8,430,439	4.3%
#05	Supreme Court	Total	200,785,673	195,926,634	2,000,000	197,926,634	201,236,223	3,390,850	204,627,073	(4,859,039)	-2.4%	8,700,439	4.4%
#07	Governor	Oper	2,102,805	2,143,709	0	2,143,709	2,284,666	26,310	2,310,976	40,904	1.9%	167,267	7.8%
#07	Governor	Total	2,102,805	2,143,709	0	2,143,709	2,284,666	26,310	2,310,976	40,904	1.9%	167,267	7.8%
#08	Lt. Governor	Oper	152,437	153,885	0	153,885	155,386	1,036	156,422	1,448	0.9%	2,537	1.6%
#08	Lt. Governor	Total	152,437	153,885	0	153,885	155,386	1,036	156,422	1,448	0.9%	2,537	1.6%
#09	Secretary of State	Oper	2,316,283	2,102,092	0	2,102,092	2,114,064	12,851	2,126,915	(214,191)	-9.2%	24,823	1.2%
#09	Secretary of State	Total	2,316,283	2,102,092	0	2,102,092	2,114,064	12,851	2,126,915	(214,191)	-9.2%	24,823	1.2%
#10	State Auditor	Oper	2,641,806	3,002,686	0	3,002,686	3,089,202	42,938	3,132,140	360,880	13.7%	129,454	4.3%
#10	State Auditor	Total	2,641,806	3,002,686	0	3,002,686	3,089,202	42,938	3,132,140	360,880	13.7%	129,454	4.3%
#11	Attorney General	Oper	6,606,854	7,028,044	0	7,028,044	7,152,081	204,909	7,356,990	421,190	6.4%	328,946	4.7%
#11	Attorney General	Total	6,606,854	7,028,044	0	7,028,044	7,152,081	204,909	7,356,990	421,190	6.4%	328,946	4.7%
#12	State Treasurer	Aid	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	na	0	0.0%
#12	State Treasurer	Oper	1,171,439	1,191,803	0	1,191,803	1,219,495	7,060	1,226,555	20,364	1.7%	34,752	2.9%
#12	State Treasurer	Total	1,171,439	3,191,803	0	3,191,803	3,219,495	7,060	3,226,555	2,020,364	172.5%	34,752	1.1%
#13	Education	Aid	1,283,030,307	1,280,001,022	(137,471)	1,279,863,551	1,306,559,111	4,546,275	1,311,105,386	(3,029,285)	-0.2%	31,104,364	2.4%
#13	Education	Oper	26,389,318	28,755,175	1,649,668	30,404,843	28,959,778	1,285,518	30,245,296	2,365,857	9.0%	1,490,121	5.2%
#13	Education	Total	1,309,419,625	1,308,756,197	1,512,197	1,310,268,394	1,335,518,889	5,831,793	1,341,350,682	(663,428)	-0.1%	32,594,485	2.5%
#14	Public Service Comm	Aid	0	19,782,208	0	19,782,208	19,795,788	0	19,795,788	19,782,208	na	13,580	0.1%
#14	Public Service Comm	Oper	2,269,242	2,323,576	186,092	2,509,668	2,347,479	203,250	2,550,729	54,334	2.4%	227,153	9.8%
#14	Public Service Comm	Total	2,269,242	22,105,784	186,092	22,291,876	22,143,267	203,250	22,346,517	19,836,542	874.1%	240,733	1.1%
#15	Parole Board	Oper	8,124,998	8,275,381	14,093	8,289,474	8,384,972	17,930	8,402,902	150,383	1.9%	127,521	1.5%
#15	Parole Board	Total	8,124,998	8,275,381	14,093	8,289,474	8,384,972	17,930	8,402,902	150,383	1.9%	127,521	1.5%
#16	Revenue	Aid	101,100,000	104,300,000	7,900,000	112,200,000	109,600,000	11,700,000	121,300,000	3,200,000	3.2%	17,000,000	16.3%
#16	Revenue	Oper	28,992,188	28,848,741	0	28,848,741	29,046,325	1,175,834	30,222,159	(143,447)	-0.5%	1,373,418	4.8%

			FY2020-21	FY2021-22			FY2022-23			Change over Prior Year (excludes deficits)			
			Without deficits	Enacted	2022	Revised	Enacted	2022	Revised	FY22	FY22	FY23\$	FY23
				2021	Deficits	Per 2022	2021	Changes	Per 2022	\$ Change	% Change	Change	% Change
		Session	Session	Session	Session	Session	Session	Session					
#16	Revenue	Total	130,092,188	133,148,741	7,900,000	141,048,741	138,646,325	12,875,834	151,522,159	3,056,553	2.3%	18,373,418	13.8%
#18	Agriculture	Aid	706,000	1,006,000	0	1,006,000	1,006,000	0	1,006,000	300,000	42.5%	0	0.0%
#18	Agriculture	Oper	5,799,169	5,968,902	0	5,968,902	6,087,864	1,058,724	7,146,588	169,733	2.9%	1,177,686	19.7%
#18	Agriculture	Total	6,505,169	6,974,902	0	6,974,902	7,093,864	1,058,724	8,152,588	469,733	7.2%	1,177,686	16.9%
#21	Fire Marshal	Oper	4,345,277	4,398,528	0	4,398,528	4,518,975	38,999	4,557,974	53,251	1.2%	159,446	3.6%
#21	Fire Marshal	Total	4,345,277	4,398,528	0	4,398,528	4,518,975	38,999	4,557,974	53,251	1.2%	159,446	3.6%
#23	Labor	Oper	657,218	669,565	0	669,565	677,533	3,137	680,670	12,347	1.9%	11,105	1.7%
#23	Labor	Total	657,218	669,565	0	669,565	677,533	3,137	680,670	12,347	1.9%	11,105	1.7%
#25	DHHS	Aid	1,459,973,197	1,456,697,500	(7,000,000)	1,449,697,500	1,530,550,917	38,736,103	1,569,287,020	(3,275,697)	-0.2%	112,589,520	7.7%
#25	DHHS	Oper	251,533,219	252,746,312	7,029,285	259,775,597	255,796,626	36,088,398	291,885,024	1,213,093	0.5%	39,138,712	15.5%
#25	DHHS	Total	1,711,506,416	1,709,443,812	29,285	1,709,473,097	1,786,347,543	74,824,501	1,861,172,044	(2,062,604)	-0.1%	151,728,232	8.9%
#28	Veterans Affairs *	Oper	27,182,314	31,905,888	0	31,905,888	35,251,607	4,606,518	39,858,125	4,723,574	17.4%	7,952,237	24.9%
#28	Veterans Affairs	Total	27,182,314	31,905,888	0	31,905,888	35,251,607	4,606,518	39,858,125	4,723,574	17.4%	7,952,237	24.9%
#29	Natural Resources	Aid	1,806,112	1,806,112	0	1,806,112	1,806,112	0	1,806,112	0	0.0%	0	0.0%
#29	Natural Resources	Oper	10,577,369	11,020,779	0	11,020,779	10,972,796	338,473	11,311,269	443,410	4.2%	290,490	2.6%
#29	Natural Resources	Total	12,383,481	12,826,891	0	12,826,891	12,778,908	338,473	13,117,381	443,410	3.6%	290,490	2.3%
#31	Military Dept	Aid	60,959,583	5,852,793	0	5,852,793	5,852,793	0	5,852,793	(55,106,790)	-90.4%	0	0.0%
#31	Military Dept	Oper	4,549,812	4,559,110	22,794	4,581,904	4,598,988	51,098	4,650,086	9,298	0.2%	90,976	2.0%
#31	Military Dept	Total	65,509,395	10,411,903	22,794	10,434,697	10,451,781	51,098	10,502,879	(55,097,492)	-84.1%	90,976	0.9%
#32	Ed Lands & Funds	Oper	376,041	423,928	0	423,928	432,506	4,461	436,967	47,887	12.7%	13,039	3.1%
#32	Ed Lands & Funds	Total	376,041	423,928	0	423,928	432,506	4,461	436,967	47,887	12.7%	13,039	3.1%
#33	Game & Parks	Aid	42,011	50,000	0	50,000	50,000	0	50,000	7,989	19.0%	0	0.0%
#33	Game & Parks	Oper	11,864,115	12,013,364	0	12,013,364	12,144,134	144,894	12,289,028	149,249	1.3%	275,664	2.3%
#33	Game & Parks	Total	11,906,126	12,063,364	0	12,063,364	12,194,134	144,894	12,339,028	157,238	1.3%	275,664	2.3%
#34	Library Commission	Aid	1,281,837	1,326,004	0	1,326,004	1,367,061	0	1,367,061	44,167	3.4%	41,057	3.1%
#34	Library Commission	Oper	2,668,610	2,738,491	93,079	2,831,570	2,760,852	145,731	2,906,583	69,881	2.6%	168,092	6.1%
#34	Library Commission	Total	3,950,447	4,064,495	93,079	4,157,574	4,127,913	145,731	4,273,644	114,048	2.9%	209,149	5.1%
#35	Liquor Control	Oper	1,398,509	2,134,727	0	2,134,727	1,837,835	9,963	1,847,798	736,218	52.6%	(286,929)	-13.4%
#35	Liquor Control	Total	1,398,509	2,134,727	0	2,134,727	1,837,835	9,963	1,847,798	736,218	52.6%	(286,929)	-13.4%
#46	Correctional Services	Aid	4,000,000	4,000,000	0	4,000,000	4,000,000	0	4,000,000	0	0.0%	0	0.0%
#46	Correctional Services	Oper	236,451,459	245,026,442	(18,926,817)	226,099,625	256,062,253	33,899,505	289,961,758	8,574,983	3.6%	44,935,316	18.3%
#46	Correctional Services	Total	240,451,459	249,026,442	(18,926,817)	230,099,625	260,062,253	33,899,505	293,961,758	8,574,983	3.6%	44,935,316	18.0%

			FY2020-21	FY2021-22			FY2022-23			Change over Prior Year (excludes deficits)			
			Without deficits	Enacted 2021 Session	2022 Deficits	Revised Per 2022 Session	Enacted 2021 Session	2022 Changes	Revised Per 2022 Session	FY22 \$ Change	FY22 % Change	FY23\$ Change	FY23 % Change
#47	NETC	Oper	10,338,327	10,557,035	0	10,557,035	10,749,685	26,169	10,775,854	218,708	2.1%	218,819	2.1%
#47	NETC	Total	10,338,327	10,557,035	0	10,557,035	10,749,685	26,169	10,775,854	218,708	2.1%	218,819	2.1%
#48	Coordinating Comm	Aid	8,693,430	8,843,430	0	8,843,430	9,093,430	0	9,093,430	150,000	1.7%	250,000	2.8%
#48	Coordinating Comm	Oper	1,357,959	1,380,876	0	1,380,876	1,406,407	16,994	1,423,401	22,917	1.7%	42,525	3.1%
#48	Coordinating Comm	Total	10,051,389	10,224,306	0	10,224,306	10,499,837	16,994	10,516,831	172,917	1.7%	292,525	2.9%
#50	State Colleges	Aid	1,000,000	2,000,000	0	2,000,000	3,000,000	50,000	3,050,000	1,000,000	100.0%	1,050,000	52.5%
#50	State Colleges	Oper	55,527,357	57,439,068	0	57,439,068	59,242,843	1,046,944	60,289,787	1,911,711	3.4%	2,850,719	5.0%
#50	State Colleges	Total	56,527,357	59,439,068	0	59,439,068	62,242,843	1,096,944	63,339,787	2,911,711	5.2%	3,900,719	6.6%
#51	University of Nebraska	Aid	2,000,000	4,000,000	0	4,000,000	6,000,000	0	6,000,000	2,000,000	100.0%	2,000,000	50.0%
#51	University of Nebraska	Oper	614,435,633	628,042,647	0	628,042,647	640,742,701	3,100,000	643,842,701	13,607,014	2.2%	15,800,054	2.5%
#51	University of Nebraska	Total	616,435,633	632,042,647	0	632,042,647	646,742,701	3,100,000	649,842,701	15,607,014	2.5%	17,800,054	2.8%
#54	Historical Society	Oper	4,628,669	5,918,936	193,418	6,112,354	5,255,877	83,073	5,338,950	1,290,267	27.9%	(579,986)	-9.8%
#54	Historical Society	Total	4,628,669	5,918,936	193,418	6,112,354	5,255,877	83,073	5,338,950	1,290,267	27.9%	(579,986)	-9.8%
#57	Oil & Gas Comm.	Oper	0	200,000	0	200,000	175,000	0	175,000	200,000	na	(25,000)	-12.5%
#57	Oil & Gas Comm.	Total	0	200,000	0	200,000	175,000	0	175,000	200,000	na	(25,000)	-12.5%
#64	State Patrol	Oper	64,448,023	67,522,904	33,113	67,556,017	69,750,430	532,240	70,282,670	3,074,881	4.8%	2,759,766	4.1%
#64	State Patrol	Total	64,448,023	67,522,904	33,113	67,556,017	69,750,430	532,240	70,282,670	3,074,881	4.8%	2,759,766	4.1%
#65	Admin Services (DAS)	Oper	10,064,974	9,004,450	86,683	9,091,133	9,104,328	567,371	9,671,699	(1,060,524)	-10.5%	667,249	7.4%
#65	Admin Services (DAS)	Total	10,064,974	9,004,450	86,683	9,091,133	9,104,328	567,371	9,671,699	(1,060,524)	-10.5%	667,249	7.4%
#67	Equal Opportunity	Oper	1,287,346	1,317,833	0	1,317,833	1,339,731	18,439	1,358,170	30,487	2.4%	40,337	3.1%
#67	Equal Opportunity	Total	1,287,346	1,317,833	0	1,317,833	1,339,731	18,439	1,358,170	30,487	2.4%	40,337	3.1%
#68	Latino American Comm.	Oper	262,746	268,285	0	268,285	272,560	1,026	273,586	5,539	2.1%	5,301	2.0%
#68	Latino American Comm.	Total	262,746	268,285	0	268,285	272,560	1,026	273,586	5,539	2.1%	5,301	2.0%
#69	Arts Council	Aid	905,346	1,905,346	0	1,905,346	9,405,346	0	9,405,346	1,000,000	110.5%	7,500,000	393.6%
#69	Arts Council	Oper	625,007	637,900	0	637,900	647,851	48,855	696,706	12,893	2.1%	58,806	9.2%
#69	Arts Council	Total	1,530,353	2,543,246	0	2,543,246	10,053,197	48,855	10,102,052	1,012,893	66.2%	7,558,806	297.2%
#70	Foster Care Review	Aid	0	500,000	0	500,000	500,000	0	500,000	500,000	na	0	0.0%
#70	Foster Care Review	Oper	1,981,200	2,023,269	134,759	2,158,028	2,052,496	213,655	2,266,151	42,069	2.1%	242,882	12.0%
#70	Foster Care Review	Total	1,981,200	2,523,269	134,759	2,658,028	2,552,496	213,655	2,766,151	542,069	27.4%	242,882	9.6%
#72	Economic Development	Aid	7,720,352	22,735,982	0	22,735,982	25,916,812	14,230,810	40,147,622	15,015,630	194.5%	17,411,640	76.6%
#72	Economic Development	Oper	6,082,223	7,705,602	0	7,705,602	7,480,820	823,588	8,304,408	1,623,379	26.7%	598,806	7.8%
#72	Economic Development	Total	13,802,575	30,441,584	0	30,441,584	33,397,632	15,054,398	48,452,030	16,639,009	120.6%	18,010,446	59.2%

		FY2020-21	FY2021-22			FY2022-23			Change over Prior Year (excludes deficits)				
		Without deficits	Enacted 2021 Session	2022 Deficits	Revised Per 2022 Session	Enacted 2021 Session	2022 Changes	Revised Per 2022 Session	FY22 \$ Change	FY22 % Change	FY23\$ Change	FY23 % Change	
#76	Indian Affairs Commission	Oper	241,161	246,647	0	246,647	251,013	13,186	264,199	5,486	2.3%	17,552	7.1%
#76	Indian Affairs Commission	Total	241,161	246,647	0	246,647	251,013	13,186	264,199	5,486	2.3%	17,552	7.1%
#77	Industrial Relations	Oper	309,318	307,421	0	307,421	311,233	2,598	313,831	(1,897)	-0.6%	6,410	2.1%
#77	Industrial Relations	Total	309,318	307,421	0	307,421	311,233	2,598	313,831	(1,897)	-0.6%	6,410	2.1%
#78	Crime Commission	Aid	7,766,036	7,516,036	0	7,516,036	7,516,036	4,789,769	12,305,805	(250,000)	-3.2%	4,789,769	63.7%
#78	Crime Commission	Oper	5,103,302	5,704,954	0	5,704,954	5,806,638	311,783	6,118,421	601,652	11.8%	413,467	7.2%
#78	Crime Commission	Total	12,869,338	13,220,990	0	13,220,990	13,322,674	5,101,552	18,424,226	351,652	2.7%	5,203,236	39.4%
#81	Blind & Visually Impaired	Aid	311,790	311,790	0	311,790	311,790	0	311,790	0	0.0%	0	0.0%
#81	Blind & Visually Impaired	Oper	1,634,396	1,707,350	0	1,707,350	1,758,197	3,479	1,761,676	72,954	4.5%	54,326	3.2%
#81	Blind & Visually Impaired	Total	1,946,186	2,019,140	0	2,019,140	2,069,987	3,479	2,073,466	72,954	3.7%	54,326	2.7%
#82	Deaf & Hard of Hearing	Oper	1,051,593	1,076,059	0	1,076,059	1,091,212	9,139	1,100,351	24,466	2.3%	24,292	2.3%
#82	Deaf & Hard of Hearing	Total	1,051,593	1,076,059	0	1,076,059	1,091,212	9,139	1,100,351	24,466	2.3%	24,292	2.3%
#83	Community Colleges	Aid	103,558,339	106,645,089	0	106,645,089	109,804,330	0	109,804,330	3,086,750	3.0%	3,159,241	3.0%
#83	Community Colleges	Total	103,558,339	106,645,089	0	106,645,089	109,804,330	0	109,804,330	3,086,750	3.0%	3,159,241	3.0%
#84	Environment & Energy	Aid	0	100,000	0	100,000	100,000	0	100,000	100,000	na	0	0.0%
#84	Environment & Energy	Oper	3,716,744	4,826,993	0	4,826,993	4,862,565	755,864	5,618,429	1,110,249	29.9%	791,436	16.4%
#84	Environment & Energy	Total	3,716,744	4,926,993	0	4,926,993	4,962,565	755,864	5,718,429	1,210,249	32.6%	791,436	16.1%
#85	Retirement Board	Oper	54,839,932	57,053,947	0	57,053,947	58,831,000	(1,004,839)	57,826,161	2,214,015	4.0%	772,214	1.4%
#85	Retirement Board	Total	54,839,932	57,053,947	0	57,053,947	58,831,000	(1,004,839)	57,826,161	2,214,015	4.0%	772,214	1.4%
#87	Account/Disclosure	Oper	618,170	599,805	0	599,805	610,912	7,945	618,857	(18,365)	-3.0%	19,052	3.2%
#87	Account/Disclosure	Total	618,170	599,805	0	599,805	610,912	7,945	618,857	(18,365)	-3.0%	19,052	3.2%
#90	African American Affairs	Oper	127,500	258,762	0	258,762	262,599	0	262,599	131,262	103.0%	3,837	1.5%
#90	African American Affairs	Total	127,500	258,762	0	258,762	262,599	0	262,599	131,262	103.0%	3,837	1.5%
#93	Tax Equal/Review Comm	Oper	899,242	917,072	0	917,072	935,331	10,220	945,551	17,830	2.0%	28,479	3.1%
#93	Tax Equal/Review Comm	Total	899,242	917,072	0	917,072	935,331	10,220	945,551	17,830	2.0%	28,479	3.1%
---	Construction-	Total	38,625,661	41,526,176	0	41,526,176	38,171,610	(14,250,000)	23,921,610	2,900,515	7.5%	(17,604,566)	-42.4%
OPERATIONS			1,699,786,897	1,742,467,584	(5,483,833)	1,736,983,751	1,783,799,087	89,393,073	1,873,192,160	42,680,687	2.5%	130,724,576	7.5%
STATE AID			3,045,354,340	3,031,379,312	762,529	3,032,141,841	3,154,235,526	74,322,957	3,228,558,483	(13,975,028)	-0.5%	197,179,171	6.5%
CONSTRUCTION			38,625,661	41,526,176	0	41,526,176	38,171,610	(14,250,000)	23,921,610	2,900,515	7.5%	(17,604,566)	-42.4%
TOTAL GENERAL FUNDS			4,783,766,898	4,815,373,072	(4,721,304)	4,810,651,768	4,976,206,223	149,466,030	5,125,672,253	31,606,174	0.7%	310,299,181	6.4%

Appendix C

General Fund Appropriations by State Aid Program

		FY2020-21 w/o Deficits	FY2021-22			FY2022-23			Change over Prior Year (exclude deficits)			
			Per 2021 Session	2022 Deficits	Revised 2022 Session	Per 2021 Session	2022 Change	Revised 2022 Session	FY22 \$ Change	FY22 % Chng	FY23 \$ Change	FY23 % Chng
Courts	Court Appointed Special Advocate	500,000	0	0	0	0	0	0	(500,000)	-100.0%	0	na
Courts	Dispute resolution	0	0	0	0	0	270,000	270,000	0	na	270,000	na
Treasurer	Aid to Counties	0	2,000,000	0	2,000,000	2,000,000	0	2,000,000	2,000,000	na	0	0.0%
Education	Teach in Nebraska Today Program	0	0	0	0	0	5,000,000	5,000,000	0	na	5,000,000	na
Education	TEEOSA State Aid to Education	1,022,555,859	1,014,915,776	(137,471)	1,014,778,305	1,039,139,959	(453,725)	1,038,686,234	(7,777,554)	-0.8%	23,907,929	2.4%
Education	Special Education	231,079,770	233,390,568	0	233,390,568	235,724,474	0	235,724,474	2,310,798	1.0%	2,333,906	1.0%
Education	Aid to ESU's	13,613,976	13,613,976	0	13,613,976	13,613,976	0	13,613,976	0	0.0%	0	0.0%
Education	High ability learner programs	2,342,962	2,342,962	0	2,342,962	2,342,962	0	2,342,962	0	0.0%	0	0.0%
Education	Early Childhood grant program	3,619,357	3,619,357	0	3,619,357	3,619,357	0	3,619,357	0	0.0%	0	0.0%
Education	Early Childhood Endowment	5,000,000	7,500,000	0	7,500,000	7,500,000	0	7,500,000	2,500,000	50.0%	0	0.0%
Education	Nurturing Healthy Behaviors	400,000	400,000	0	400,000	400,000	0	400,000	0	0.0%	0	0.0%
Education	School Lunch	392,032	392,032	0	392,032	392,032	0	392,032	0	0.0%	0	0.0%
Education	Textbook loan program	465,500	1,465,500	0	1,465,500	1,465,500	0	1,465,500	1,000,000	214.8%	0	0.0%
Education	School Breakfast reimbursement	617,898	617,898	0	617,898	617,898	0	617,898	0	0.0%	0	0.0%
Education	Adult Education	214,664	214,664	0	214,664	214,664	0	214,664	0	0.0%	0	0.0%
Education	Learning Communities Aid	470,000	470,000	0	470,000	470,000	0	470,000	0	0.0%	0	0.0%
Education	Summer Food Service grants	90,000	90,000	0	90,000	90,000	0	90,000	0	0.0%	0	0.0%
Education	High School Equivalency Assistance	750,000	750,000	0	750,000	750,000	0	750,000	0	0.0%	0	0.0%
Education	Step Up Quality Child Care - Scholarships	100,000	100,000	0	100,000	100,000	0	100,000	0	0.0%	0	0.0%
Education	Step Up Quality Child Care - Bonuses	69,000	69,000	0	69,000	69,000	0	69,000	0	0.0%	0	0.0%
Education	Vocational Rehabilitation	1,249,289	49,289	0	49,289	49,289	0	49,289	(1,200,000)	-96.1%	0	0.0%
Public Service	Nebr Broadband Bridge Act	0	19,782,208	0	19,782,208	19,795,788	0	19,795,788	19,782,208	na	13,580	0.1%
Revenue	Homestead Exemption	101,100,000	104,300,000	7,900,000	112,200,000	109,600,000	11,700,000	121,300,000	11,100,000	11.0%	9,100,000	8.1%
Agriculture	Riparian Vegetation grants	706,000	706,000	0	706,000	706,000	0	706,000	0	0.0%	0	0.0%
Agriculture	Nebraska AgrAbility program	0	300,000	0	300,000	300,000	0	300,000	300,000	na	0	0.0%
DHHS	Behavioral Health Aid	72,206,614	77,956,716	0	77,956,716	80,505,211	(6,194,049)	74,311,162	5,750,102	8.0%	(3,645,554)	-4.7%
DHHS	Medical student assistance/RHOP	680,723	2,180,723	0	2,180,723	2,180,723	0	2,180,723	1,500,000	220.4%	0	0.0%
DHHS	Children's Health Insurance (SCHIP)	23,778,754	23,275,936	0	23,275,936	26,433,262	0	26,433,262	(502,818)	-2.1%	3,157,326	13.6%
DHHS	Public Assistance	86,756,257	87,950,162	0	87,950,162	89,156,005	0	89,156,005	1,193,905	1.4%	1,205,843	1.4%
DHHS	Medicaid	921,250,222	899,933,133	0	899,933,133	951,835,510	39,817,508	991,653,018	(21,317,089)	-2.3%	91,719,885	10.2%
DHHS	Child Welfare aid	172,174,830	178,071,265	(7,000,000)	171,071,265	181,510,159	(1,790,855)	179,719,304	(1,103,565)	-0.6%	8,648,039	5.1%

		FY2020-21 w/o Deficits	FY2021-22			FY2022-23			Change over Prior Year (exclude deficits)			
			Per 2021 Session	2022 Deficits	Revised 2022 Session	Per 2021 Session	2022 Change	Revised 2022 Session	FY22 \$ Change	FY22 % Chng	FY23 \$ Change	FY23 % Chng
DHHS	Youth in Transition aid	0	1,281,202	0	1,281,202	1,281,202	0	1,281,202	1,281,202	na	0	0.0%
DHHS	Developmental disabilities aid	157,255,751	157,634,528	0	157,634,528	167,735,010	6,903,499	174,638,509	378,777	0.2%	17,003,981	10.8%
DHHS	Community health centers	7,783,060	9,814,060	0	9,814,060	11,314,060	0	11,314,060	2,031,000	26.1%	1,500,000	15.3%
DHHS	Health Aid	6,364,407	6,877,196	0	6,877,196	6,877,196	0	6,877,196	512,789	8.1%	0	0.0%
DHHS	Care Management	2,315,560	2,315,560	0	2,315,560	2,315,560	0	2,315,560	0	0.0%	0	0.0%
DHHS	Area agencies on aging	9,407,019	9,407,019	0	9,407,019	9,407,019	0	9,407,019	0	0.0%	0	0.0%
Nat Resources	Nebr Water Conservation Fund	1,806,112	1,806,112	0	1,806,112	1,806,112	0	1,806,112	0	0.0%	0	0.0%
Military Dept	Governors Emergency Program	60,240,974	5,000,000	0	5,000,000	5,000,000	0	5,000,000	(55,240,974)	-91.7%	0	0.0%
Military Dept	Guard tuition assistance	718,609	852,793	0	852,793	852,793	0	852,793	134,184	18.7%	0	0.0%
Game & Parks	Niobrara Council	42,011	50,000	0	50,000	50,000	0	50,000	7,989	19.0%	0	0.0%
Library Comm	Local libraries	1,281,837	1,326,004	0	1,326,004	1,367,061	0	1,367,061	44,167	3.4%	41,057	3.1%
Corrections	Vocational and Life Skills Program	4,000,000	4,000,000	0	4,000,000	4,000,000	0	4,000,000	0	0.0%	0	0.0%
Coord. Comm	Nebr Opportunity Grant Program	7,593,430	7,593,430	0	7,593,430	7,593,430	0	7,593,430	0	0.0%	0	0.0%
Coord. Comm	Access College Early Scholarship	1,100,000	1,250,000	0	1,250,000	1,500,000	0	1,500,000	150,000	13.6%	250,000	20.0%
St Colleges	Nebraska Career Scholarships	1,000,000	2,000,000	0	2,000,000	3,000,000	50,000	3,050,000	1,000,000	100.0%	1,050,000	52.5%
University	Nebraska Career Scholarships	2,000,000	4,000,000	0	4,000,000	6,000,000	0	6,000,000	2,000,000	100.0%	2,000,000	50.0%
Arts Council	Museum of Nebraska Arts assistance	0	0	0	0	7,500,000	0	7,500,000	0	na	7,500,000	na
Arts Council	Aid to arts programs	905,346	1,905,346	0	1,905,346	1,905,346	0	1,905,346	1,000,000	110.5%	0	0.0%
Foster Care	Court Appointed Special Advocate	0	500,000	0	500,000	500,000	0	500,000	500,000	na	0	0.0%
Econ Develop	State aid to development districts	700,000	1,000,000	0	1,000,000	1,000,000	0	1,000,000	300,000	42.9%	0	0.0%
Econ Develop	Nebraska Rural Projects Act	0	4,715,630	0	4,715,630	4,896,460	0	4,896,460	4,715,630	na	180,830	3.8%
Econ Develop	Business Innovation Act	6,020,352	14,020,352	0	14,020,352	15,020,352	4,230,810	19,251,162	8,000,000	132.9%	5,230,810	37.3%
Econ Develop	Nebraska Career Scholarships	1,000,000	3,000,000	0	3,000,000	5,000,000	0	5,000,000	2,000,000	200.0%	2,000,000	66.7%
Econ Develop	Economic Recovery Act grants	0	0	0	0	0	10,000,000	10,000,000	0	na	10,000,000	na
Crime Comm	Juvenile services grants	564,300	564,300	0	564,300	564,300	0	564,300	0	0.0%	0	0.0%
Crime Comm	Community Based Juvenile Services aid	6,048,000	5,798,000	0	5,798,000	5,798,000	0	5,798,000	(250,000)	-4.1%	0	0.0%
Crime Comm	Crimestoppers program	12,919	12,919	0	12,919	12,919	0	12,919	0	0.0%	0	0.0%
Crime Comm	County Justice Reinvestment Grants	480,000	480,000	0	480,000	480,000	0	480,000	0	0.0%	0	0.0%
Crime Comm	Attraction and Retention incentives	0	0	0	0	0	4,789,769	4,789,769	0	na	4,789,769	na
Crime Comm	Victim Witness assistance	50,457	50,457	0	50,457	50,457	0	50,457	0	0.0%	0	0.0%
Crime Comm	Crime Victims reparations	19,200	19,200	0	19,200	19,200	0	19,200	0	0.0%	0	0.0%
Crime Comm	Violence Prevention Grants	591,160	591,160	0	591,160	591,160	0	591,160	0	0.0%	0	0.0%

	FY2020-21 w/o Deficits	FY2021-22			FY2022-23			Change over Prior Year (exclude deficits)			
		Per 2021 Session	2022 Deficits	Revised 2022 Session	Per 2021 Session	2022 Change	Revised 2022 Session	FY22 \$ Change	FY22 % Chng	FY23 \$ Change	FY23 % Chng
Blind & Vis Imp Blind rehabilitation	311,790	311,790	0	311,790	311,790	0	311,790	0	0.0%	0	0.0%
Comm Colleges Aid to Community Colleges	103,558,339	106,645,089	0	106,645,089	109,804,330	0	109,804,330	3,086,750	3.0%	3,159,241	3.0%
Environ/Energy Energy assistance	0	100,000	0	100,000	100,000	0	100,000	100,000	na	0	0.0%
Individuals/Other Local Government	1,490,875,709 1,554,478,631	1,525,934,190 1,505,445,122	(7,000,000) 7,762,529	1,518,934,190 1,513,207,651	1,613,773,074 1,540,462,452	63,076,682 11,246,275	1,676,849,756 1,551,708,727	28,058,481 (41,270,980)	1.9% -2.7%	157,915,566 38,501,076	10.4% 2.5%
Total General Fund State Aid	3,045,354,340	3,031,379,312	762,529	3,032,141,841	3,154,235,526	74,322,957	3,228,558,483	(13,212,499)	-0.4%	196,416,642	6.5%

Appendix D

General Fund Spending Assumptions - Following Biennium

For the “following biennium” (FY2023-24 and FY2024-25), the budget numbers reflect the annualized impact of the 2021 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 the underlying law.

Table 23 Projected Budget Increases-Following Biennium
(includes on-going impact of 2022 budget actions)

<i>Dollar Changes from FY23 Base Year</i>	Annual % Change			Projected Increases	
	FY24	FY25	2 Yr Avg	FY2023-24	FY2024-25
FY2022-23 Base Appropriation				5,125,672,253	5,125,672,253
<u>Aid to Local Governments</u>					
Aid to K-12 Schools (TEEOSA GF only)	1.3%	4.4%	2.8%	13,026,034	59,478,512
Special Education	2.5%	2.5%	2.5%	5,893,112	11,933,551
Community Colleges	3.5%	3.5%	3.5%	3,843,152	7,820,813
Homestead Exemption	3.0%	3.0%	3.0%	3,639,000	7,387,170
Aid to ESU's	2.5%	2.5%	2.5%	353,980	716,809
Aid to Counties	--	--	--	(2,000,000)	(2,000,000)
Other (Aid-Local)	--	--	--	(351,003)	(712,531)
<u>Aid to Individuals / Other</u>					
Medicaid	4.7%	4.9%	4.8%	44,227,698	92,554,942
Public Assistance	3.5%	3.5%	3.5%	3,036,469	6,179,214
Child Welfare Aid	4.5%	7.7%	6.1%	8,087,369	22,538,669
Developmental Disability aid	15.2%	4.9%	10.0%	26,485,540	36,350,340
Behavioral Health aid	24.7%	2.5%	13.6%	18,357,779	20,674,503
Children's Health Insurance (SCHIP)	5.4%	5.3%	5.3%	1,414,497	2,892,646
Nebraska Career Scholarships	42.9%	0.0%	21.4%	6,000,000	6,000,000
Economic Recovery Act (LB1024-2022)	--	--	--	(10,000,000)	(10,000,000)
All Other (Aid-Ind)	--	--	--	368,406	(2,496,679)
<u>Agency Operations</u>					
Employee Salaries - State Agencies	3.0%	2.9%	3.0%	19,412,971	39,311,267
Employee Health Insurance - State Agencies	6.0%	6.0%	6.0%	6,116,753	12,600,511
University/Colleges increased funding	3.8%	3.8%	3.8%	35,116,397	68,592,221
Operations increase - State Agencies	2.0%	2.0%	2.0%	3,144,636	6,352,165
Juvenile Services - Courts	2.5%	2.5%	2.5%	1,223,585	2,477,760
Inmate per diem costs (Corrections)	3.0%	3.0%	3.0%	1,384,455	2,810,443
Staffing / population costs / medical (Corrections)	--	--	--	3,722,530	7,445,060
Retirement (defined benefit plans)	--	--	--	2,100,000	2,100,000
All Other (Oper)	--	--	--	(2,031,481)	(692,905)
<u>Construction</u>	93.7%	-14.9%	39.4%	22,415,119	15,503,544
Total General Fund Increases (Biennial Basis)	4.2%	3.8%	4.0%	214,970,237	415,801,265
Projected Appropriation per Financial Status				5,340,642,490	5,541,473,518

Aid to Local Governments

State Aid to Schools (TEEOSA) The estimates for FY24 and FY25 are based on the same methodology utilized for the November 15 estimates required under current law for the proposed biennial budget but with Fiscal Office assumptions and should be considered Fiscal Office estimates. The estimates reflect a growth in overall school aid of 1.3% in FY24 and 4.3% in FY25. This is based on a 3.5% per year estimate in school spending and a valuation growth of 4.0% in FY24 per DPAD estimate and 2.4% in FY25.

Special Education Increases for FY24 and FY25 reflect a 2.5% per year increase. Although statute allows for a growth up to 5% the 2.5% is equal to the basic allowable growth rate under the K-12 school spending limitation and TEEOSA calculations.

Aid to Community Colleges For the following biennium, a 3.5% per year annual increase is included reflecting increased state aid to support operations budget increases. This increase amounts to about a \$3.9 million per year increase.

Homestead Exemption A 3% per year annual increase is included for the following biennium budget reflecting some level of inflationary increases.

Aid to ESU's The amount of aid to ESU's is based on funding of a certain level of core services and technology infrastructure. Growth in aid is set at the same rate as the basic allowable growth rate under the K-12 school spending limitation (2.5% per year).

Aid to Individuals

Medicaid For the following biennium, the average growth is 4.5% per year. This reflects projected growth of 2.0% per year for population client eligibility and utilization and 2.5% per year for provider rates. This estimate also assumes no change in the federal match rate.

Public Assistance A basic growth rate of 3.5% per year is utilized for the various Public Assistance programs for the following biennium. This reflects no growth for population client eligibility and utilization and 2.5% per year for provider rates and 5% for child care rates.

Child Welfare A basic growth rate of 4.5% per year is utilized for the various Child Welfare programs for the following biennium. This reflects a 2% per year growth for population client eligibility and utilization and 2.5% per year for provider rates. Also included is a \$6 million increase in FY25 for annualizing the use of ARPA funds for provider rates.

Children's Health Insurance (CHIP) For the following biennium, a 4.5% per year increase is used which is the same as Medicaid.

Developmental Disability Aid A 4% per year increase is included. This provides the equivalent of 2.5% per year for rate equity similar to the employee salary assumption and 1.5% for clients transitioning from K-12 programs. As this projected budget assumes no expanded programs, nothing is assumed for funding of the waiting list. In addition, there is a large \$19.5 million base increase to restore funding for the one-time use of carryover funds in FY23.

Behavioral Health Aid. This area includes substance abuse and mental health aid. The increases in the following biennium reflect a 2.5% increase to reflect some annual increase in provider rates. In addition, there is a large \$16.5 million base increase to restore funding for the one-time use of carryover funds in FY23.

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 enacted budget included this proposal with funding provided for the current biennium at \$8 million in FY22, \$12 million in FY23 with intent to increase to \$16 million in FY24. In the 2021 session funds were included under DED for students attending a private, not for profit university or college in the state; \$1 million in FY22, \$2 million in FY23, and intent to increase to \$4 million in FY24.

Economic Recovery Act (LB1024-2022) included a one-time \$10 million appropriation in FY22-23. This is then deleted going forward into the next biennium.

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 2.5% per year increase is included which approximates inflation prior to the latest data. In addition \$3 million is added each year to cover the costs of the Protective Services 2020 contract which provides for a \$1 per hour increase step plan, employees can move up a step each year for seven years.

Employee Health Insurance For planning purposes, a 6% per year increase in health insurance is included for the following biennium, similar to the prior biennium.

University and State Colleges Funding Although shown as a separate item, 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. Also included is funding to annualize two bills passed in 2022; LB792 Rural Health Complex which had a cost of \$500,000 FY23 \$9,000,000 FY24, \$15,000,000 FY25 and LB1068 Behavioral Health \$2,600,000 each year starting in FY23-24.

Operations Inflation Included in the projected status is a general 2% increase in agency non-personnel operating costs. Although not provided as an across the board increase, this amount 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 3% per year increase is included to reflect both

DCS Staffing and Operations The amount shown in FY24-25 is the projected amounts to fully annualize the operating costs of the two new high security housing units at the Reception and Treatment Center in Lincoln.

Defined Benefit Retirement Plans The increase in funding for the defined benefit retirement plans for FY24 and FY25 reflects about a 2.5% increase in the 2% of pay contribution in the school plan.

Capital Construction General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the enacted FY22/FY23 biennial budget. These are dollar amounts needed to complete funding of previously approved projects. The large increase in FY24 reflect the replacement of using NCCF monies in FY23 for the State Capitol HVAC project.