

State of Nebraska

FY2019-20 and FY2020-21

Biennial Budget



**As Revised in the
2020 Legislative Session**

Prepared by the Legislative Fiscal Office
September 2020

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Highlights

General Fund Financial Status

The financial status for the current biennium (FY20 / FY21) as compared to Sine Die of the 2019 Legislative Session has been a fluid situation with 2020 being a tale of two sessions.

First 43 Days

At Sine Die of the 2019 legislative session, the variance from the minimum General Fund reserve (commonly referred to as the surplus or shortfall) was estimated to be only \$.2 million. From that point until the suspension of the 2020 legislative session, the current financial status is \$133.8

million. However, there have been a large number of changes, both positive and negative

The cause of this improvement was mostly attributed to increases in General Fund revenues.

Actual and projected revenues increased by \$537.4 million since Sine Die 2019. Actual receipts for FY2018-19 were \$131.4 million above forecast. In October 2019, the FY19-20 and FY20-21 forecasts were revised by the Nebraska Economic Forecast Advisory Board (NEFAB) by a total of \$266.0 million; \$160.9 million in FY19-20 and \$105.1 million in FY20-21. And on February 28, 2020 the NEFAB increased their forecasts again, \$115 million in FY19-20 and \$25 million in FY20-21

Changes in the Financial Status – Current Biennium				
Millions of Dollars	FY19	FY20	FY21	Total
Variance - Sine Die 2019 Session				0.2
Change in actual receipts & revised forecasts	131.4	275.9	130.1	537.4
"Above certified" actual & forecast to CRF-automatic	0.0	(131.4)	(275.9)	(407.3)
Lapse of FY19 unexpended funds	0.0	74.3	0.0	74.3
Exclude allocation for deficits	0.0	5.0	0.0	5.0
Change in Minimum Reserve, accounting adjustment	(2.6)	0.0	(12.0)	(14.6)
2020 State Claims (LB 927)	0.0	(0.9)	0.0	(0.9)
Lapse excess FY19 reappropriation (mostly Courts)	0.0	10.7	0.0	10.7
Committee - Governors Emergency Program	0.0	(55.2)	0.0	(55.2)
Committee - All Other GF Changes (net)	0.0	(8.2)	(6.2)	(2.0)
Transfer-Out Critical Infrastructure Facilities	0.0	(3.8)	0.0	(3.8)
Transfer-Out Rural Workforce Housing Investment Fund	0.0	0.0	(10.0)	(10.0)
Variance - Committee Proposed Budget (suspended session)				133.8
FY20 Actual vs Est Net Receipts - Baseline revenues	0.0	14.8	0.0	14.8
FY20 Actual vs Est Net Receipts -Income tax filing date	0.0	(280.0)	0.0	(280.0)
FY20 Actual vs Est CRF auto transfers (\$10.6 vs \$275.9)	0.0	0.0	265.2	265.2
FY20 Actual vs Est Accounting adjustment	0.0	(3.9)	0.0	(3.9)
Revenue Forecasts (July 2020) - Baseline	0.0	0.0	(204.4)	(204.4)
Revenue Forecasts (July 2020) - Income tax filing date	0.0	0.0	280.0	280.0
Revenue Forecasts (July 2020) - CARES Act tax impact	0.0	0.0	(125.6)	(125.6)
Revenue bills enacted - Revenues	0.0	0.0	(135.0)	(135.0)
Revenue bills enacted - CRF transfer (LB1107)	0.0	0.0	30.0	30.0
Change in Minimum Reserve	0.0	0.0	4.6	4.6
Increase state claims (LB827)	0.0	0.0	(0.4)	(0.4)
Change in carryover obligations from FY18-19 & 19-20	0.0	7.5	1.2	8.7
Shift budget actions to FY20-21 (lapses)	0.0	(10.7)	19.6	8.9
Shift budget actions to FY20-21 (appropriations)	0.0	63.4	(71.2)	(7.8)
A Bills enacted - All Other	0.0	0.0	(2.7)	(2.7)
A Bills enacted - repeal Personal Property Tax Relief (LB1107)	0.0	0.0	14.8	14.8
Sine Die 2020 Session 8/13/20				0.9

For expenditure items, a positive number indicates lower expenditures which are a positive addition to the variance from the minimum reserve.

However the FY18-19 and FY19-20 additional revenues were considered “above the certified forecast” and under current law are required to be transferred to the Cash Reserve Fund, a total of \$407.3. This consisted of the \$131.4 million that FY18-19 exceeded forecast, and \$275.9 million from the increase in forecast for FY20-21, \$160.9 from the October 2019 revised forecast and \$115 million from the revised February 2020 forecast.

Available funds were further enhanced by expiration and lapse of \$74 million of unexpended funds from the FY18/FY19 biennium.

The Appropriations Committee proposed budget included adjustments amounting to \$57.2 million over the two year period. Cost of the 2019 flood damage accounts for \$55.2 million of this net change. A more detailed breakdown of all the General Fund changes can be found starting on page 38. And, there was a positive structural balance of \$155 million when comparing on-going appropriations and on-going revenues.

The projected financial status for the **following biennium** showed a balance \$442.9 million above the minimum reserve. Revenue growth (rate and base adjusted) in the next biennium was projected at 3.6% per year average using the capped historical average methodology (see page 24). This methodology is used in the absence of an official forecast. This is slightly below the historical average in light of the 4.5% average of the preceding three years.

Last 17 Days

On March 12 the Legislature suspended the 2020 legislative session due to the COVID-19 outbreak. They returned for three days, March 23-25, to enact LB1198 which used \$86 million from the Cash Reserve Fund to provide funding to address the COVID-19 outbreak. The session was again suspended with the last 17 days of the 2020 session held July 20 through August 13.

During this time there were several impacts on revenues including actual data for FY2019-20, shift of income tax from FY20 to FY21 due to extension of the income filing deadline from April to July, tax implications of the federal CARES Act enacted in March, and a special July meeting of the Nebraska Economic Forecasting Advisory Board to take into consideration the revenue impact of the COVID-19 outbreak.

On a positive note, the decline in baseline revenues and CARES Act tax impacts were covered by amounts that had previously been considered “above forecast” and were to be transferred to the Cash Reserve Fund (CRF). The impact was basically absorbed by the CRF and not the General Fund.

One unusual situation was the fact that deficit appropriations that had originally been proposed for FY2019-20 had to be shifted into FY2020-21 as FY2019-20 was completed in the middle of the suspended session.

The major budget item that occurred in the last 17 days was enactment of LB1107 which contained the ImagiNE Nebraska Act, Key Employer and Jobs Retention Act, Renewable Chemical Production Tax Credit Act, Customized Job Training Act, Nebraska Transformational Projects Act, and Nebraska Property Tax Incentive Act.

The financial status for the **following biennium** is now projected at a negative -\$787.4 million above the minimum reserve.

Revenue growth (rate and base adjusted) in the next biennium is projected at 2.5% per year average using the average LFO and NDR forecast using IHS Econometrics data. This is \$550 million less than the historical average method which yielded a 5.4% average growth using the capped historical average methodology (see page 24).

Calculation of the projected budget for the following biennium is shown on page 16. The projected budget increases are based on historical increases for specific areas and existing law in particular the TEEOSA school aid formula. The net result of the item by item calculation is an overall spending growth of 2.3% in FY21-22, 4.2% in FY22-23 for a two year average of 3.2%. These calculations include the annualized impacts of 2020 budget actions.

General Fund Revenues

FY2018-19 and FY2019-20 revenues are actual receipts for those two fiscal years. The only Nebraska Economic Forecast Advisory Board (NEFAB) July 2020 revenue estimate for FY2020-21. At their July 2020 meeting, the NEFAB had to incorporate several unusual occurrences into the FY2020-21 forecast. First is the extension of the income tax filing date from April to July 2020. This shifted \$280 million from FY2019-20 into FY2020-21 based on the latest estimate. Furthermore, since the previous NEFAB forecast, Congress enacted the CARES Act in March 2020. This act included multiple impacts on General Fund revenues resulting in a revenue loss of \$125.6 million in FY2020-21, \$67.1 million in FY2021-22, and \$57.3 million in FY2022-23. Rate and base adjusted revenue growth is 4.8% in FY19-20 and -3.0% in FY20-21, an average growth of 0.9%.

Historically for the following biennium or what's commonly referred to as the "out years", the preliminary estimates for FY2021-22 and FY2022-23 are prepared by the Legislative Fiscal Office (LFO) using the "capped" historical average methodology. This methodology has been successful when the "out years" are 3 to 4 years in advance of the first forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB) and reflects the cyclical nature of our revenue stream which sometimes is not reflected in mid to longer term years in the national models.

In the current situation with the extension of the legislative session into August, the first NEFAB forecasts for the years in the following biennium are only 2 months away. For planning purposes it was deemed more appropriate to use Dept. of Revenue and Legislative Fiscal Office tax model forecasts for those two years at this time because this is what will be presented to the NEFAB in October. Using the average LFO and NDR forecast using IHS Econometrics data, revenue growth would be 0.7% in FY21-22 and 4.3% in FY22-23 for a two year average of 2.5% percent. This is \$550 million less than the historical average method which yielded a 5.4% average growth.

General Fund Budget Adjustments

The General Fund budget adjustments made in the 2020 session amount to a net \$57.2 million change in FY2020-21 of which \$55.2 million relates to the 2019 flood damage. In addition there was a reduction in reappropriation of prior year unexpended funds amounting to \$19.6 million. These do not change the appropriation amounts but add to unobligated beginning General Fund balance.

A more detailed listing of the most significant General Fund adjustments is shown on page 50 while a complete listing is included in Appendix A.

One unusual situation was the fact that deficit appropriations that normally would have been funded in FY2019-20 had to be shifted into FY2020-21 as FY2019-20 was completed in the middle of the suspended session and prior to enactment of the final budget. The following table shows the total FY2020-21 budget adjustments broken down by what would normally have been FY20 deficits and what would normally have been FY20-21 adjustments.

2020 Budget Adjustments (General Funds)	FY19-20 Deficit Shifted to FY21	FY2020-21 Adjustments	Total FY2020-21
Military Dept - Governors Emergency Program, 2019 flood damage	55,240,974	0	55,240,974
Revenue-Adjust Homestead Exemption to actual under current law	4,100,000	5,000,000	9,100,000
Corrections - Pay Increases for Protective Services Staff	2,300,000	5,700,000	8,000,000
DHHS-Lincoln Reg Cntr, ligature risk mitigation CMS accreditation	5,600,000	1,600,000	7,200,000
DHHS - Increased costs, need to utilize staffing agencies (Lincoln & Norfolk)	0	5,000,000	5,000,000
DHHS - Completed ICAP assessments, DD waiver services	0	4,943,181	4,943,181
DHHS - Increase certain behavioral health provider rates (LB 1100)	0	4,140,249	4,140,249
NU+Colleges+DED - Nebraska Career Scholarships	0	4,000,000	4,000,000
DHHS - Increase developmental disability provider rates (LB 827)	0	3,730,149	3,730,149
DHHS - Higher DD waiver Sec 83-1216 priority1 individuals	0	3,689,017	3,689,017
Construction - DAS - Capitol HVAC Project, cash flow	0	3,500,000	3,500,000
Revenue+DED - LB 1107 ImagiNE Act et al (administrative costs)	0	2,412,405	2,412,405
Construction - DAS - Capitol Dome long term repair	1,766,200	0	1,766,200
DHHS - Increase funding, aid to local public health departments (LB 1018)	0	1,500,000	1,500,000
DAS - LB 927 State Claims	1,292,243	0	1,292,243
DHHS - Additional General Fund support, Area Agencies on Aging	0	1,262,878	1,262,878
Courts - Problem solving courts (LB 1017 mental health, LB 1097 young adults)	0	1,095,675	1,095,675
Corrections - Workforce development partnership with PSC	0	1,011,631	1,011,631
Comm Colleges - Increased aid for dual enrollment (LB 894)	0	1,000,000	1,000,000
Coord Comm - Increase funding, Opportunity Grant Program (LB 1050)	0	1,000,000	1,000,000
DHHS - Child Welfare savings, new eastern service area contract	0	(27,000,000)	(27,000,000)
Education - TEEOSA state aid, to NDE calculated per current law	0	(20,300,839)	(20,300,839)
Revenue - LB 1107 ImagiNE Act et al (eliminate Pers Prop Tax Credit)	0	(14,800,000)	(14,800,000)
DHHS-realign appropriation with current spend rates (aid+oper)	0	(8,600,000)	(8,600,000)
All Other (net)	596,989	3,471,942	4,068,931
Total Change in General Fund New Appropriations	70,896,406	(16,643,712)	54,252,694
<u>Reduce Prior Year Reappropriations</u>			
Courts - Prog 437 Juvenile Justice	(10,000,000)	0	(10,000,000)
DAS - Prog 685 Capital Commission	(701,601)	0	(701,601)
TEEOSA state aid, to NDE calculated per current law	0	(319,400)	(319,400)
DHHS Operations, realign the appropriation level with current spend rates	0	(1,600,000)	(1,600,000)
SCHIP, realign the appropriation level with current spend rates	0	(2,000,000)	(2,000,000)
Public Assistance, realign the appropriation level with current spend rates	0	(4,000,000)	(4,000,000)
Child Welfare savings, new eastern service area contract		\$6m Prog 33	
BSDC, realign the appropriation level with current spend rates	0	(1,000,000)	(1,000,000)
Reduce reappropriation of prior year unexpended funds	(10,701,601)	(8,919,400)	(19,621,001)

Cash Reserve Fund

At the end of the 2019 legislative session, the unobligated balance was projected at \$322.4 million based on an estimated \$45 million transfer related to the April Nebraska Economic Forecast Advisory Board (NEFAB) forecast for FY2018-19 being above the certified amount. The projected unobligated balance increased to \$455.2 million when FY2018-19 actual receipts were \$132.9 million above the April forecast.

The balance was projected to increase to \$731 million with the revised forecasts in October 2020 (+\$160.9 million) and February 2020 (+115.0 million) and then decline back to \$647.5 million due to using \$83.6 million to help cover costs related to the COVID-19 pandemic.

During the break in the legislative session, FY19-20 was completed and the actual receipts were \$10 million above the certified forecast but \$275 million below the amount projected in February and presumed to be going to the CRF resulting in a transfer that was \$265 million the prior projected balance. Most of this was due to the extension of the income tax filing date from April to July which shifted an estimated \$280 million from FY19-20 into FY20-21. The final changes were a transfer of \$60 million of unused COVID-19 funds back to the CRF and then \$30 million back to the General Fund to assist in covering the first year costs of LB1107.

The following table summarizes the chronology of the Cash Reserve Fund from the end of the 2019 session to the end of the 2020 session. A more detailed discussion of the Cash Reserve Fund is provided on page **Error! Bookmark not defined..**

	Transfers FY19-20	Transfers FY20-21	CRF Balance
Sine Die 2019 Session (May 31, 2019)			322.3
FY19 actual receipts above certified forecast	132.9	0.0	455.2
October 2019 forecast "above certified"	0.0	160.9	616.1
February 2020 forecast "above certified"	0.0	115.0	731.1
LB 1198—Transfer for COVID-19 outbreak costs	(83.6)	0.0	647.5
FY20 actual receipts below February 2020 forecast	0.0	(265.2)	382.2
Unused LB 1198 COVID-19 funds back to CRF	0.0	60.0	442.2
LB1007, CRF transfer to assist paying 1st year costs	0.0	(30.0)	412.2
Sine Die 2020 Session 8/13/20			412.2

Legislation Enacted

LB 153 changed taxation of military retirement benefits. It ends the current, elective exclusion for military retirees and replaced it with a 50% exclusion for all military retirement benefits, to the extent included in federal AGI, beginning with taxable years beginning on or after January 1, 2022. Due to the operative date there is no impact on FY20-21 but a revenue loss estimated at \$5.4 million in FY21-22 and \$13.3 million in FY22-23.

LB 1107 enacts four different business tax incentives including the ImagiNE Nebraska Act; and two other programs the Nebraska Transformational Projects Act and the Nebraska Property Tax Incentive Act. A more detailed explanation of the bill and related costs can be found starting on page 26.

The ImagiNE Nebraska Act is the state's primary business tax incentive program and replaces the Nebraska Advantage Act which expires on December 31, 2020

The Nebraska Transformational Projects Act provides up to \$300 million matching funds for a Nebraska postsecondary institutions with a college of medicine to apply for a federally awarded project. The institution must make an investment of \$1.6 billion, of which \$1 billion must be federal funding and \$300 million in private donations at which time the institution is entitled to matching funds of the remaining \$300 million from the state. While the bill doesn't specify a project, it's basically intended for the NExT project at the University of Nebraska Medical Center.

The Nebraska Property Tax Incentive Act provides a refundable income tax credit for property taxes paid to school districts 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. The credit is a percentage of taxes paid as determined by the Dept. of Revenue so that the total amount of credits is \$125 million for tax year 2020, minimum of \$125 million for tax years 2021 to 2023 (depending on state revenue growth) and increasing to a minimum of \$375 million in tax year 2024.

The bill also eliminates the Personal Property Tax Relief Act starting in tax year 2020 and transfers \$30 million from the Cash Reserve Fund to the General Fund to assist in covering the cost of the bill

General Fund Financial Status

General Fund Financial Status

End of 2020 Session (August 13, 2020)

	Actual FY2018-19	Actual FY2019-20	Current Biennium FY2020-21	Following Biennium FY2021-22	Following Biennium FY2022-23
1 BEGINNING BALANCE					
2 Beginning Cash Balance	453,601,627	736,509,690	710,599,887	289,839,313	(91,816,020)
3 Cash Reserve transfers-automatic	(61,995,773)	(176,378,178)	(10,655,528)	0	0
4 Carryover obligations from FY20	0	0	(360,847,221)	0	0
5 2020 Lapse FY20 reappropriations	0	0	19,620,001	0	0
6 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	391,605,854	560,131,512	353,717,139	284,839,313	(96,816,020)
8 REVENUES & TRANSFERS					
9 Net Receipts (Aug 2020 Recert + IHS Avg for out yrs)	4,893,772,504	4,935,872,284	5,125,000,000	4,942,610,000	5,155,391,000
10 General Fund transfers-out (current law)	(230,300,000)	(286,800,000)	(286,800,000)	(286,800,000)	(286,800,000)
11 General Fund transfers-in (current law)	in actual	in forecast	in forecast	0	0
12 Cash Reserve transfers (current law)	48,000,000	0	0	0	0
13 2020 Cash Reserve transfers (new)	0	0	0	0	0
14 2020 General Fund transfers-out	0	0	(13,800,000)	0	0
15 2020 General Fund transfers-in	0	0	500,000	0	0
16 2020 Revenue Bills	0	0	(105,010,928)	(140,639,230)	(187,431,561)
17 General Fund Net Revenues	4,711,472,504	4,649,072,284	4,719,889,072	4,515,170,770	4,681,159,439
18 APPROPRIATIONS					
19 Expenditures / Appropriations (2019 Session)	4,366,568,668	4,498,603,909	4,729,514,204	4,729,514,204	4,729,514,204
20 Projected budget increase, following biennium	0	0	0	238,512,852	441,530,580
21 2020 Midbiennium Adjustments	0	0	65,025,169	(64,498,258)	(63,421,732)
22 2020 State Claims (LB 927)	0	0	1,292,243	0	0
23 2020 "A" Bills	0	0	(12,064,718)	(11,702,695)	(12,115,289)
24 LB 1198 Additional funding, COVID-19 outbreak	0	cash fund	0	0	0
25 General Fund Appropriations	4,366,568,668	4,498,603,909	4,783,766,898	4,891,826,103	5,095,507,763
26 ENDING BALANCE					
27 \$ Ending balance (per Financial Status)	736,509,690	710,599,887	289,839,313	(91,816,020)	(511,164,345)
28 \$ Ending balance (at Min. Reserve 3.0%)			288,886,524		276,296,200
29 Excess (shortfall) from Minimum Reserve			952,789		(787,460,544)
30 Biennial Reserve (%)			3.0%		-5.1%
General Fund Appropriations					
31 Annual % Change - Appropriations (w/o deficits)	1.3%	3.8%	3.4%	2.3%	4.2%
32 Two Year Average	0.5%	--	3.6%	--	3.2%
General Fund Revenues					
33 Est. Revenue Growth (rate/base adjusted)	8.7%	4.8%	-3.0%	0.7%	4.3%
34 Two Year Average	6.6%	--	0.9%	--	2.5%
35 Five Year Average	4.0%	--	3.2%	--	3.1%
36 <u>On-Going Revenues vs Appropriations</u>	207,188,889	24,400,426	(93,877,826)	(376,655,333)	(414,348,324)

CASH RESERVE FUND	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Projected Unobligated Ending Balance	333,549,124	426,307,702	412,263,230	412,263,230	412,263,230

Chronology of the Financial Status

Sine Die 2019 Legislative Session

Going into the 2019 legislative session, the Legislature was faced with a projected financial status that was \$95 million below the minimum reserve. This was based on the October 2018 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 2019 legislative session, the originally enacted FY20/FY21 biennial budget yielded an unobligated ending balance that was \$0.2 million above the minimum reserve.

This \$95.3 million swing was accomplished through a combination of transfers from various cash funds (\$97.5 million) and an appropriation level \$131 million lower than estimated at the November TRR meeting partially offset by an increase in transfers to the Property Tax Credit program (\$102 million).

Impact on Variance from Min Reserve (Millions of Dollars)	2019 Legislative Session			
	FY17	FY18	FY19	Total
Revenue Forecasts (revised Feb 28, 2019)	(80.0)	(20.0)	(10.0)	(110.0)
"Above certified" forecast to CRF negated with lower forecast	0.0	69.3	0.0	69.3
Revenue Forecasts (revised April 25, 2019)	45.0	10.0	0.0	55.0
"Above certified" forecast to CRF negated with lower forecast	0.0	(43.5)	0.0	(43.5)
Revenue bills enacted	0.0	0.3	4.1	4.4
General Fund Transfers In	(1.5)	49.5	49.5	97.5
General Fund Transfers Out - Property Tax Credit	0.0	(51.0)	(51.0)	(102.0)
General Fund Transfers Out - Water Resources Cash	0.0	(3.3)	(3.3)	(6.6)
Change in Minimum Reserve	0.0	0.0	0.5	0.5
Subtotal - Revenue	(36.5)	11.3	(10.2)	(35.4)
DHHS - FMAP estimate for FFY21, March FFIS	0.0	0.0	31.5	31.5
Education - TEEOSA aid estimates vs Nov TRR	0.0	3.2	33.3	36.5
DHHS - Provider rates (2.5% vs request, DD and BH)	0.0	10.3	20.6	30.9
Education - SPED vs Nov TRR	0.0	3.4	6.9	10.3
DHHS - Economic eligibility system suspension	0.0	5.9	5.9	11.8
NU+Colleges - Salary and Health Insurance vs Nov TRR	0.0	2.9	5.9	8.7
DHHS - Medicaid, lower clawback	0.0	4.1	4.2	8.3
All - DAS Charges & Inflation	0.0	2.5	3.3	5.8
Nat Resource - eliminate new approp, resources dev fund	0.0	3.0	3.0	6.0
DHHS - Public Assistance base reduction	0.0	2.3	2.3	4.5
DHHS - Base reduction, Pub Assistance & Child Welfare	0.0	2.3	2.3	4.5
All - Salary and Health Insurance	0.0	0.2	2.1	2.3
Update Capitol HVAC cash flow	0.0	0.0	0.0	0.0
DCS - One-Time Cash Fund Appropriation Increase	0.0	4.2	0.0	4.2
DHHS - Medicaid: Health insurance provider fee (Prog. 348)	0.0	0.0	(15.5)	(15.5)
DHHS - Medicaid expansion (net) vs Nov TRR	0.0	8.9	(10.3)	(1.4)
A Bills enacted	0.0	(1.5)	(5.7)	(7.2)
DHHS -Long term care, base approp, inflation factor language (LB403)	0.0	(3.5)	(3.6)	(7.2)
DHHS - Rate increase, certain behavioral health providers (LB327)	0.0	(1.5)	(3.6)	(5.1)

(table continued)	FY19	FY20	FY21	Total
Courts - Increased funding for Problem Solving Courts	0.0	(2.5)	(2.5)	(5.0)
DHHS - Therapeutic foster care (\$2.3M per year)	0.0	(2.3)	(2.3)	(4.5)
Military - Governors Emergency program	0.0	(6.0)	(1.0)	(7.0)
DCS et al - Additional costs, FOP Protective Services settlement	0.0	(2.2)	(1.5)	(3.7)
University - Utilities	0.0	(0.9)	(1.9)	(2.8)
Education - voc rehabilitation services to persons on the waiting list	0.0	(1.2)	(1.2)	(2.4)
All other, net	0.0	(0.8)	4.5	3.7
Lapse FY19 reappropriation, lower encumb	19.0	8.5	0.0	27.5
Deficits & State Claims vs Nov TRR	(4.0)	0.0	0.0	(4.0)
Subtotal - Appropriations	15.0	39.3	76.5	130.7
Total Change – 2019 Legislative Session	(21.5)	50.6	66.3	95.3

2019 Interim

During the 2019 interim the General Fund financial status for the FY20/FY21 improved significantly from \$0.2 million to \$125.5 million above the minimum reserve.

At the July 2019 meeting of the Tax Rate Review Committee the status improved by a relatively small amount. Receipts for FY2018-19 were \$131.4 million above the forecast used at the end of the 2019 Legislative Session. However, this amount was all above the certified forecast and by law transferred to the Cash Reserve Fund. The amount of the minimum reserve increases by \$9.2 million due to a technical change in the calculation of the reserve attributed to assuming 100% expenditure of funds in FY19 at Sine Die versus less than 100% expenditure with FY19 data but offsetting carryover of unexpended appropriations at the start of the next year. The largest improvement in the status came from an estimate of lapsed FY19 appropriations. The certification of encumbrances is not completed until the end of August so at this point an estimated \$35 million of lapsed unexpended appropriations was used based on an evaluation of individual aid programs.

Impact on Variance from Min Reserve (Millions of Dollars)	FY2018-19 Actual Data			
	FY19	FY20	FY21	Total
FY19 Actual vs Est General Fund Net Receipts	131.4	0.0	0.0	131.4
FY19 Actual vs Est CRF transfers-automatic	0.0	(131.4)	0.0	(131.4)
FY19 Actual vs Est Accounting adjustment	(2.6)	0.0	0.0	(2.6)
Rounding on revenue numbers	0.0	(0.0)	(0.0)	(0.0)
Assumed lapse, FY19 unexpended	0.0	35.0	0.0	35.0
Change in Minimum Reserve	0.0	0.0	(9.2)	(9.2)
Total Change – FY2018-19 Actual Data	128.8	(96.4)	(9.2)	23.2

The status improved more significantly in October 2019 when the FY19-20 and FY20-21 forecasts were revised by the Nebraska Economic Forecast Advisory Board (NEFAB). At that meeting, revenue forecasts were increased by a total of \$266 million; \$160.9 million in FY19-20 and \$105.1 million in FY20-21. Because the FY2019-20 forecast had been certified in July, the \$160.9 million was considered as “above forecast” and assumed to be a transfer to the Cash Reserve Fund per statute.

Impact on Variance from Min Reserve (Millions of Dollars)	October 2019 Revenue Forecasts			
	FY19	FY20	FY21	Total
Revenue Forecasts (revised Oct 2019)	0.0	160.9	105.1	266.0
"Above certified" forecast to CRF	0.0	0.0	(160.9)	(160.9)
Change in Minimum Reserve	0.0	0.0	(3.1)	(3.1)
Total Change – Oct 2019 Forecast Revisions	0.0	160.9	(58.9)	102.0

In November 2019, the Tax Rate Review Committee met as required by law and an updated financial status was presented. Changes included a \$39.3 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 \$31.6 million over the two year period. A \$53 million increase in funding for Governors Emergency Fund due to the 2019 flood was partially offset by a \$33 million reduction in Child Welfare costs due to a new contract in the Eastern Service Area. At a statutory required November meeting, estimated amounts needed for TEEOSA school aid for the upcoming fiscal year were reduced by \$11.9 million relative the Sine Die 2019 estimated level which was included in the FY20-21 appropriations.

Impact on Variance from Min Reserve (Millions of Dollars)	Nov 2019 Tax Rate Review Committee			
	FY19	FY20	FY21	Total
Lapse of FY19 unexpended above July TRR est	0.0	39.3	0.0	39.3
Exclude allocation for deficits	0.0	5.0	0.0	5.0
Military - Governors Emergency Program, 2019 flood damage	0.0	53.0	0.0	53.0
DHHS - Higher costs, use staffing agencies (Lincoln & Norfolk)	0.0	5.0	5.0	10.0
DHHS - Lincoln Reg Center, ligature risk facility changes	0.0	5.6	0.0	5.6
DHHS - Completed ICAP assessments, DD waiver services	0.0	0.0	4.9	4.9
DHHS - Higher DD waiver Sec 83-1216 priority 1 individuals	0.0	0.0	3.7	3.7
DHHS - Lincoln Reg Center, temp staffing, ligature mitigation	0.0	3.2	0.0	3.2
DAS - Capitol Dome long term repair	0.0	1.8	0.0	1.8
Game/Parks - Additional conservation officers	0.0	0.3	0.3	0.7
NETC - Replace tower lighting system, KMNE Bassett	0.0	0.3	0.0	0.3
Game/Parks - Cowboy Trail, flood damage	0.0	0.2	0.0	0.2
Education - Retiree Vacation and Sick Leave Payout	0.0	0.1	0.0	0.1
Historical Society - Retiree leave payout	0.0	0.1	0.0	0.1
DHHS - Eastern Service contract rebasing, Child Welfare	0.0	(6.0)	(27.0)	(33.0)
DHHS - Public Assistance, reduce base, current spend rates	0.0	(4.0)	(4.0)	(8.0)
DHHS - SCHIP, reduce base, current spend rates	0.0	(2.0)	(2.0)	(4.0)
DHHS - DHHS Oper, reduce base, current spend rates	0.0	(1.6)	(1.6)	(3.2)
DHHS - BSDC, reduce base, current spend rates	0.0	(1.0)	(1.0)	(2.0)
DAS - Reduce GF and use excess carryover (Capital Comm)	0.0	(0.7)	0.0	(0.7)
Game/Parks - Reallocate funds, conservation officers	0.0	(0.3)	(0.3)	(0.7)
Education - TEEOSA state aid, FY20 certified difference	0.0	(0.3)	0.0	(0.3)
TEEOSA School Aid revisions (Oct 2019 joint meeting)	0.0	0.0	(11.9)	(11.9)
Total Change – Nov 2019 TRR Committee	0.0	(9.2)	10.1	0.8

2020 Legislative Session

The financial status fluctuated significantly during the 2020 legislative session. The session basically had two parts, the first 43 days in January to March and the last 17 days in July-August after the session was suspended four months due to the COVID-19 outbreak.

During the first 43 days, the financial status improved from \$126.3 million to \$133.8 million above the minimum reserve.

Revenue forecasts were increased by a total of \$140 million; \$115.0 million in FY19-20 and \$25.0 million in FY20-21. Similar to October 2019, the increase in the FY2019-20 forecast was considered as “above forecast” and assumed to be a transfer to the Cash Reserve Fund (CRF) per statute. This \$115 million plus the excess from the October forecast of \$160.9 million combined for and estimated \$276 million that was estimated to be transferred to the CRF. The small net increase in revenues was offset by two transfers-out; \$3.8 million for the Critical Infrastructure Facilities and \$10 million for the Rural Workforce Housing Investment Fund

The net change in appropriations consisted of a \$3.9 million addition to the Midbiennium adjustments included in the November 2019 TRR meeting. A \$32 million decline in the actual amount needed to fund TEEOSA relative to the October 2019 estimate allowed for the inclusion of several other large items such as Homestead Exemption and new Dept of Correctional Services salary plan.

Impact on Variance from Min Reserve (Millions of Dollars)	2020 Session – First 43 days			
	FY19	FY20	FY21	Total
Revenue Forecasts (revised Feb 2020)	0.0	115.0	25.0	140.0
"Above certified" forecast to CRF	0.0	0.0	(115.0)	(115.0)
GF Transfer In - interest income from Water Sustainability Fund	0.0	0.0	0.5	0.5
GF Transfer-Out Critical Infrastructure Facilities	0.0	(3.8)	0.0	(3.8)
GF Transfer Out - Rural Workforce Housing Investment Fund	0.0	0.0	(10.0)	(10.0)
Change in Minimum Reserve	0.0	0.0	(0.4)	(0.4)
Subtotal - Revenue Items	0.0	111.2	(99.9)	11.3
2020 State Claims (LB 927)	0.0	(0.9)	0.0	(0.9)
TEEOSA revisions (Jan 2020 NDE vs Oct 2019 est)	0.0	0.0	32.2	32.2
Lapse excess FY19 reapprop (mostly Courts)	0.0	10.7	0.0	10.7
Homestead Exemption deficit	0.0	(4.1)	(5.0)	(9.1)
DCS - New salary contract	0.0	(2.3)	(5.7)	(8.0)
DHHS-Increase behavioral health provider rates (LB 1100)	0.0	0.0	(4.1)	(4.1)
Colleges, University, DED - Nebraska Career Scholarships	0.0	0.0	(4.0)	(4.0)
DHHS-Increase develop disability provider rates (LB 827)	0.0	0.0	(3.7)	(3.7)
Construction-DAS - Capitol HVAC Project, cash flow	0.0	0.0	(3.5)	(3.5)
Governors Emerg Program, net change vs Nov TRR	0.0	(2.2)	0.0	(2.2)
DHHS-Increase funding, public health department aid (LB 1018)	0.0	0.0	(1.5)	(1.5)
DHHS-Increase funding, Area Agencies on Aging	0.0	0.0	(1.3)	(1.3)
Courts - Problem solving courts (mental health, young adults)	0.0	0.0	(1.1)	(1.1)
Comm Colleges-Increased aid for dual enrollment (LB 894)	0.0	0.0	(1.0)	(1.0)
Coord Comm-Increase funding, Opportunity Grant (LB 1050)	0.0	0.0	(1.0)	(1.0)
DCS - workforce development partnership with PSC	0.0	(0.5)	(0.5)	(1.0)
All Other appropriation changes	0.0	(0.7)	(3.6)	(4.3)
Subtotal - Appropriations Items	0.0	0.0	(3.9)	(3.9)
Total Change – First 43 days, 2020 Session	0.0	111.2	(103.8)	7.5

On March 12 the Legislature suspended the 2020 legislative session due to the COVID-19 outbreak. They returned for three days, March 23-25, to enact LB1198 which used \$86 million from the Cash Reserve Fund to provide funding to address the COVID-19 outbreak. The session was then again suspended with the last 17 days of the 2020 session held July 20 through August 13.

During this time there were several impacts on revenues including actual data for FY2019-20, shift of income tax from FY20 to FY21 due to extension of the income filing deadline from April to July, tax implications of the federal CARES Act enacted in March, and a special July meeting of the Nebraska Economic Forecasting Advisory Board to take into consideration the revenue impact of the COVID-19 outbreak.

On a positive note, the decline in baseline revenues and CARES Act tax impacts were covered by amounts that had previously been considered “above forecast” and were to be transferred to the Cash Reserve Fund (CRF). The impact was basically absorbed by the CRF and not the General Fund.

One unusual situation was the fact that deficit appropriations that had originally been proposed for FY2019-20 had to be shifted into FY2020-21 as FY2019-20 was completed in the middle of the suspended session.

The major budget item that occurred in the last 17 days was enactment of LB1107 which contained the ImagiNE Nebraska Act, Key Employer and Jobs Retention Act, Renewable Chemical Production Tax Credit Act, Customized Job Training Act, Nebraska Transformational Projects Act, and Nebraska Property Tax Incentive Act.

Impact on Variance from Min Reserve (Millions of Dollars)	2020 Session – Last 17 days			
	FY19	FY20	FY21	Total
FY20 Actual vs Est GF Revenue - Baseline revenues	0.0	14.8	0.0	14.8
FY20 Actual vs Est GF Revenue - Income tax filing date	0.0	(280.0)	0.0	(280.0)
FY20 Actual vs Est CRF transfers-automatic (\$10.6 vs \$275.9)	0.0	0.0	265.2	265.2
FY20 Actual vs Est Accounting adjustment	0.0	(3.9)	0.0	(3.9)
Revenue Forecasts (revised July 2020)-Baseline revenue	0.0	0.0	(204.4)	(204.4)
Revenue Forecasts (revised July 2020)-Income tax filing date	0.0	0.0	280.0	280.0
Revenue Forecasts (revised July 2020)-CARES Act tax impact	0.0	0.0	(125.6)	(125.6)
Revenue bills enacted - Revenues	0.0	0.0	(135.0)	(135.0)
Revenue bills enacted - CRF transfer	0.0	0.0	30.0	30.0
Change in Minimum Reserve	0.0	0.0	4.6	4.6
Subtotal - Revenue Items	0.0	(269.1)	114.9	(154.3)
Increase state claims	0.0	0.0	(0.4)	(0.4)
Change in carryover obligations from FY18-19 & 19-20	0.0	7.5	1.2	8.7
Shift budget actions to FY20-21 (lapses)	0.0	(10.7)	19.6	8.9
Shift budget actions to FY20-21 (appropriations)	0.0	63.4	(71.2)	(7.8)
A Bills enacted - All Other	0.0	0.0	(2.7)	(2.7)
A Bills enacted - repeal Personal Property Tax Relief (LB1107)	0.0	0.0	14.8	14.8
Subtotal - Appropriations Items	0.0	60.2	(50.8)	9.4
Total Change – Last 17 days, 2020 Session	0.0	(208.9)	64.0	(144.9)

Table 1 Chronology of the Financial Status

(Shows impact of individual Items and then the subsequent variance from the minimum reserve)

Millions of Dollars	Current Biennium			Following Biennium		
	FY19-20	FY20-21	3 Yr Total	FY21-22	FY22-23	5 Yr Total
Sine Die 2019 Session (May 31, 2019)			0.2			89.5
FY19 Actual receipts vs April 2019 Forecast	0.0	0.0	131.4	0.0	0.0	131.4
FY20 & FY21 Revenue Forecasts (revised Oct 2019)	160.9	105.1	266.0	48.9	0.0	314.9
"Above certified" actual & forecast to CRF-automatic	(131.4)	(160.9)	(292.3)	0.0	0.0	(292.3)
FY19 Actual vs Est Accounting adjustment	0.0	0.0	0.0	0.0	0.0	0.0
Lapse of FY19 unexpended funds	74.3	0.0	74.3	0.0	0.0	74.3
Exclude allocation for deficits	5.0	0.0	5.0	0.0	0.0	5.0
2020 Midbiennium Budget Adjustments (estimated)	(53.6)	22.0	(31.6)	22.0	22.0	12.3
TEEOSA School Aid revisions (Oct 2019 joint meeting)	0.0	(11.9)	(11.9)	40.0	48.5	76.6
Change in Minimum Reserve	0.0	(12.2)	(14.8)	0.0	6.8	(8.0)
November 2019 Tax Rate Review Committee			126.3			403.7
2020 State Claims (LB 927)	(0.8)	0.0	(0.8)	0.0	0.0	(0.8)
Lapse excess FY19 reappropri (mostly Courts)	10.7	0.0	10.7	0.0	0.0	10.7
Governors Emerg Program, net change	(2.2)	0.0	(2.2)	0.0	0.0	(2.2)
Homestead Exemption deficit	(4.1)	(5.0)	(9.1)	(5.0)	(5.0)	(19.1)
DCS - New salary contract	(2.3)	(5.7)	(8.0)	(8.7)	(11.7)	(28.4)
DCS - workforce development partnership with PSC	(0.5)	(0.5)	(1.0)	(0.7)	(1.0)	(2.7)
Colleges, University, DED - Nebraska Career Scholarships	0.0	(4.0)	(4.0)	(8.0)	(12.0)	(24.0)
TEEOSA revisions (Jan 2020 NDE vs Oct 2019 est)	0.0	32.2	32.2	41.0	37.9	111.1
All Other spending items	(0.7)	(0.3)	(1.0)	(0.3)	(0.3)	(1.6)
GF Transfer-Out Critical Infrastructure Facilities	(3.8)	0.0	(3.8)	0.0	0.0	(3.8)
Committee Preliminary Budget - 2020			139.3			442.9
Revenue Forecasts (revised Feb 2020)	115.0	25.0	140.0	25.0	0.0	165.0
"Above certified" forecast to CRF	0.0	(115.0)	(115.0)	0.0	0.0	(115.0)
Additional 2020 State Claims (LB 927)	(0.1)	0.0	(0.1)	0.0	0.0	(0.1)
GF Transfer In - interest income Water Sustainability Fund	0.0	0.5	0.5	0.0	0.0	0.5
GF Transfer Out - Rural Workforce Housing Investment Fund	0.0	(10.0)	(10.0)	0.0	0.0	(10.0)
DHHS-Certain behavioral health provider rates(LB 1100)	0.0	(4.1)	(4.1)	(4.1)	(4.1)	(12.4)
DHHS-developmental disability provider rates (LB 827)	0.0	(3.7)	(3.7)	(3.7)	(3.7)	(11.2)
Construction-DAS - Capitol HVAC Project, cash flow	0.0	(3.5)	(3.5)	1.4	2.1	0.0
DHHS-aid to local public health departments (LB 1018)	0.0	(1.5)	(1.5)	(1.5)	(1.5)	(4.5)
DHHS-Increase GF support, Area Agencies on Aging	0.0	(1.3)	(1.3)	(1.3)	(1.3)	(3.8)
Courts - Problem solving courts (mental health, young adults)	0.0	(1.1)	(1.1)	(1.1)	(1.1)	(3.3)
Comm Colleges-Increased aid for dual enrollment (LB 894)	0.0	(1.0)	(1.0)	(1.0)	(1.0)	(3.0)
Coord Comm-Opportunity Grant Program (LB 1050)	0.0	(1.0)	(1.0)	(1.0)	(1.0)	(3.0)
All Other appropriation changes	(0.0)	(3.3)	(3.3)	(3.3)	(3.3)	(9.9)
Change in Minimum Reserve	0.0	(0.4)	(0.4)	0.0	(0.7)	(1.0)
Committee Budget to the Floor - 2020			133.8			431.1
FY20 Actual vs Est General Fund Net Receipts	(265.2)	0.0	(265.2)	0.0	0.0	(265.2)
FY20 Actual vs Est CRF transfers-automatic	0.0	265.2	265.2	0.0	0.0	265.2
FY20 Actual vs Est Accounting adjustment	(3.9)	0.0	(3.9)	0.0	0.0	(3.9)
Shift budget actions to FY20-21 (lapses)	(10.7)	19.6	8.9	0.0	0.0	8.9
Shift budget actions to FY20-21 (appropriations)	63.4	(71.2)	(7.8)	0.0	0.0	(7.8)
Change in carryover obligations from FY18-19	7.5	0.0	7.5	0.0	0.0	7.5
Change in Minimum Reserve	0.0	0.1	0.1	0.0	(0.3)	(0.1)
With FY19-20 Actual Data, start of July Session			138.6			435.6

(table continued)	Current Biennium			Following Biennium		
	FY19-20	FY20-21	3 Yr Total	FY21-22	FY22-23	5 Yr Total
Revenue Forecasts (revised July 2020)	0.0	(50.0)	(50.0)	(421.4)	(392.6)	(864.0)
"Above certified" forecast to CRF	0.0	0.0	0.0	0.0	0.0	0.0
Change in Minimum Reserve	0.0	1.5	1.5	0.0	25.2	26.6
Post NEFAB Forecast 7/23/20			90.1			(401.8)
Increase state claims	0.0	(0.4)	(0.4)	0.0	0.0	(0.4)
Adjustment to carryover obligations	0.0	1.2	1.2	0.0	0.0	1.2
Revenue bills enacted	0.0	(105.0)	(105.0)	(140.6)	(187.4)	(433.1)
A Bills enacted	0.0	12.1	12.1	11.7	12.1	35.9
Update out year estimates	0.0	0.0	0.0	0.0	0.0	0.0
Rounding on revenue numbers	0.0	0.0	0.0	0.0	0.0	0.0
Change in Minimum Reserve	0.0	3.1	3.1	0.0	7.7	10.8
Sine Die 2020 Session 8/13/20			0.9			(787.4)

Assumptions - Following Biennium

The following area describes the assumptions used in developing an estimated financial status for the biennium following the current biennial budget. This “following biennium” will become the biennial budget that will be enacted during the 2021 legislative session. It is important to note that these estimates will be revised throughout the budget planning and development process before and during the 2021 legislative session.

Revenues

The Nebraska Economic Forecast Advisory Board (NEFAB) does not make official forecasts for the following biennium or what’s commonly referred to as the “out years”. Historically the revenue estimates used for the following biennium (FY21-22 and FY22-23) are prepared by the Legislative Fiscal Office (LFO) using the “capped” historical average methodology. This “smoothing” technique derives a revenue growth for the “out years” by calculating the level of revenues that would yield a five year average growth (FY18 to FY23) roughly equal to the historical average from FY81 to FY19 (4.75%) less .25% which is the projected impact of indexing the tax brackets as enacted in LB987 (2014). 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.

This methodology has been successful when the “out years” are 3 to 4 years in advance of the first forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB). This method is helpful in reflecting the cyclical nature of our revenue stream which sometimes is not reflected in mid to longer term years in the national models.

However in the current situation with the extension of the legislative session into August, the first NEFAB forecasts for the years in the following biennium are only 2 months away. For planning purposes it was deemed more appropriate to use Dept. of Revenue and Legislative Fiscal Office tax model forecasts for those two years at this time because this is what will be presented to the NEFAB in October. Using the average LFO and NDR forecast using IHS Econometrics data, the forecast would average 2.5%. Using the average LFO and NDR forecast using IHS Econometrics data, revenue growth would be 0.7% in FY21-22 and 4.3% in FY22-23 for a two year average of 2.5% percent. This is \$550 million less than the historical average method which yielded a 5.4% average growth.

Spending

For the “following biennium” (FY2019-20 and FY2020-21), the budget numbers reflect the annualized impact of the 2019 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 2 Projected Budget Increases-Following Biennium
(includes on-going impact of 2019 and 2020 budget actions)

<i>Dollar Changes from FY21 Base Year</i>	Annual % Change			Projected Increases	
	FY22	FY23	2 Yr Avg	FY2021-22	FY2022-23
FY2020-21 Base Appropriation				4,783,766,898	4,783,766,898
Aid to K-12 Schools (TEEOSA GF only)	2.3%	6.4%	4.3%	23,462,830	89,950,199
Special Education	2.5%	2.5%	2.5%	5,776,994	11,698,413
Community Colleges	3.5%	3.5%	3.5%	3,589,542	7,304,718
Homestead Exemption	-1.3%	2.8%	0.8%	(1,340,000)	1,502,800
Aid to ESU's	2.5%	2.5%	2.5%	353,980	716,809
Governor's Emergency program	--	--	--	(55,240,974)	(55,240,974)
Other (Aid-Local)				0	0
Medicaid	4.5%	4.5%	4.5%	39,414,347	80,485,630
Medicaid Expansion	42.3%	3.9%	23.1%	18,553,208	20,970,007
Public Assistance	3.7%	3.7%	3.7%	3,176,469	6,464,114
Child Welfare Aid	5.2%	5.2%	5.2%	8,951,617	18,306,057
Developmental Disability aid	3.7%	3.7%	3.7%	5,795,736	11,823,302
Behavioral Health aid	2.5%	2.5%	2.5%	1,799,888	3,644,774
Children's Health Insurance (SCHIP)	5.8%	5.7%	5.7%	1,373,726	2,809,270
Nebraska Career Scholarships	100.0%	50.0%	75.0%	4,000,000	8,000,000
Business Innovation Act	--	--	--	4,000,000	4,000,000
All Other (Aid-Ind)	0.0%	0.0%	0.0%	838,177	1,106,207
Employee Salaries - State Agencies	2.6%	3.0%	2.8%	14,590,292	31,827,842
Employee Health Insurance - State Agencies	6.0%	6.0%	6.0%	5,676,415	11,693,416
University/Colleges increased funding	3.7%	3.7%	3.7%	24,933,907	50,671,213
Operations increase - State Agencies	2.0%	2.0%	2.0%	3,043,448	6,147,765
Juvenile Services - Courts	2.5%	2.5%	2.5%	1,363,365	2,760,815
Inmate per diem costs (Corrections)	3.0%	3.0%	3.0%	1,384,455	2,810,443
Staffing / population costs / medical (Corrections)	--	--	--	0	3,722,530
Retirement (defined benefit plans)	--	--	--	1,000,000	2,100,000
All Other (Oper)				(1,705,313)	(1,512,250)
Capital Construction	-17.4%	-16.6%	-17.0%	(6,732,905)	(12,022,234)
Total General Fund Increases (Biennial Basis)	2.3%	4.2%	3.2%	108,059,206	311,740,865
Projected Appropriation per Financial Status				4,891,826,104	5,095,507,764

Aid to Local Governments

State Aid to Schools (TEEOSA) Estimates for FY22 and FY23 are Legislative Fiscal Office estimates used at Sine Die 2020. The estimates reflect a growth in overall school aid of 2.3% in FY22 and 6.4% in FY23. The above average growth in FY23 reflects a 4% per year estimate in school spending but low valuation growth of around 2% per year assuming a continued low growth in agricultural land valuations.

Special Education Increases for FY22 and FY23 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 \$3.6 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. The FY22 percentage is affected by excluding the FY19 deficit that had to be added to and paid in FY21.

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).

Governors Emergency Program The FY20-21 base appropriation included \$55.2 million that would normally have been a FY20 deficit and relates to the 2019 flooding damage. This is a one-time item in FY20-21 and is not continued into the next biennium.

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.

Medicaid Expansion The large growth in FY21-22 reflects annualizing to a full 12 months plus a continued ramp up of the expansion program.

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.

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.

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.

Business Innovation Act LB334 passed in the 2019 Session repealed Angel Investment Tax Credit Act and provided intent for the reallocation of the \$4 million per year which was saved due to repeal of the credits. For the first year funds are available, FY2020-21, the \$4 million was

allocated to the Governors Emergency program to assist in covering flood damage costs. And then starting in FY2021-22, the bill provided intent language that the \$4,000,000 previously allocated to the Angel Investment Tax Credit Act be allocated the Business Innovation Act in the Department of Economic Development.

Nebraska Career Scholarships 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). Funding for FY20-21 to a total of \$4 million with intent language that the program would increase to \$16 million in the fourth year.

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 and the current biennium funding. .

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.

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 items such as food, clothing, and medical care. A 3% per year increase is included.

DCS Staffing and Operations The amount shown in FY22-23 is the projected operating costs for the two new high security housing units at the Reception and Treatment Center in Lincoln. Completion of construction is estimated for November 2021 with projected operating costs estimated at \$3,722,530 per year.

Defined Benefit Retirement Plans The increase in for the defined benefit retirement plans for FY22 and FY23 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 proposed FY20/FY21 biennial budget. These are dollar amounts needed to complete funding of previously approved projects.

Cash Reserve Fund

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the 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 revenues 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.

At the end of the 2019 legislative session, the unobligated balance was projected at \$322.4 based on an estimated \$45 million transfer related to the April Nebraska Economic Forecast Advisory Board (NEFAB) forecast for FY2018-19 being above the certified amount. The projected unobligated balance increased to \$455.2 million when FY2018-19 actual receipts were \$132.9 million above the April forecast.

The balance was projected to increase to \$731 with the revised forecasts in October 2020 (+\$160.9 million) and February 2020 (+115.0 million) and then decline back to \$647.5 million due to using \$83.6 million to help cover costs related to the COVID-19 pandemic.

During the break in the legislative session, FY19-20 was completed and the actual receipts were \$265 million **below** the prior forecast which had been projected to be \$275 million above the certified forecast. For FY19-20 most of this was due to the extension of the income tax filing date from April to July which shifted an estimated \$280 million from FY19-20 into FY20-21. The final changes were a transfer of \$60 million of unused COVID-19 funds back to the CRF and then \$30 million back to the General Fund to assist in covering the first year costs of LB1107.

Table 3 Cash Reserve Fund

	Actual FY2018-19	Estimated FY2019-20	Estimated FY2020-21	Estimated FY2021-22	Estimated FY2022-23
Beginning Balance	339,990,065	333,549,124	426,307,702	412,263,230	412,263,230
Excess of certified forecasts (line 3 in Status)	61,995,773	176,378,178	10,655,528	0	0
To/from Gen Fund per current law	(48,000,000)	0	0	0	0
To Nebr. Capital Construction Fund (NCCF)	(20,436,714)	0	(54,700,000)	0	0
2020 - To Gov Emergency Fund, (LB1198)	0	(83,619,600)	0	0	0
2020 - From Gov Emergency Fund (LB 1009)	0	0	60,000,000	0	0
2020 - Transfers to Gen Fund (LB1107)	0	0	(30,000,000)	0	0
Ending Balance	333,549,124	426,307,702	412,263,230	412,263,230	412,263,230

2020 Session Transfers

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.

The last 2020 session transfer was contained in LB1107 which contained the Imagine Nebraska Act, Nebraska Transformational Projects Act, and Nebraska Property Tax Incentive Act. The bill included a \$30 million transfer from the Cash Reserve Fund to the General Fund to help pay for the first year \$125 million cost of Property Tax Incentive Act

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 FY2017-18 (\$4,566,995,773) were \$61,995,773 above the certified forecast of \$4,505,000,000 which is the transfer number shown in the FY2018-19 column. Actual receipts for FY2018-19 (\$4,896,378,178) were \$176,378,178 above the certified forecast of \$4,720,000,000 which is the transfer number shown in the FY2019-20 column.

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.

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.

Transfers To & From Other Funds

In the 2015 session, the enacted budget called for a \$28.2 million of transfers to the NCCF for the State Capitol HVAC project. This included \$7,804,292 in FY2015-16, and future transfers of \$7,160,412 in FY2018-19, \$9,492,568 in FY2020-21, and \$3,783,734 in FY2022-23. During the 2017 session the total transfer amount didn't change but the cash flow of the transfers was

changed to \$10,005,129 in FY2018-19 and \$10,431,585 in FY2020-21. In the 2018 session, the FY2020-21 transfer was moved to FY2018-19 providing a total of \$20,436,714.

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.

Table 4 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
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	176,378,521	(83,619,600)	0	426,307,702	8.6%
FY2020-21 Est	426,307,702	0	10,655,528	(24,700,000)	0	412,263,230	8.2%
FY2021-22 Est	412,263,230	0	0	0	0	412,263,230	8.6%
FY2022-23 Est	412,263,230	0	0	0	0	412,263,230	8.3%

General Fund Revenues

General Fund Revenue Forecasts

Because of the suspension of the legislative session, FY2019-20 is an actual receipt. The FY2020-21 revenue estimate is the July 2020 forecast from the Nebraska Economic Forecast Advisory Board (NEFAB).

At their July 2020 meeting, the NEFAB had to incorporate several unusual occurrences into the FY2020-21 forecast. First is the extension of the income tax filing date from April to July 2020. This shifted \$280 million from FY2019-20 into FY2020-21 based on the latest estimate. Furthermore, since the previous NEFAB forecast, Congress enacted the CARES Act in March 2020. This act included multiple impacts on General Fund revenues resulting in a revenue loss of \$125.6 million in FY2020-21, \$67.1 million in FY2021-22, and \$57.3 million in FY2022-23.

LB1107 was then enacted which has significant tax reductions included, mostly the Property Tax Incentive Program (\$125 million).

Table 5 - General Fund Revenue Forecasts

	Actual FY2018-19	Actual FY2019-20	NEFAB FY2020-21	LFO Prelim FY2021-22	LFO Prelim FY2022-23
Actual/Forecast					
Sales and Use Tax	1,658,107,134	1,848,235,959	1,765,000,000	1,899,094,000	1,987,118,500
Individual Income Tax	2,545,680,039	2,445,647,485	2,700,000,000	2,546,772,500	2,663,375,500
Corporate Income Tax	423,737,571	391,163,752	440,000,000	316,127,000	330,188,000
Miscellaneous receipts	268,853,434	254,715,415	220,000,000	180,616,500	174,709,000
Subtotal – Forecast July 23	4,896,378,178	4,939,762,611	5,125,000,000	4,942,610,000	5,155,391,000
LB 153 military retirement tax change		0	0	(5,431,000)	(13,339,000)
LB 1107 ImagiNE, Prop Tax Incentive, et al		0	(125,000,000)	(135,000,000)	(173,895,000)
Other 2020 bills		0	589,072	(208,230)	(197,561)
Total General Fund Revenues	4,896,378,178	4,939,762,611	5,000,589,072	4,801,970,770	4,967,959,439
Adjusted Growth					
Sales and Use Tax	4.5%	7.2%	-1.7%	5.0%	4.5%
Individual Income Tax	9.0%	3.7%	-2.6%	0.6%	4.3%
Corporate Income Tax	30.2%	1.6%	-9.2%	-17.1%	3.2%
Miscellaneous receipts	3.9%	6.3%	-5.2%	-1.3%	3.9%
Total GF Receipts	8.7%	4.8%	-3.0%	0.7%	4.3%
Two Yr Average	6.6%	--	0.9%	--	2.5%
Five Yr Average	4.0%	--	3.2%	--	3.1%

The Nebraska Economic Forecast Advisory Board (NEFAB) does not make official forecasts for the following biennium or what’s commonly referred to as the “out years”. Historically the revenue estimates used for the following biennium (FY21-22 and FY22-23) are prepared by the Legislative Fiscal Office (LFO) using the “capped” historical average methodology. This “smoothing” technique derives a revenue growth for the “out years” by calculating the level of revenues that

would yield a five year average growth (FY18 to FY23) roughly equal to the historical average from FY81 to FY19 (4.75%) less .25% which is the projected impact of indexing the tax brackets as enacted in LB987 (2014). 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.

This methodology has been successful when the “out years” are 3 to 4 years in advance of the first forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB). This method is helpful in reflecting the cyclical nature of our revenue stream which sometimes is not reflected in mid to longer term years in the national models.

However in the current situation with the extension of the legislative session into August, the first NEFAB forecasts for the years in the following biennium are only 2 months away. For planning purposes it was deemed more appropriate to use Dept. of Revenue and Legislative Fiscal Office tax model forecasts for those two years at this time because this is what will be presented to the NEFAB in October. Using the average LFO and NDR forecast using IHS Econometrics data, the forecast would average 2.5%.

As shown in Table 6, the preliminary estimates for the two “out years” arrived at using the historical average concept (as traditionally used in the Financial Status) is significantly higher than any of the tax model runs from LFO or NDR.

Table 6 - Comparison of "Out Year" Forecasts

Based on July 2020 Revenue Forecasts *	Current Status	Average IHS Econ	Avg All Forecasts	High Est NDR-IHS	Low Est LFO Moody	Hist Avg Method
<u>Dollar Forecast (thousands)</u>						
FY2020-21 NEFAB	5,000,589	5,000,589	5,000,589	5,000,589	5,000,589	5,000,589
FY2021-22 Prelim	4,801,971	4,801,971	4,773,788	4,855,965	4,680,821	5,046,961
FY2022-23 Prelim	4,967,959	4,967,959	4,957,948	5,029,340	4,869,163	5,272,968
<u>Calculated Growth (adjusted)</u>						
FY2020-21 NEFAB	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%	-3.0%
FY2021-22 Prelim	0.7%	0.7%	0.2%	1.8%	-1.7%	5.5%
FY2022-23 Prelim	4.3%	4.3%	4.7%	4.4%	4.9%	5.2%
Two Year Avg (Prelim)	2.5%	2.5%	2.4%	3.1%	1.6%	5.4%
Five Year Avg	3.1%	3.1%	3.1%	3.4%	2.8%	4.3%
<u>\$ Difference from Status</u>						
FY2021-22 Prelim	0	0	(28,183)	53,994	(121,150)	244,990
FY2022-23 Prelim	0	0	(10,012)	61,381	(98,796)	305,009
Cumulative Total	0	0	(38,195)	115,375	(219,946)	549,999

General Fund Revenue Bills - 2020

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 7 Revenue Bills – 2020 Session

	FY2019-20	FY2020-21	FY2021-22	FY2022-23
LB 910 Change Secretary of State fees and funds	0	0	(137,000)	(137,000)
LB 153 Change, taxation of military retirement benefits	0	0	(5,431,000)	(13,339,000)
LB 266 Change the School Readiness Tax Credit Act	0	(71,000)	(81,000)	(94,000)
LB 323 Changes, Medicaid working disabled coverage.	0	0	7,890	31,559
LB 477 Tax exemption, Segal AmeriCorps Education Awards	0	58,192	0	0
LB 734 Licensure of charter bus services, Liquor Control Act	0	1,880	1,880	1,880
LB 923 Sales tax exempt, electric cooperative or assoc.	0	loss	loss	loss
LB 1004 Change provisions relating to parole eligibility	0	100,000	0	0
LB 1009 Mainline budget adjustments, Gen Fund transfers	0	500,000	0	0
LB 1107 ImagiNE, Prop Tax Incentive, Transform. Projects	0	(125,000,000)	(135,000,000)	(173,895,000)
<i>2020 Revenue Bills (incorporated into forecast)</i>	0	(124,410,928)	(140,639,230)	(187,431,561)
LB 866 Transfer to Middle Income Workforce Housing Fund	0	(10,000,000)	0	0
LB 1107 Cash Reserve Fund transfer to General Fund	0	30,000,000	0	0
<i>2020 Revenue Bills (including transfers)</i>	0	(104,410,928)	(140,639,230)	(187,431,561)

LB 153 amends Section 77-2716 which relates to Nebraska adjustment to federal adjusted gross income (AGI). It ends the current, elective exclusion for military retirees and replace it with a 50% exclusion for all military retirement benefits, to the extent included in federal AGI, beginning with taxable years beginning on or after January 1, 2022.

Military benefits received before January 1, 2022 that qualify for exclusion as a result of filing an Election to Exclude Military Retirements Benefits, Form 1040N-MIL, will continue to qualify for exclusion through December 31, 2021.

FY2018-19	0
FY2019-20	0
FY2020-21	0
FY2021-22	(5,431,000)
FY2022-23	(13,339,000)

LB 1107 adopts the ImagiNE Nebraska Act, the Key Employer and Jobs Retention Act, the Renewable Chemicals Production Tax Credit Act, the Customized Job Training Act, the Nebraska Transformational Projects Act, and the Nebraska Property Tax Incentive Act. The bill also amends provisions of the Property Tax Credit Act and eliminates the Personal Property Tax Relief Act for tax year 2020 and thereafter.

Imagine Nebraska Act: The act provides for tax incentives for qualifying taxpayers at qualified locations. A qualified location means a location where a majority of business is: manufacturing; testing laboratories; rail transportation; truck transportation; insurance carriers; wired or wireless telecommunications carriers (except satellite); telemarketing bureaus; data processing; computer facilities management services; warehousing and storage; administrative management of the taxpayer's activities; logistics facilities; services provided on aircraft; research, development, or testing for scientific, agricultural, animal husbandry, food product, industrial, or technology purposes; production of electricity using renewable energy; computer systems design; financial services; or any other business location where at least 75% of revenue is from sales to customers who are not related that are delivered outside Nebraska.

To use incentives under the act, the taxpayer must apply with the Department of Economic Development (DED), requesting an agreement. There must be no new application filed after December 31, 2030. The fee is credited to the Nebraska Incentives Fund.

An agreement is valid for up to 15 years. Employment and investment levels must be reached by the end up the ramp up period. The ramp up period is the four years after the year of the application. Credits can be used in the order they were first allowed, and when credits are the same age, credits from an older tax incentive program (e.g. Nebraska Advantage) must be applied first. Credits can be used beginning with the taxable year the minimum levels were reached. The performance period is the year the employment and investment were met and the following 6 years, and the carry over period is the 3 years after the performance period.

The bill prescribes the levels of investment and employment that qualify for incentives:

- 20 new employees;
- Investment of \$250,000-\$1 million and 5 new employees within economic redevelopment areas;
- Investment of \$1 million and 10 new employees;
- Investment of \$5 million and 30 new employees;
- Investment of \$250 million and 250 new employees; and
- Investment of \$50 million.

At each level, the taxpayer is eligible for some or all of the following: wage credits, investment tax credits, sales tax refunds, personal property tax exemptions, and real property tax refunds. For certain investment levels, the wage and investment credits are increased by one percentage point (1) for wages and investments in extremely blighted areas; or (2) is the taxpayer is a benefit corporation.

Wage credits can be used to reduce to reduce employer withholding, subject to limitations. Wage credits or investment credits can be used against income tax liability, to repay job training or infrastructure development loans, to receive payment from the state equal to the amount paid for job training and talent recruitment, to receive payment for amounts paid for childcare at qualified locations, or to obtain a refund of sales and use taxes which are not subject to direct refund.

DED and DOR must jointly submit an annual report to the Legislature by October 15 and February 15 each year and, on or before April 15 in odd numbered years, provide an estimate of sales and use tax refunds to be paid and tax credits used based on recent data. The estimate must be sent to the Legislative Fiscal Analyst, the Nebraska Economic Forecasting Board (NEFAB), and the

Governor. Base authority equals \$25 million in 2021 and 2022; \$100 million 2023 and 2024; \$150 million in 2025; and 3% of the actual General Fund net receipts for 2026 and each year thereafter.

Nebraska Revolving Loan Fund: LB 1107 also creates the Imagine Nebraska Revolving Loan Fund, administered by DED, to offer workforce training or infrastructure development loans to taxpayers with applications under the Imagine Act. The bill includes intent language to transfer \$5 million per year from the General Fund to the Imagine Nebraska Revolving Loan Fund in FY 22-23 and FY23-24, and intent to appropriate \$5 million Cash Funds per year each of those years for a workforce training and infrastructure development revolving loan program.

Key Employer and Jobs Retention Act: The act provides a wage retention credit for a key employer, which is defined as a taxpayer that employs at least 1,000 employees, offers insurance and benefits, enforces a policy against discrimination, electronically verifies work eligibility, has gone through a change in ownership in the previous 24 months, is at risk of moving more than 1,000 employees out of the state, is a qualified business, and retains at least 90% of its base-year employment. The amount of the credit must not exceed \$4 million per year, or \$40 million total over ten years. A taxpayer must apply and enter into an agreement with DED. Applications and agreements must be entered into by May 31, 2021.

Renewable Chemicals Production Tax Credit Act: LB 1107 creates a refundable tax credit equal to 7.5 cents per pound of chemical produced for eligible renewable chemical businesses. Eligible businesses must produce at least one million pounds of renewable chemicals in the state the year the tax credit is sought and must meet location and application requirements. Credits are subject to repayment or recapture if the business fails to fulfil any requirements of the act or terms of their agreement. The maximum credit per business per year is \$1.5 million and is not available for chemicals produced prior to 2022. Applications can be approved for up to \$3 million in credits for 2022 and 2023, and up to \$6 million in credits per year in 2024 and thereafter.

Customized Job Training Act: LB 1107 creates a grant program to reimburse employers for job training expenses. Grants are available to employers creating net new jobs or jobs resulting in a net increase in wages per employee. DED is required to create an application, approve applications, authorize the total amount of grants awarded, and submit an annual report to the Legislature including certain information.

Nebraska Transformational Projects Act: The act allows Nebraska postsecondary institutions with a college of medicine to apply for matching funds for a federally awarded project. Applications are due December 31, 2023, and the institution must enter into an agreement with DED. The institution must make an investment of \$1.6 billion, of which \$1 billion must be federal funding, before the end of the transformational period (10th year after application year). By the end of the continuation period (5 years after the transformational period), the institution must obtain \$300 million in private donations. The institution is entitled to matching funds of the remaining \$300 of the total \$1.6 billion investment if: (1) the commitments of investment of \$1.3 billion have been secured; (2) the institution is selected for participation in the required federal program; and (3) the total amount of credits under the Nebraska Property Tax Refund Act reaches \$375 million. LB 1107 creates the Nebraska Transformational Projects Fund, and transfers to the fund for matching funds pursuant to the act are allowed beginning in FY 25-26, subject to appropriation of the Legislature.

While the bill doesn't specify a project, it's basically intended for the NEXt project at the University of Nebraska Medical Center. It would consist of a high-rise complex combining federally funded beds for treatment of highly contagious diseases and victims of natural and man-made disasters, new space for UNMC training purposes and hundreds of new beds for Nebraska Medicine. A total of 1,000 to 1,200 hospital beds is envisioned for the project. The federal government would pay to keep 25 to 50 beds available for its use and would pay for more beds in the event of a disease outbreak or disaster.

Nebraska Property Tax Incentive Act: 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.

Beginning tax year 2020, the credit is equal to the credit percentage determined by DOR multiplied by the amount of school district taxes paid during the tax year. For pass through entities, the credit will be allocated in the same proportion that income is distributed.

The credit percentage is set so the total amount of credits is \$125 million. In tax year 2021 to 2023, the total amount of credits is the amount of credits the previous year, plus any amount added pursuant to section 77-4602. Section 77-4602 requires the Tax Commissioner to determine whether the Cash Reserve Fund balance is more or less than \$500 million at the end of the fiscal year.

The Tax Commissioner must determine: (1) the actual net receipts minus estimated net receipts; and (2) actual net receipts minus 103.5% of actual net receipts the prior year. If the balance in the Cash Reserve Fund is less than \$500 million, 50% of the amount calculated in (2) is added to the amount of the income tax credit. If the balance in the Cash Reserve Fund is more than \$500 million, 100% of the amount calculated in (2) is added to the amount of the income tax credit. Regardless of the amount the credit grows due to the formula in section 77-4602, the amount of the credit in tax year 2024 must be \$375 million.

The amount transferred to the Cash Reserve Fund depends on whether: (a) actual net receipts exceed estimated net receipts; (b) the balance in the Cash Reserve Fund is above or below \$500 million; and (c) actual net receipts for the current year exceed 103.5% of actual net receipts from the prior year.

Beginning in 2025, the amount of the credit is the maximum amount of the credit in the prior year plus the allowable growth percentage. The allowable growth percentage is defined as the percentage increase, if any, in total assessed value of all real property from the prior year to the current year, not to exceed 5%.

Nebraska Property Tax Credit Act: LB 1107 codifies a minimum amount of relief pursuant to the act of \$275 million per year and adds that if money is transferred or credited to the Property Tax Credit Cash Fund pursuant to any other state law, such amount shall be added to the minimum amount for purposes of determining the amount of relief under the act.

Personal Property Tax Relief: The act is eliminated for tax year 2020 and thereafter. Savings of \$14.8 million per year

Total General Fund Impact – LB 1007

	Tax Incentives (see below)	Property Tax Credit	Nebraska Transform. Projects	CRF to Gen Fund	Total GF Rev Impact
FY 2019-20	0	0	0	0	0
FY 2020-21	0	(125,000,000)	0	30,000,000	(95,000,000)
FY 2021-22	(10,000,000)	(125,000,000)	0	0	(135,000,000)
FY 2022-23	(29,000,000)	(144,895,075)	0	0	(173,895,075)
FY 2023-24	(55,000,000)	(309,479,974)	0	0	(364,479,974)
FY 2024-25	(66,000,000)	(375,000,000)	0	0	(441,000,000)
FY 2025-26	(88,000,000)	(388,500,000)	(50,000,000)	0	(526,500,000)
FY 2026-27	(107,000,000)	(402,486,000)	(50,000,000)	0	(559,486,000)
FY 2027-28	(125,000,000)	(416,975,496)	(50,000,000)	0	(591,975,496)
FY 2028-29	(141,000,000)	(431,986,614)	(50,000,000)	0	(622,986,614)
FY 2029-30	(156,000,000)	(447,538,132)	(50,000,000)	0	(653,538,132)
FY 2030-31	(168,000,000)	(463,649,505)	(50,000,000)	0	(681,649,505)

Breakdown of Impact by Tax Incentive Program

	ImagiNE Nebr Act	Nebraska Revolving Loan Fund	Renewable Chemical Production	Key Employer and Jobs Retention	Total Tax Incentives
FY 2019-20	0	0	0	0	0
FY 2020-21	0	0	0	0	0
FY 2021-22	(3,000,000)	0	(3,000,000)	(4,000,000)	(10,000,000)
FY 2022-23	(17,000,000)	(5,000,000)	(3,000,000)	(4,000,000)	(29,000,000)
FY 2023-24	(40,000,000)	(5,000,000)	(6,000,000)	(4,000,000)	(55,000,000)
FY 2024-25	(56,000,000)	0	(6,000,000)	(4,000,000)	(66,000,000)
FY 2025-26	(78,000,000)	0	(6,000,000)	(4,000,000)	(88,000,000)
FY 2026-27	(97,000,000)	0	(6,000,000)	(4,000,000)	(107,000,000)
FY 2027-28	(115,000,000)	0	(6,000,000)	(4,000,000)	(125,000,000)
FY 2028-29	(131,000,000)	0	(6,000,000)	(4,000,000)	(141,000,000)
FY 2029-30	(146,000,000)	0	(6,000,000)	(4,000,000)	(156,000,000)
FY 2030-31	(158,000,000)	0	(6,000,000)	(4,000,000)	(168,000,000)

Non-Legislation Items Impacting General Fund Revenues

Federal CARES Act Tax Impacts

On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act, P.L.116-136 (CARES Act) was enacted by Congress. Section 77-27,222 requires the Department of Revenue to issue a report to the Governor, the Legislative Fiscal Analyst and select members of the Legislature within 60 days after a change in the Internal Revenue Code (IRC), detailing the changes to the IRC and the impact of the changes on state income tax revenues and various classes and types of taxpayers. The Department issued such report on May 27, 2020

Individual Income Tax

- New, temporary, above-the-line deduction for charitable contributions not to exceed \$300;
- Temporarily increases the limitation on itemized deductions for qualified charitable contributions made by an individual income taxpayer in calendar year 2020;
- New temporary exclusion for employer payments of employees' student loans;
- Modifies net operating loss (NOL) provisions to temporarily suspend the limitation based on taxable income and allows a five-year NOL carryback period;
- Implements special rules for retirement funds for (1) coronavirus-related distributions, and (2) loans to qualified individuals from employer-sponsored retirement plans; and
- Temporarily waives the required minimum distribution rules for certain retirement plans and accounts for calendar year 2020.

Business Income Tax

- Refundable employee retention credit for employers subject to full or partial closure due to COVID-19;
- Permits delayed payments of employer payroll taxes;
- Paycheck Protection Program Loan Forgiveness;
- Modification of NOL provisions;
- Temporarily increases deduction for qualified charitable contribution by corporations made in calendar year 2020;
- Temporarily increases deduction for food inventory charitable contribution by corporations and non-corporate businesses;
- Modifies credit for prior year minimum tax liability for corporations;
- Modifies the limitation on losses for taxpayers other than corporations;
- Temporarily increases limitation on business interest expenses; and
- Retroactively amends the definition of qualified improvement property.

The following table shows the impact on state revenues of the various federal tax provisions

Table 8 – Impact of CARES Act Tax Provisions

Dept of Revenue Report (May 2020)	FY 2020-21	FY 2021-22	FY 2022-23
1 \$300 above-the-line deduction for charitable contributions	(5,832,000)	0	0
2 Temp increase limitation, charitable contributions deductions	(9,379,000)	3,328,000	2,788,000
3 Temp exclusion employer payments of employees' student loans	(627,000)	0	0
4 Temporary 5 yr carryback net operating loss (Individuals)	(4,149,000)	(2,514,000)	(2,087,000)
5 Special rules for retirement funds, 10% waiver	3,970,000	(440,000)	(70,000)
6 Temp waives minimum distribution retirement rules	(15,351,000)	558,000	1,314,000
7 Modify limitation on business losses, other than corporations	(82,681,000)	(54,422,000)	(50,615,000)
8 Temp increase charitable contribution deduction, 10% to 25%	(1,000,000)	(2,000,000)	(1,000,000)
9 Temp increase, limit business interest expenses, 30% to 50%	(3,931,000)	(8,432,000)	(5,233,000)
10 Employee retention credit for employers subject closure	2,607,000	1,370,000	1,337,000
11 NOL suspended 80% rule, business and corporation	(9,219,000)	(4,571,000)	(3,795,000)
Individual Income Tax	(119,321,000)	(59,307,000)	(52,516,000)
Corporate Income Tax	(6,272,000)	(7,816,000)	(4,845,000)
TOTAL	(125,593,000)	(67,123,000)	(57,361,000)

Extension of Income Tax Filing Deadline

As a result of the COVID-19 pandemic and actions taken by national health authorities to limit the spread of the disease, the Internal Revenue Service (IRS) extended the tax filing and payment deadlines for federal income taxes from April 15, 2020 to July 15, 2020.

For purposes of consistency, the State of Nebraska also extended the state income tax filing deadline from April 15, 2020 to July 15, 2020. This was applicable to final filing of 2019 income taxes and 2020 estimated payments that were due by April 15.

This change in filing deadline shifted a significant amount of revenue from FY2019-20 to FY 2020-21. Isolating the dollar amount of the shift has been difficult with all the other things affecting revenues such as COVID-19. The following shows the differing estimates. The first estimate made in April was \$305 million. In July there were two different estimates, one based on February 2020 NEFAB forecast, the other based on the updated July forecasts made in mid-July. The latest estimate was based actual July receipts.

	April 2020	July Est Feb Forecast Based	July Est July Forecast Based	August Est Actual Based
Individual Income Tax	252,000,000	218,772,000	225,000,000	230,000,000
Corporate Income Tax	53,000,000	52,857,000	30,000,000	50,000,000
Total Tax Shift	305,000,000	271,629,000	255,000,000	280,000,000
FY2019-20	(305,000,000)	(271,629,000)	(255,000,000)	(280,000,000)
FY2020-21	305,000,000	271,629,000	255,000,000	280,000,000

Chronology of Revenue Forecasts

Table 9 provides a chronology of revenue forecasts for FY2018-19, FY2019-20 and FY2020-21 since the initial NEFAB forecast in October 2016 (FY18-19) and October 2018 (FY19-20 and FY20-21).

The table shows the actual forecast and the change from the prior forecast broken down by the cause of the change whether it is bills enacted, federal tax law changes, or revised economic assumptions (“base”)

Table 9 – Chronology of General Fund Revenue Forecasts

	Total	Change in Forecast due to:			
		Base	Other	Bills	Total
FY2018-19					
Board Est-October 2016	4,730,000				
Board Est-Oct 2016 (with Amazon.com)	4,761,344	0	0	31,344	31,344
Board Est-February 2017	4,735,000	(26,344)	0	0	(26,344)
Board Est-April 2017	4,715,000	(20,000)	0	0	(20,000)
Sine Die-2017 Session	4,798,456	0	83,456	0	83,456
Board Est-October 2017	4,675,000	(123,456)	0	0	(123,456)
Board Est-Feb 2018 (baseline)	4,705,000	30,000	0	0	30,000
Sine Die-2018 Session	4,730,734	0	16,734	9,000	25,734
Board Est-October 2018	4,800,000	60,266	0	9,000	69,266
Board Est-February 2019	4,720,000	(80,000)	0	0	(80,000)
Board Est-April 2019	4,765,000	65,000	(20,000)	0	45,000
Actual Receipts FY2018-19	4,896,378	131,378	0	0	131,378
FY2019-20					
Board Est-October 2018	4,890,000				
Board Est-February 2019	4,870,000	(20,000)	0	0	(20,000)
Board Est-April 2019	4,880,000	(18,350)	20,000	8,350	10,000
Sine Die-2019 Session	4,929,107	0	49,107	0	49,107
Board Est-Oct 2019	5,090,000	160,893	0	0	160,893
Board Est-Feb 2020	5,205,000	115,000	0	0	115,000
Board Est-Feb 2020 adjusted	4,950,000	0	0	(255,000)	(255,000)
Actual Receipts FY2019-20	4,939,763	(10,237)	0	0	(10,237)
FY2020-21					
Board Est-October 2018	5,000,000				
Board Est-February 2019	4,990,000	(10,000)	0	0	(10,000)
Board Est-April 2019	4,990,000	(9,550)	0	9,550	0
Sine Die-2019 Session	5,044,919	0	54,919	0	54,919
Board Est-Oct 2019	5,150,000	105,081	0	0	105,081
Board Est-Feb 2020	5,175,000	25,000	0	0	25,000
Board Est-July 2020	5,125,000	(196,036)	0	146,036	(50,000)

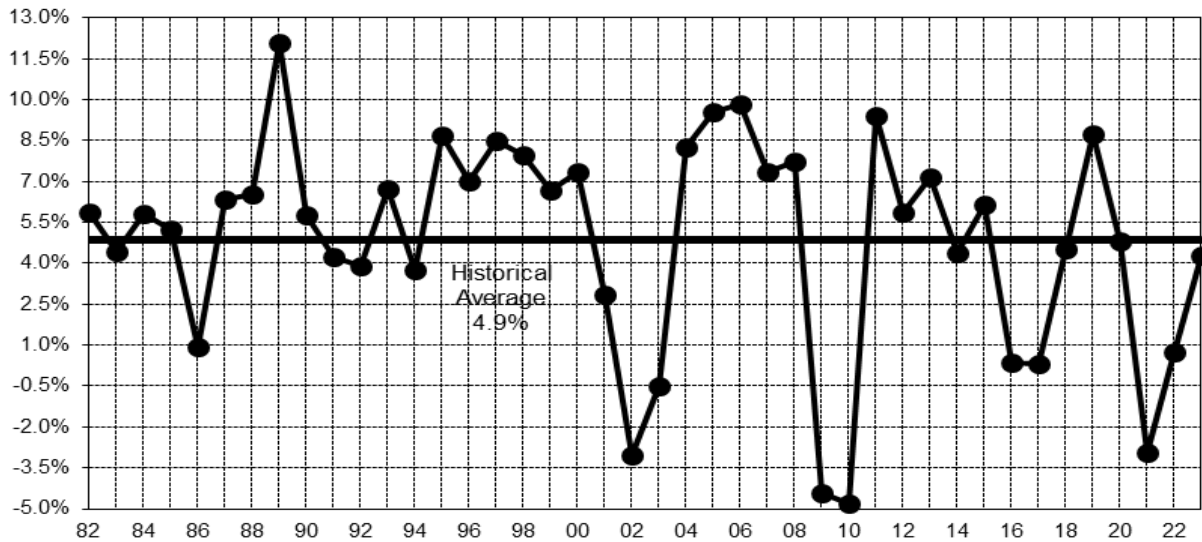
Historical General Fund Revenues

The table below shows the historical General Fund receipts since FY1998-99 and the adjusted revenue growth. For purposes here, adjusted 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, and evaluating growth in revenue in context with other measures of economic activity.

Table 10 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 1998-99	744,650,752	1,078,522,994	135,033,658	165,661,901	2,123,869,305	6.7%
FY 1999-00	900,427,469	1,180,363,301	140,021,942	183,111,959	2,403,924,670	7.4%
FY 2000-01	905,023,176	1,233,363,553	138,040,082	180,435,044	2,456,861,855	2.9%
FY 2001-02	918,889,782	1,159,810,647	107,628,074	179,180,246	2,365,508,749	-3.0%
FY 2002-03	1,028,931,065	1,129,421,651	111,597,405	186,449,714	2,456,399,835	-0.5%
FY 2003-04	1,114,374,321	1,249,890,025	167,429,431	187,033,230	2,718,727,007	8.3%
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%
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 NEFAB*	1,765,000,000	2,606,536,000	408,393,000	220,660,072	5,000,589,072	-3.0%
FY 2021-22 LFO Prelim	1,896,294,000	2,444,167,500	281,020,000	180,489,270	4,801,970,770	0.7%
FY 2022-23 LFO Prelim	1,978,998,500	2,530,955,500	283,400,000	174,605,439	4,967,959,439	4.3%
<u>Avg Growth (adjusted)</u>						
5 Yr Financial Status	4.3%	2.8%	1.4%	1.5%	3.2%	
Above Avg Years (24)	5.5%	9.1%	12.5%	3.5%	7.4%	
Below Avg Years (15)	1.9%	2.3%	-4.2%	0.4%	1.4%	
Hist Average (39 yrs)	4.2%	6.1%	5.0%	1.0%	4.9%	

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 transfers in the top part of Table 11 were enacted in the 2019 session. There were three changes enacted during the 2020 session.

- (1) \$3.8 million transfer to the Critical Infrastructure Facilities Cash Fund to provide financial assistance to the Gering - Fort Laramie Irrigation District related to temporary repair costs for two tunnels and related canal infrastructure. The funding is intended to reimburse the irrigation district for their portion of temporary repairs.
- (2) \$10 million transfer to the Rural Workforce Housing Investment Fund. LB518 (2017) created a rural workforce housing grant program intended to address housing shortages in rural communities. The grant program initially received funding through a one-time transfer of \$7 million of unallocated funds from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund in 2017 and the funds have been allocated.
- (3) \$10 million transfer to the Middle Income Workforce Housing Investment Fund created in LB866 enacted in the 2020 session. The fund would be used by the Dept. of Economic Development to provide grants to nonprofit development organizations. Grants would require a one-to-one match. Grants would be awarded through FY22-23 or until grant funds are no longer available. If funds remained in the Middle Income Workforce Housing Trust Fund on July 1, 2025, the remaining amount would be transferred to the Affordable Housing Trust Fund.

Table 11 General Fund Transfers-Out

Excludes CRF Transfers	Actual	Current Biennial Budget		Following Biennium	
	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Property Tax Credit Fund	(221,000,000)	(272,000,000)	(272,000,000)	(272,000,000)	(272,000,000)
Water Resources Cash Fund	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
Cultural Preservation Endowment Fund	0	(500,000)	(500,000)	(500,000)	(500,000)
Water Sustainability Fund	(6,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
<i>General Fund Transfers-Out (2019)</i>	(230,300,000)	(286,800,000)	(286,800,000)	(286,800,000)	(286,800,000)
Critical Infrastructure Fund (Gering-Ft. Laramie repairs)		0	(3,800,000)	0	0
Rural Workforce Housing Investment Fund (LB 773)		0	(10,000,000)	0	0
Mid Income Workforce Housing Investment Fund (LB 866)		0	(10,000,000)	0	0
<i>Total-General Fund Transfers-Out</i>	(230,300,000)	(286,800,000)	(310,600,000)	(286,800,000)	(286,800,000)

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 12. Amounts that were transferred in FY18-19 were enacted in the 2017 and 2018 legislative sessions and are already included in FY18-19 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. In the 2017 and 2018 session’s transfers from these traditional sources amounted \$54.2 million in FY18-19. Because of the significant budget shortfall, cash funds from non-traditional sources were also transferred to the General Fund. In FY18-19 the non-traditional transfers from 47 different funds amounted to \$44.8 million. This included \$7.5 million from the Roads Operations Fund, \$10 million from the Medicaid Intergovernmental Transfer Trust Fund (related to the Health Care Cash Fund), and \$8.5 million from the Game & Parks Capital Maintenance Fund. These transfers are included in the FY2018-19 actual General Fund receipts.

In the 2019 session, enacted transfers returned to more normal levels and mostly from the traditional three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. Total transfers amount to \$48.8 million in FY2019-20 and \$50.8 million in FY2020-21. The FY2019-20 amounts are included in the actual receipts and the FY2020-21 amounts are already incorporated into the “Net Receipts” figures of the NEFAB forecast.

The 2020 enacted budget included one change, transferring \$500,000 of interest income from the Water Sustainability Fund to the General Fund

Table 12 General Fund Transfers-In

	Actual	Current Biennial Budget		Following Biennium	
	FY2018-19	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Securities Act Cash Fund	32,000,000	27,000,000	28,000,000	0	0
Dept of Insurance Cash Fund	12,250,000	12,500,000	13,500,000	0	0
Tobacco Products Admin Cash Fund	10,000,000	9,000,000	9,000,000	0	0
Medicaid Intergovernmental Transfer Trust Fund	10,000,000	0	0	0	0
Game & Parks Capital Maintenance Fund	8,500,000	0	0	0	0
Roads Operations Cash Fund	7,500,000	0	0	0	0
State Building Renewal Assessment Fund	2,900,000	0	0	0	0
DHHS Cash Fund	2,570,000	0	0	0	0
Affordable Housing Trust Fund	2,250,000	0	0	0	0
State Visitors Promotion Fund	1,000,000	0	0	0	0
State Settlement Fund	1,756,639	295,957	295,957	0	0
Other cash funds (18 different funds)	6,863,294	0	0	0	0
<i>Transfers-In already in actual or forecast revenue</i>	97,589,933	48,795,957	50,795,957	0	0
Water Sustainability Fund	0	0	500,000	0	0
<i>General Fund Transfers-In – 2020 Session</i>	0	0	500,000	0	0
Total General Fund Transfers-In	97,589,933	48,795,957	51,295,957	0	0

General Fund Appropriations

Overview of the FY20 & FY21 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 2019 Session and changes made during the 2020 Session. Table 14 contains a listing of the FY20 and FY21 significant increases and reductions which account for about 97% of the total net change in General Fund appropriations over the two year period. Table 15 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 2020 Session. The reader should refer to the 2019 Biennial Budget Report for a more detailed description of the budget actions taken in the initial enactment of the FY20 / FY21 biennial budget

Table 13 General Fund Appropriations FY2019-20 and FY2020-21

<i>FY2018-19</i>	Operations	State Aid	Construction	Total
Total Per 2018 Session	1,583,458,863	2,851,085,752	21,739,000	4,456,283,615
2019 Session Deficits	40,028	2,098,275	186,000	2,324,303
2019 Session State Claims	233,313	0	0	233,313
2019 Session "A" bills	0	0	0	0
2019 Session - Deficits	273,341	2,098,275	186,000	2,557,616
Final Appropriation with deficits	1,583,732,204	2,853,184,027	21,925,000	4,458,841,231

<i>FY2019-20</i>	Operations	State Aid	Construction	Total
Total Per 2019 Session	1,639,165,838	2,947,240,209	38,265,811	4,624,671,858
2020 Session-Committee Proposed (March)	8,529,595	47,021,574	7,823,200	63,374,369
2020 Session-Select File, Shift to FY21	(8,529,595)	(47,021,574)	(7,823,200)	(63,374,369)
2020 Session-Floor Actions	0	0	0	shift to FY21
2020 Session - Deficits	0	0	0	0
Final Appropriation with deficits	1,639,165,838	2,947,240,209	38,265,811	4,624,671,858
Change over prior year (excluding deficits)				
Dollar	55,706,975	96,154,457	16,526,811	168,388,243
Percent	3.5%	3.4%	76.0%	3.8%

<i>FY2020-21</i>	Operations	State Aid	Construction	Total
Total Per 2019 Session	1,680,718,617	3,021,306,126	27,489,461	4,729,514,204
2020 Session-Committee Proposed (March)	10,947,951	(20,626,945)	3,500,000	(6,178,994)
2020 Session-Shift tFY20 deficits to FY21	4,226,989	59,340,974	7,636,200	71,204,163
2020 Session-State Claims (2019-20 claims)	1,292,243	0	0	1,292,243
2020 Session-Mainline Veto & Overrides	0	0	0	0
2020 Session "A" bills	2,601,097	(14,665,815)	0	(12,064,718)
2020 Session - Midbiennium Adjustments	19,068,280	24,048,214	11,136,200	54,252,694
Total Per 2020 Session	1,699,786,897	3,045,354,340	38,625,661	4,783,766,898
Change over prior year (excluding deficits)				
Dollar	60,621,059	98,114,131	359,850	159,095,040
Percent	3.7%	3.3%	0.9%	3.4%
Two Yr Avg (excluding deficits)	3.6%	3.4%	33.3%	3.6%

FY19-20 is a \$168.4 million (3.8%) increase over FY18-19, while FY20-21 includes an additional \$159.1 million (3.4%) increase over FY19-20. The average annual increase for the biennium is 3.6%. Because the 2020 session was suspended from March until July which crosses fiscal years, what would have been FY19-20 deficits (\$71 million) were shifted into FY20-21. Excluding this, the FY21 budget growth would have been 1.9% and a 2.8% two year average.

The FY20-21 level Major changes in the FY19-20 and FY20-21 General Fund budget as compared to the FY18-19 base year level is shown below and accounts for about 96% of the total net change in appropriations over the two year period. All items shown reflect the cumulative impact of actions taken in the 2019 and 2020 sessions.

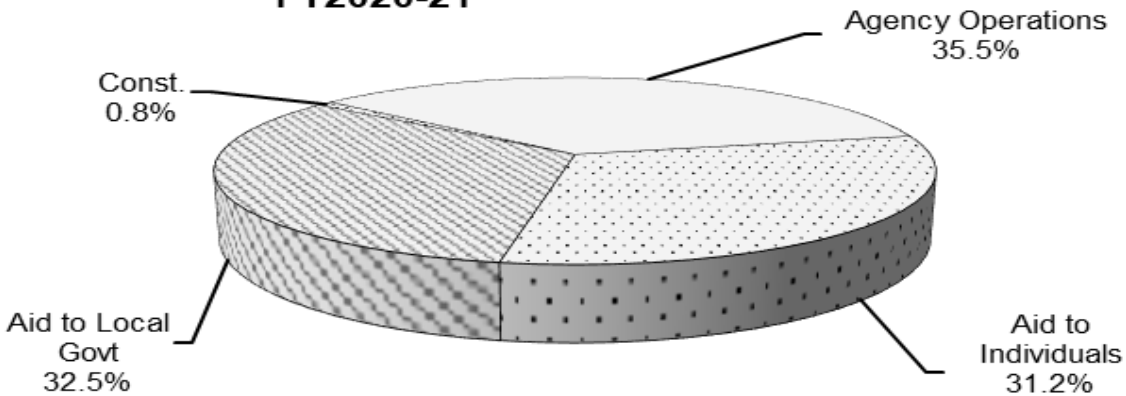
Table 14 Significant Increases and Reductions – FY20 and Revised FY21

	<u>\$ Change over FY19 Base Year</u>		Sum Total for the Biennium
	FY2019-20	FY2020-21	
TEEOSA Aid to Schools (General Funds only)	61,729,791	48,047,884	109,777,675
Provider rates, DHHS aid programs	30,492,899	53,141,287	83,634,186
Medicaid (other than FMAP, provider rates, expansion)	23,573,038	59,405,181	82,978,219
Salaries & Health Insurance (Agencies)	21,760,463	45,163,301	66,923,764
Governors Emergency Program	6,000,000	60,240,974	66,240,974
Salaries & Health Insurance (University+Colleges)	18,375,974	41,159,364	59,535,338
Medicaid expansion (net)	5,979,812	43,648,572	49,628,384
Capital Construction	16,526,811	16,886,661	33,413,472
Childrens Health Insurance (SCHIP) (special FMAP expires)	8,103,686	19,181,115	27,284,801
Homestead Exemption	4,600,000	17,000,000	21,600,000
Developmental Disability aid (other than FMAP, provider rates)	(198,720)	12,163,627	11,964,907
Staffing, programs, equipment (Corrections)	4,230,234	5,328,728	9,558,962
Justice Reinvestment Act, Problem Solving (Courts)	3,650,366	4,746,041	8,396,407
Special Education	2,265,266	4,553,185	6,818,451
Operating inflation+DAS rates (State Agencies)	3,113,770	3,632,238	6,746,008
Community Colleges	1,971,517	4,982,465	6,953,982
Temp staffing costs, Lincoln & Norfolk (DHHS)	0	6,600,000	6,600,000
Nebraska Career Scholarships	0	4,000,000	4,000,000
ADA accessibility voter equipment (Sec of State)	4,000,000	0	4,000,000
Retirement, K-12 School / Judges / Patrol	940,324	2,141,771	3,082,095
Vocational Rehabilitation	1,200,000	1,200,000	2,400,000
Judges salaries (Courts)	729,685	1,492,868	2,222,553
Behavioral Health aid (other than FMAP, provider rates, expansion)	622,798	1,790,742	2,413,540
Aging programs (other than provider rates)	0	2,126,790	2,126,790
Public/Community Health Aid	(37,500)	1,962,500	1,925,000
Federal Medicaid Match rate (FMAP, op & aid)	(38,955,786)	(84,626,190)	(123,581,976)
Child Welfare aid (other than FMAP & provider rates)	(1,692,559)	(28,442,559)	(30,135,118)
Personal Property Tax Relief Act	200,000	(14,200,000)	(14,000,000)
Information technology / charges (DHHS)	(5,900,000)	(5,900,000)	(11,800,000)
Public Assistance (other than FMAP, provider rates, expansion)	(3,384,715)	(7,403,237)	(10,787,952)
Resources Development Fund	(3,014,712)	(3,014,712)	(6,029,424)
Fund mix (Corrections)	(4,200,000)	0	(4,200,000)
Base adjustments, Oper & BSDC (DHHS)	0	(2,600,000)	(2,600,000)
Childrens Health Ins (SCHIP) (other than FMAP, rates, expansion)	0	(1,748,490)	(1,748,490)
Other Not Listed (net)	5,705,801	14,823,177	20,528,978
Total General Fund Change	168,388,243	327,483,283	495,871,526
2019 Session	168,388,243	273,230,589	441,618,832
2020 Session – FY21 Items	-- 0	(16,951,469)	(16,951,469)
2020 Session – FY20 deficits shifted to FY21	--	71,204,163	71,204,163
Total General Fund Change	168,388,243	327,483,283	495,871,526

Table 15 Summary of FY2019-20 & FY2020-21 General Fund Budget

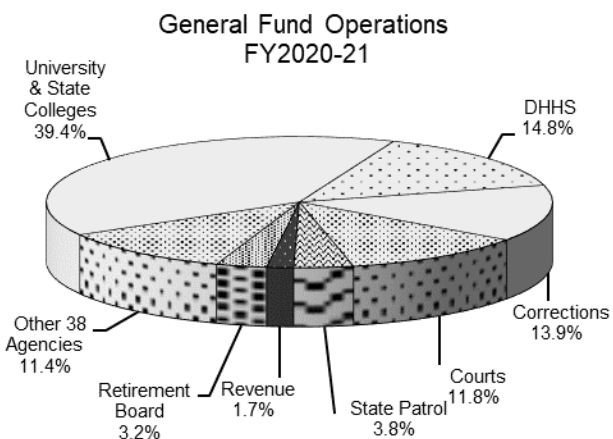
	w/o Deficits	w/o Deficits	Adjusted Total FY2020-21	Change vs Prior Yr FY19-20 (w/o deficits)		Change vs Prior Yr FY20-21 (w/o deficits)		2 Yr Avg % Change	% Total FY20-21
	FY2018-19	FY2019-20		\$	%	\$	%		
Agency Operations									
University & State /Colleges	626,366,678	645,653,500	669,962,990	19,286,822	3.1%	24,309,490	3.8%	3.4%	14.0%
Health & Human Services	236,687,805	243,004,720	251,533,219	6,316,915	2.7%	8,528,499	3.5%	3.1%	5.3%
Correctional Services	211,920,240	219,851,700	236,451,459	7,931,460	3.7%	16,599,759	7.6%	5.6%	4.9%
Courts	187,043,520	195,447,322	200,285,673	8,403,802	4.5%	4,838,351	2.5%	3.5%	4.2%
State Patrol	60,309,294	62,871,629	64,448,023	2,562,335	4.2%	1,576,394	2.5%	3.4%	1.3%
Retirement Board	52,698,171	53,638,505	54,839,932	940,334	1.8%	1,201,427	2.2%	2.0%	1.1%
Revenue	26,728,444	27,417,676	28,992,188	689,232	2.6%	1,574,512	5.7%	4.1%	0.6%
Other 39 Agencies	181,704,711	191,280,786	193,273,413	9,576,075	5.3%	1,992,627	1.0%	3.1%	4.0%
Total-GF Operations	1,583,458,863	1,639,165,838	1,699,786,897	55,706,975	3.5%	60,621,059	3.7%	3.6%	35.5%
State Aid to Individuals/Others									
Medicaid	849,628,184	860,304,131	921,250,222	10,675,947	1.3%	60,946,091	7.1%	4.1%	19.3%
Child Welfare Aid	197,071,388	197,032,479	172,174,830	(38,909)	0.0%	(24,857,649)	-12.6%	-6.5%	3.6%
Developmental disabilities aid	150,279,443	150,880,903	157,255,751	601,460	0.4%	6,374,848	4.2%	2.3%	3.3%
Public Assistance	94,994,043	91,609,328	86,756,257	(3,384,715)	-3.6%	(4,853,071)	-5.3%	-4.4%	1.8%
Behavioral Health aid	71,872,571	75,388,670	72,206,614	3,516,099	4.9%	(3,182,056)	-4.2%	0.2%	1.5%
Childrens Health Insurance (SCHIP)	6,178,073	14,317,097	23,778,754	8,139,024	131.7%	9,461,657	66.1%	96.2%	0.5%
Aging Programs	9,845,789	9,845,789	11,722,579	0	0.0%	1,876,790	19.1%	9.1%	0.2%
Higher Ed Student Aid programs	7,539,030	7,693,430	8,693,430	154,400	2.0%	1,000,000	13.0%	7.4%	0.2%
Public Health Aid	6,151,907	6,114,407	6,364,407	(37,500)	-0.6%	250,000	4.1%	1.7%	0.1%
Business Innovation Act	6,020,352	6,020,352	6,020,352	0	0.0%	0	0.0%	0.0%	0.1%
Community health centers	5,783,060	5,783,060	7,783,060	0	0.0%	2,000,000	34.6%	16.0%	0.2%
All Other Aid to Individuals/Other	10,216,653	12,141,284	16,869,453	1,924,631	18.8%	4,728,169	38.9%	28.5%	0.4%
Total-GF Aid to Individuals/Other	1,415,580,493	1,437,130,930	1,490,875,709	21,550,437	1.5%	53,744,779	3.7%	2.6%	31.2%
State Aid to Local Govts									
State Aid to Schools (TEEOSA)	974,507,975	1,036,237,766	1,022,555,859	61,729,791	6.3%	(13,681,907)	-1.3%	2.4%	21.4%
Property Tax Credit	Transfer	\$275M	\$275M	--	--	--	--	--	--
Special Education	226,526,585	228,791,851	231,079,770	2,265,266	1.0%	2,287,919	1.0%	1.0%	4.8%
Aid to Community Colleges	98,575,874	100,547,391	103,558,339	1,971,517	2.0%	3,010,948	3.0%	2.5%	2.2%
Homestead Exemption	84,100,000	88,700,000	101,100,000	4,600,000	5.5%	12,400,000	14.0%	9.6%	2.1%
Personal Property Tax Relief Act	14,200,000	14,400,000	0	200,000	1.4%	(14,400,000)	100.0%	--	0.0%
Aid to ESU's	13,085,000	13,352,558	13,613,976	267,558	2.0%	261,418	2.0%	2.0%	0.3%
High ability learner programs	2,202,384	2,342,962	2,342,962	140,578	6.4%	0	0.0%	3.1%	0.0%
Early Childhood programs	8,274,583	8,619,357	8,619,357	344,774	4.2%	0	0.0%	2.1%	0.2%
Community Based Juvenile Services	6,048,000	6,048,000	6,048,000	0	0.0%	0	0.0%	0.0%	0.1%
Resources Development Fund	3,014,712	0	0	(3,014,712)	-100.0%	0	0.0%	-100.0%	0.0%
Other Aid to Local Govt	4,970,146	11,069,394	65,560,368	6,099,248	122.7%	54,490,974	492.3%	263.2%	1.4%
Total-GF Aid to Local Govt	1,435,505,259	1,510,109,279	1,554,478,631	74,604,020	5.2%	44,369,352	2.9%	4.1%	32.5%
Capital Construction	21,739,000	38,265,811	38,625,661	16,526,811	76.0%	359,850	0.9%	33.3%	0.8%
Total Appropriations	4,456,283,615	4,624,671,858	4,783,766,898	168,388,243	3.8%	159,095,040	3.4%	3.6%	100.0%

By Major Category FY2020-21



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 FY2020-21 budget, 35.5% 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 89% 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 \$55.7 million increase (3.5%) in FY19-20 and a \$41.6 million increase (2.5%) in FY20-21. The most significant increases in operations in FY19-20 are salary and health insurance increases for state employees including University of Nebraska and State Colleges. Salary increases basically range from 2.0% to 2.5% amount to \$36.3 million while health insurance cost increases range from 3% to 5% and amount to \$3.8 million.

Other FY20 increases include \$4.2 million for additional staffing and programming in the Dept. of Correctional Services, \$1.2 million for additional probation funding as part of the continued phase-in of LB605-Justice Reinvestment Act, \$2.5 million for expanding the capacity of problem solving courts, \$4 million of ADA related voting equipment for the Secretary of State and \$5.9 million for initial operating costs related to Medicaid Expansion

These increases were offset by several reductions including \$5.9 million due to suspension of the economic eligibility system development in DHHS, and a one-time \$4.2 million shift to cash funds in the Dept. of Correctional Services.

The increase in FY20-21 mostly is the result of second year salary and health insurance costs, \$30.3 million and \$7.9 million respectively.

Major changes to the FY20-21 budget enacted in the 2020 session include additional pay increases for Department of Correctional Services (DCS) Protective Services Staff (\$8.0 million of which \$2.3 was originally a FY20 deficit), and staffing costs related to ligature mitigation and use of temporary staffing services for DHHS facilities at Lincoln and Norfolk (\$6.6 million)

Agency Operations	Change over FY19 base		
	FY2019-20	FY2020-21	Two Yr Total
Salaries (State Agencies) (include annualizing)	18,919,964	39,396,375	58,316,339
Salaries (University & Colleges)	17,435,467	35,235,301	52,670,768
Medicaid Expansion operations (DHHS)	5,979,812	5,772,769	11,752,581
Health Insurance (State Agencies)	2,840,499	5,766,926	8,607,425
Staffing, security, programming and health services (Corrections)	2,349,974	4,739,636	7,089,610
Health Insurance (University & Colleges)	940,507	5,924,063	6,864,570
Justice Reinvestment Act, Problem Solving (Courts)	3,650,366	4,746,041	8,396,407
DAS related rates (State Agencies)	3,113,770	3,632,238	6,746,008
Temp staffing costs, Lincoln & Norfolk (DHHS)	0	6,600,000	6,600,000
ADA accessibility voter equipment (Sec of State)	4,000,000	0	4,000,000
Retirement, K-12 School / Judges / Patrol	940,324	2,141,771	3,082,095
General Operating inflation (University & Colleges)	1,005,980	2,032,080	3,038,060
Equipment, utilities, other operating costs (Corrections)	1,880,260	589,092	2,469,352
Judges salaries (Courts)	729,685	1,492,868	2,222,553
State Claims (2020 claims shifted to FY21)	0	1,292,243	1,292,243
Juvenile justice, increased costs (Courts)	264,661	534,614	799,275
Annualize LB 259 competency determinations (Courts)	359,493	359,493	718,986
Water for Food Institute (University)	0	500,000	500,000
Processing of sexual assault forensic evidence (Patrol)	0	250,000	250,000
Information technology / charges (DHHS)	(5,900,000)	(5,900,000)	(11,800,000)
Fund mix (Corrections)	(4,200,000)	0	(4,200,000)
Base adjustments, Operations & BSDC (DHHS)	0	(2,600,000)	(2,600,000)
FMAP-operations related (DHHS)	(948,265)	(1,262,734)	(2,210,999)
Other Not Listed (net)	2,344,478	5,085,258	7,429,736
Total - Operations	55,706,975	116,328,034	172,035,009
2019 Session	55,706,975	97,259,754	152,966,729
2020 Session	--	19,068,280	19,068,280
Total - Operations	55,706,975	116,328,034	172,035,009

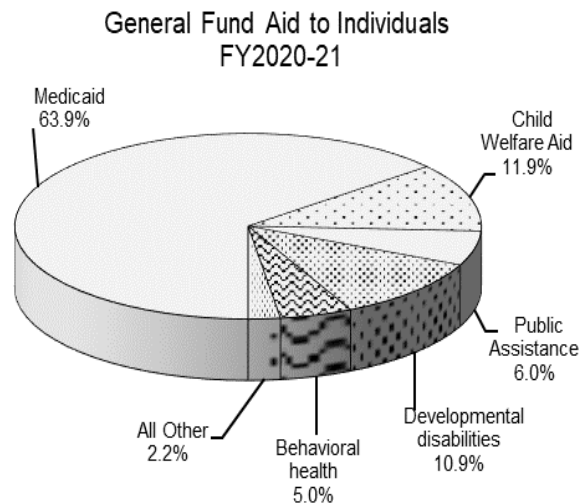
State Aid to Individuals / Others

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 1.5% increase in FY2019-20 (\$21.6 million) and a 4.2% increase (\$60.2 million) in FY20-21. Significant increases in FY2019-20 include, provider rate increases (\$30.5 million), Medicaid eligibility and utilization (\$16.3 million), and phase-in expiration of the enhanced federal match rate for Children’s Health Insurance. (\$8.1 million). These increase were offset by \$38 million savings due to an increase in the Federal Medical Assistance Percentage (FMAP).

The provider rate increase included are 2% per year for Medicaid, child welfare, and Children’s Health Insurance. Provider increase for behavioral health are based on the cost model (approximately 4% in FY20, 0% FY21, 2% average) while the developmental disability provider increase is approximately 4% in FY20, 0% FY21 for a 2% per year average based on the results of a rate/methodology study.



Increased costs in FY2020-21 include first year net cost of Medicaid expansion (\$37.9 million) and a projected health insurance provider fee of \$15.5 million is included in Medicaid. Additional savings come from a second year increase in our FMAP resulting in General Fund savings of \$31.5 million

Major changes to the FY20-21 budget enacted in the 2020 session include:

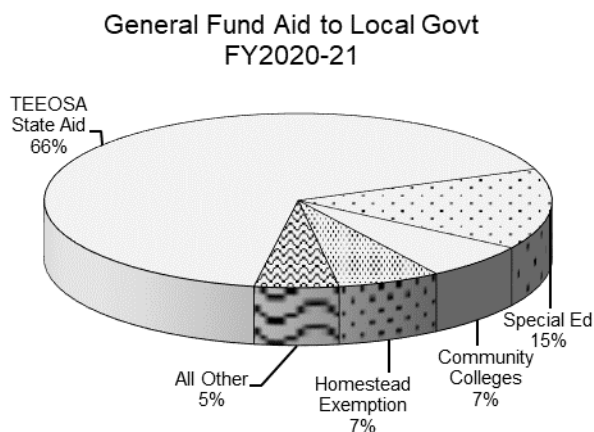
- (1) Child Welfare savings, new eastern service area contract (-\$27 million);
- (2) Developmental disability aid related to Medicaid Home and Community-Based Waivers and provider rates. (\$12.4 million);
- (3) Base reduction due to lower use in Public Assistance (-\$4 million) and SCHIP (-\$2 million)
- (4) Nebraska Career Scholarship Program through the University of Nebraska, State Colleges, and Community Colleges (through Dept of Economic Development) (\$4 million)

State Aid to Individuals / Other	Change over FY19 base		
	FY2019-20	FY2020-21	Two Yr Total
Provider rates, DHHS aid programs	30,492,899	53,141,287	83,634,186
Medicaid (other than FMAP, provider rates, expansion)	23,573,038	59,405,181	82,978,219
Medicaid expansion (net)	0	37,875,803	37,875,803
Children’s Health Insurance (SCHIP) (special FMAP expires)	8,103,686	19,181,115	27,284,801
Developmental Disability aid (other than FMAP, provider rates)	(198,720)	12,163,627	11,964,907
Nebraska Career Scholarships	0	4,000,000	4,000,000
Behavioral Health aid (other than FMAP, provider rates, expansion)	622,798	1,790,742	2,413,540
Vocational Rehabilitation	1,200,000	1,200,000	2,400,000
Aging programs (other than provider rates)	0	1,876,790	1,876,790
Public/Community Health Aid	(37,500)	2,212,500	2,175,000
Higher Ed Student aid programs	154,400	1,154,400	1,308,800
Vocational and Life Skills Program (DCS)	0	500,000	500,000
State aid to development districts	0	230,000	230,000

(table continued)	FY2019-20	FY2020-21	Two Yr Total
Federal Medicaid Match rate (FMAP, aid only)	(38,007,521)	(82,564,743)	(120,572,264)
Child Welfare aid (other than FMAP & provider rates)	(1,692,559)	(28,442,559)	(30,135,118)
Public Assistance (other than FMAP, provider rates, expansion)	(3,384,715)	(7,403,237)	(10,787,952)
Children's Health Insurance (SCHIP) (other than FMAP, rates, expansion)	0	(1,748,490)	(1,748,490)
All Other	724,631	722,800	1,447,431
Total - Aid to Individuals	21,550,437	75,295,216	96,845,653
2019 Session	21,550,437	81,737,137	103,287,574
2020 Session	--	(6,441,921)	(6,441,921)
Total - Aid to Individuals	21,550,437	75,295,216	96,845,653

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 receives a \$74.6 million (5.2%) increase in FY2019-20 and another \$12.8 million (0.9%) increase in FY2020-21.

Because TEEOSA school aid accounts for 70% of all aid to local governments, TEEOSA also significantly influences the growth rate in this category. The budget funds TEEOSA aid at a 3.4% per year average increase, \$61.7 million (6.3%) in FY19-20 and an additional \$6.6 million (0.6%) in FY20-21. At the start of the session, under the law at that time the FY19-20 amount would have been a 7.8% increase driven by the local effort rate returning to \$1.00 from the \$1.023

where it was for two years in the last biennium. This was based on the Dept. of Education pre-certification estimate provided in January 2019. The FY20-21 amount was estimated at that time at only a .7% increase due to lower spending and higher valuations. The enacted budget incorporated the provisions of LB675 which reduced the allowable growth rate from 2.5% to 2.0% for FY2019-20 only and then returns to the prior law level in FY20-21. This change lowered the first year growth from 7.8% to 6.7% and reduces aid by \$11.7 million in FY19-20 and \$20.4 million in FY20-21.

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

Homestead Exemption reimbursement and the Personal Property Tax Relief act are both based on estimated funding required under current law taking into consideration actual FY18-19 funding needs inflated into the next two years. This results in a \$4.6 million (5.5%) increase in Homestead

exemption reimbursements in FY19-20 and a \$200,000 (1.4%) increase in funding for the Personal Property Tax Relief act.

The budget also included \$584,600 to restore cuts made in FY19 to 11 different aid programs under the Dept. of Education including high ability learners, early childhood grants and endowment program.

Major changes to the FY20-21 budget enacted in the 2020 session include:

- (1) TEEOSA aid to the certified level compared to prior estimate (-\$20.3 million);
- (2) Elimination of the Personal Property Tax Relief program per LB1107 (-\$14.0 million);
- (3) Governors' Emergency Program funding for 2019 flood damage (+\$55.2 million). Originally this would have been a FY20 deficit but had to be shifted to FY21 due to enactment in July.

State Aid to Local Government	Change over FY19 base		
	FY2019-20	FY2020-21	Two Yr Total
TEEOSA Aid to Schools	61,729,791	48,047,884	109,777,675
Governors Emergency Program	6,000,000	60,240,974	66,240,974
Homestead Exemption	4,600,000	17,000,000	21,600,000
Special Education	2,265,266	4,553,185	6,818,451
High ability learner programs	140,578	140,578	281,156
Aid to ESU's	267,558	528,976	796,534
Early Childhood Endowment	200,000	200,000	400,000
Early Childhood grant program	144,774	144,774	289,548
Riparian Vegetation grants (Agriculture)	0	250,000	250,000
Personal Property Tax Relief Act	200,000	(14,200,000)	(14,000,000)
Resources Development Fund	(3,014,712)	(3,014,712)	(6,029,424)
Community Colleges	1,971,517	4,982,465	6,953,982
Other Not Listed (net)	99,248	99,248	198,496
Total - Aid to Local Govt	74,604,020	118,973,372	193,577,392
2019 Session	74,604,020	88,483,237	163,087,257
2020 Session	--	30,490,135	30,490,135
Total - Aid to Local Govt	74,604,020	118,973,372	193,577,392

Capital Construction

Most of the General Funds included in the budget for capital construction are to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations. There is a large increase in FY2019-20, \$16.5 million (76%) of which virtually all is due to the State Capitol HVAC project shifting from Nebraska Capital Construction Funds (NCCF) to General Funds starting in FY2019-20

With respect to new construction, the budget includes funding for additional high security housing units under the Dept. of Correctional Services. This \$49 million project, financed with a Cash Reserve Fund transfer to the Nebraska Capital Construction Fund, is for 384 beds capable of housing maximum security male inmates. It consists of two housing units, one housing unit is for 128 beds (single occupancy cells), and the other housing unit is for 256 beds (double occupancy cells) and includes support components providing educational and rehabilitative programming and adjoining outdoor recreation areas. The two new buildings will be placed on the grounds of Lincoln

Correctional Center (LCC) and connected either by exterior walkways or enclosed corridors. The new housing units will utilize services of the existing LCC and the newly created Reception and Treatment Center (RTC) for support functions such as food service, medical, visitation, and administration.

Major changes to the FY20-21 budget enacted in the 2020 session include: ligature risk facility changes at the Lincoln Regional Center, (\$5.6 million); Capitol Dome long term repair (\$1.8 million), and cash flow of the State Capitol HVAC project (\$3.5 million)

<u>Capital Construction</u>	<u>Change over FY19 base</u>		
	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>Two Yr Total</u>
2019 Session	16,526,811	5,750,461	22,277,272
2020 Session	--	11,136,200	11,136,200
Total - Aid to Local Govt	16,526,811	16,886,661	33,413,472

Historical General Fund Appropriations

Table 16 provides a historical perspective showing appropriations for the twenty year period FY2000-01 through the enacted budget for FY2020-21 by major area. Average spending growth over the 20 year period is 3.4%.

Table 17 provides a breakdown by year of General Fund appropriations for the past 20 years by major category and percent changes by year and biennial budget.

Table 16 Breakdown of General Fund Appropriation– Last 20 Years

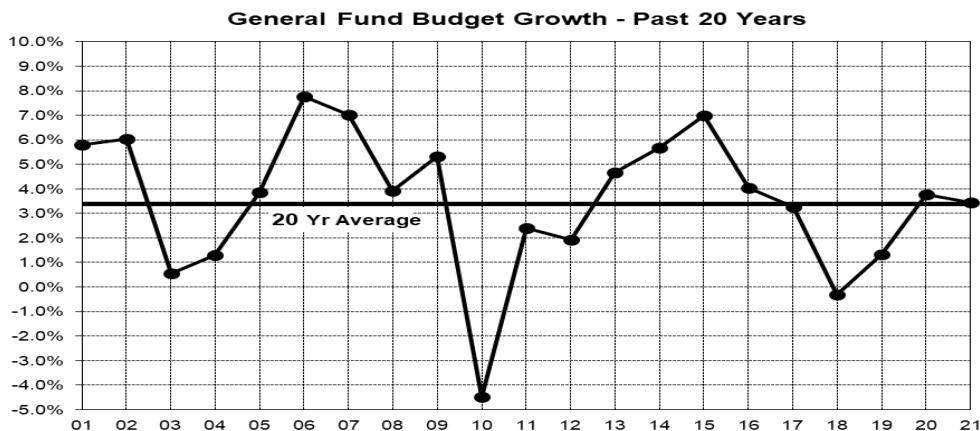
	New Approp FY2000-01	New Approp FY2010-11	2020 Session FY2020-21	Avg % 20 Yr 01 to 21
<u>AGENCY OPERATIONS</u>				
University + Colleges (w/o aid)	423,760,683	540,090,076	669,962,990	2.3%
Health & Human Services	168,724,171	252,915,827	251,533,219	2.0%
Correctional Services	90,592,253	142,575,132	236,451,459	4.9%
Court System (includes probation)	49,960,972	70,264,041	200,285,673	7.2%
State Patrol	34,045,307	55,891,491	64,448,023	3.2%
Retirement Board	14,523,142	27,420,010	54,839,932	6.9%
Revenue	23,996,165	27,071,402	28,992,188	1.0%
Other 39 Agencies	122,660,051	137,435,605	193,273,413	2.3%
Total-GF Operations	928,262,744	1,253,663,584	1,699,786,897	3.1%
<u>AID TO INDIVIDUALS</u>				
Medicaid	362,313,535	489,426,763	921,250,222	4.8%
Child Welfare aid	80,296,308	150,369,035	172,174,830	3.9%
Developmental disabilities	46,574,186	90,573,431	157,255,751	6.3%
Public Assistance	57,695,196	97,755,951	86,756,257	2.1%
Behavioral Health aid	24,454,550	74,721,481	72,206,614	5.6%
Childrens Health Insurance (SCHIP)	0	11,634,438	23,778,754	na
Public Health Aid and health centers	2,975,965	8,674,766	14,147,467	8.1%
Aging programs	4,946,975	7,999,438	11,722,579	4.4%
Higher Ed Student Aid	5,674,026	6,863,406	8,693,430	2.2%
Business Innovation Act	0	0	6,020,352	na
Other Aid to Individuals/Other	13,406,032	8,580,257	16,869,453	1.2%
Total-State Aid to Ind/Other	598,336,773	946,598,966	1,490,875,709	4.7%
<u>AID TO LOCAL GOVT</u>				
State Aid to Education (TEEOSA)	552,343,705	796,734,560	1,022,555,859	3.1%
Property Tax Credit (transfer)	0	\$115M	\$275M	na
Special Education	139,204,597	184,893,842	231,079,770	2.6%
Aid to Community Colleges	92,387,138	86,758,025	103,558,339	0.6%
Homestead Exemption	38,613,302	65,000,000	101,100,000	4.9%
Governors Emergency Program	500,000	500,000	60,240,974	27.1%
Personal Property Tax Relief Act	0	0	0	na
Aid to ESU's	12,775,000	14,791,327	13,613,976	na
Aid to Cities	17,531,500	10,964,566	0	-100.0%
Aid to Counties (all programs)	20,200,973	9,659,932	0	-100.0%
Early Childhood+High Ability Learner	3,711,875	5,541,635	10,962,319	5.6%
Community Based Juvenile Services	0	1,492,500	6,048,000	na
Other Aid to Local Govt	8,474,768	14,700,122	5,319,394	-2.3%
Total-GF State Aid to Local Govt	885,742,858	1,191,036,509	1,554,478,631	2.9%
<u>CAPITAL CONSTRUCTION</u>				
	46,446,858	13,802,233	38,625,661	-0.9%
<u>GENERAL FUND TOTAL</u>				
	2,458,789,233	3,405,101,292	4,783,766,898	3.4%

Table 17 Historical General Fund Appropriations

<i>Excludes Deficits</i>	Agency Operations	Aid to Ind/Other	Aid to Local Govt	Construction	Total	% Change
FY2000-01 Approp	928,262,744	598,336,773	885,742,858	46,446,858	2,458,789,233	5.8%
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 Enacted	1,521,595,794	1,348,844,879	1,374,980,396	26,382,800	4,271,803,869	4.0%
FY2016-17 Enacted	1,580,659,703	1,398,520,670	1,410,271,464	22,239,000	4,411,690,837	3.3%
FY2017-18 Enacted	1,570,199,266	1,378,600,757	1,427,473,593	21,739,000	4,398,012,616	-0.3%
FY2018-19 Enacted	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 Enacted	1,699,786,897	1,490,875,709	1,554,478,631	38,625,661	4,783,766,898	3.4%

Average Annual Growth

FY10 / FY11 Biennium	1.3%	-3.5%	-1.8%	29.4%	-1.1%
FY12 / FY13 Biennium	0.2%	9.5%	1.1%	22.7%	3.3%
FY14 / FY15 Biennium	6.5%	7.2%	5.2%	12.8%	6.3%
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%
Avg FY01 to FY11 (10 yr)	3.1%	4.7%	3.0%	-11.4%	3.3%
Avg FY11 to FY21 (10 yr)	3.1%	4.6%	2.7%	10.8%	3.5%
Avg F01 to FY21 (20 yr)	3.1%	4.7%	2.9%	-0.9%	3.4%



2020 Session Budget Actions

Mid-biennium budget adjustments for FY20-21 General Fund new appropriations by a net total of \$54.2 million over the two year period. This equals .06% of the original two-year appropriation.

A summary listing of 2020 General Fund budget adjustments is contained in Table 18 as shown below, the listed items accounts for 98% of the total budget adjustments. A complete listing of all items is include in Appendix A. Table 19 contains a listing of General Fund appropriations by bill.

What was unusual this year was the split 2020 legislative session. The Legislature suspended the session from March until July due to the COVID-19 outbreak. By moving the session past July 1, FY2019-20 became a completed fiscal year and what normally would have been a FY19-20 deficit had to be shifted into FY2020-21. Of the net \$54.2 million increase in the budget for FY20-21, \$71.2 million related to FY20 deficits shifted to FY21 including \$55.2 million for the Governor's Emergency Program.

Table 18 General Fund Budget Adjustments – 2020 Session

		2020 Budget GF Actions		
		FY2019-20-	FY2020-21	2 Yr total
SIGNIFICANT INCREASES:				
2	Military Dept - Governors Emergency Program, 2019 flood damage	0	55,240,974	55,240,974
3	DHHS - Increased costs, utilize staffing agencies (Lincoln & Norfolk)	0	5,000,000	5,000,000
4	Revenue-Adjust Homestead Exemption to actual under current law	0	9,100,000	9,100,000
5	Corrections - Pay Increases for Protective Services Staff	0	8,000,000	8,000,000
6	Construction - Lincoln Reg Cntr, ligature risk facility changes	0	5,600,000	5,600,000
7	DHHS - Completed ICAP assessments, DD waiver services	0	4,943,181	4,943,181
8	DHHS - Increase certain behavioral health provider rates (LB 1100)	0	4,140,249	4,140,249
9	NU+Colleges+DED - Nebraska Career Scholarships	0	4,000,000	4,000,000
10	DHHS - Increase developmental disability provider rates (LB 827)	0	3,730,149	3,730,149
11	DHHS - Higher DD waiver Sec 83-1216 priority1 individuals	0	3,689,017	3,689,017
12	Construction - DAS - Capitol HVAC Project, cash flow	0	3,500,000	3,500,000
13	DHHS - LRC, temporary staffing, ligature risk mitigation	0	1,600,000	1,600,000
14	Construction - DAS - Capitol Dome long term repair	0	1,766,200	1,766,200
15	DHHS - Increase aid to local public health departments (LB 1018)	0	1,500,000	1,500,000
16	DAS - LB 927 State Claims	0	1,292,243	1,292,243
17	Revenue+DED - LB 1107 ImagiNE Act et al (administrative costs)	0	2,412,405	2,412,405
18	DHHS - Additional General Fund support, Area Agencies on Aging	0	1,262,878	1,262,878
19	Courts - Problem solving courts (LB1017 mental health, LB1097 young adults)	0	1,095,675	1,095,675
20	Corrections - Workforce development partnership with PSC	0	1,011,631	1,011,631
21	Comm Colleges - Increased aid for dual enrollment (LB 894)	0	1,000,000	1,000,000
22	Coord Comm - Increase funding, Opportunity Grant Program (LB 1050)	0	1,000,000	1,000,000
23	DHHS - Increase funding, federally qualified health centers (LB 1019)	0	500,000	500,000
24	Corrections - Increase funds, Voc & life skills programming (LB 1096)	0	500,000	500,000
25	University - Daugherty Water for Food Institute (LB 1026)	0	500,000	500,000
26	DHHS - Increased funds, competency restoration treatment (LB 1161)	0	300,000	300,000
27	Agriculture - Restore funds, Riparian Vegetation grants	0	250,000	250,000
28	DHHS - Increase funds for child advocacy centers (LB 779)	0	250,000	250,000
29	DHHS - Increase funds, emerg medical care provider training (LB 1102)	0	250,000	250,000
30	Patrol - Increased funds, process sexual assault evidence (LB 1079)	0	250,000	250,000
31	DED - Increase funding, aid to development districts (LB 1098)	0	230,000	230,000
32	Subtotal-Increases listed	0	123,914,602	123,914,602

		2020 Budget GF Actions		
		FY2019-20-	FY2020-21	2 Yr total
33	SIGNIFICANT REDUCTIONS:			
34	DHHS - Child Welfare savings, new eastern service area contract	0	(27,000,000)	(27,000,000)
35	Education - TEEOSA state aid, to NDE calculated per current law	0	(20,300,839)	(20,300,839)
36	Revenue - LB 1107 ImagiNE Act et al (eliminate Pers Prop Tax Credit)	0	(14,800,000)	(14,800,000)
37	DHHS - Public Assistance, realign appropriation with current spend rates	0	(4,000,000)	(4,000,000)
38	DHHS - SCHIP, realign the appropriation level with current spend rates	0	(2,000,000)	(2,000,000)
39	DHHS - Operations, realign appropriation with current spend rates	0	(1,600,000)	(1,600,000)
40	DHHS - BSDC, realign the appropriation level with current spend rates	0	(1,000,000)	(1,000,000)
	Subtotal-Reductions listed	0	(70,700,839)	(70,700,839)
20	ALL OTHER (Net)	0	1,038,931	1,038,931
36	GENERAL FUND NEW APPROPRIATIONS	0	54,252,694	54,252,694

Table 19 General Fund Appropriations by Bill – 2020 Session

	Appropriation. FY2019-20	Appropriation FY2020-21	Estimated FY2021-22	Estimated FY2022-23
LB 323 Changes, Medicaid working disabled coverage.	0	0	131,583	131,583
LB 450 Change National Guard tuition assistance provisions	0	134,185	268,369	268,369
LB 477 Tax exemption, Segal AmeriCorps Education Awards	0	58,192	0	0
LB 632 NRC changes, state flood mitigation plan	0	0	225,000	0
LB 734 Licensure of charter bus services, Liquor Control Act	0	3,000	0	0
LB 848 Indigenous People's Day, change Bridge to Independence Act	0	0	84,507	84,507
LB 910 Change Secretary of State fees and funds	0	0	(300,000)	(300,000)
LB 918 Commission on African American Affairs, require a study	0	127,500	255,000	255,000
LB 963 Workers' comp changes, first responders	0	0	442,500	442,500
LB 965 Language assessment, deaf or hard of hearing children	0	0	53,632	53,632
LB 992 Broadband Internet Service Infrastructure Act	0	0	0	111,506
LB 1107 ImagiNE, Prop Tax Incentive, Transformational Projects	0	(12,387,595)	(12,863,285)	(13,162,385)
Subtotal-"A" Bills	0	(12,064,718)	(11,702,694)	(12,115,288)
LB 1008 Mainline Budget Bill	0	65,025,169	(64,498,258)	(63,421,732)
LB 927 State Claims	0	1,292,243	0	0
Total General Funds - 2020 Session	0	54,252,694	(76,200,952)	(75,537,020)

Significant General Fund Items

Problem Solving Courts (Supreme Court)

Two bills referenced to the Appropriations Committee recommended funding for additional problem solving courts. The enacted budget included \$1,095,675 General Funds in FY20-21 in the mainline budget bill for these two items.

LB1097 provided \$457,887 for another young adult problem-solving court. There is currently one young adult court in Douglas County. It is estimated that funds would be used to expand programming, especially related to employment.

LB1017 provided \$637,788 for a pilot program for problem-solving courts for mental health with the intent to continue funding at \$657,788 in FY2021-22 and \$677,788 in FY2022-23 to continue the pilot program. Included in the appropriation is a total of \$120,000 for two evaluations, and this amount is spread-out over three years: \$20,000 in FY2020-21, \$40,000 in FY2021-22, and \$60,000 in FY2022-23.

TEEOSA School Aid (Education)

The 2020 budget adjustments modify the originally budgeted TEEOSA aid amount to the level called for under the existing law as calculated and released by the Dept. of Education January 13, 2020. In total the certified aid is \$19.7 million lower than estimate at Sine Die last year that was included in the budget enacted at that time. Taking into consideration changes in the Insurance Premium funds the overall changes in General Funds are a reduction of \$20,300,839 in FY2020-21.

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 FY2018-19	Actual FY2019-20	Current Law FY2020-21	Estimated FY2021-22	Estimated FY2022-23
<u>Key Assumptions</u>					
School Disbursements	3.4%	4.2%	2.8%	2.8%	4.0%
Gen Fund Operating Expenditures (GFOE)	3.1%	4.3%	1.4%	2.8%	4.0%
Property Valuations (assessed)	2.9%	1.7%	2.1%	2.8%	2.2%
Property Valuations (used in formula)	4.0%	4.5%	3.9%	4.3%	3.7%
Cost Growth Factor	3.00%	3.50%	4.50%	5.00%	5.00%
Local Effort Rate	\$1.0203	\$1.0000	\$1.0000	\$1.0000	\$1.0000
General Funds	972,606,679	1,036,237,765	1,022,555,858	1,046,016,482	1,112,501,108
Insurance Premium Tax	26,901,296	29,675,083	30,300,000	30,750,001	31,210,000
Lottery funds, reorg incentives	906,222	--	--	--	--
Total TEEOSA state aid	1,000,414,197	1,065,912,848	1,052,855,858	1,076,766,483	1,143,711,108
<u>General Funds - Change over Prior Year</u>					
General Funds: \$ Change	2,595,102	63,631,087	(13,681,908)	23,460,624	66,484,626
General Funds: % Change	0.3%	6.5%	-1.3%	2.3%	6.4%
<u>All Funds - Change over Prior Year</u>					
Total TEEOSA Aid - \$ Change	1,672,443	65,498,651	(13,056,990)	23,910,624	66,944,625
Total TEEOSA Aid - % Change	0.2%	6.5%	-1.2%	2.3%	6.2%
Two Yr Avg % Change	1.1%		2.7%		4.2%

The following table shows the chronology of the TEEOSA estimates since Sine Die 2019. The amounts shown are total TEEOSA aid including amounts financed with General Funds and Insurance Premium Tax. Since Sine Die 2019 the estimates for the formula data elements and subsequent aid amount, have now been replaced with actual data that is utilized to certify the FY2020-21 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 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 2020.

	All Funds FY2019-20	All Funds FY2020-21	All Funds FY2021-22	All Funds FY2022-23
Sine Die 2019 (with May 2019 certification)	1,065,912,849	1,072,531,781	1,157,086,073	1,229,814,521
Calculation changes when updating new data years	0	(403,471)	(6,518,281)	(6,779,012)
Averaging Adjustment (error in my FY21 NEEDS calc formula)	0	4,287,206	4,588,591	4,772,135
Valuation, 2019 from 2.16% DPAT Est to 2.13% DPAT certified	0	4,976,414	4,916,443	5,113,101
Valuation; 2020 (1.71% est to 2.78% DPAD est)	0	0	(19,547,421)	(20,451,705)
Valuation; 2021 (1.84% LFO est to 2.17% LFO est)	0	0	0	(7,557,794)
Spending growth: FY21 from 4.0% to 2.83% (first budget to budget)	0	0	(26,605,584)	(27,669,807)
Student Growth Adjustment (est to NDE)	0	488,680	414,172	481,869
New School Adjustment (est to NDE)	0	2,981,373	3,148,903	3,663,594
Income tax (TY2018 +7.95%, TY2019 +5% versus 6.0% and 4%)	0	170,355	262,922	268,821
Total Change - Oct 2019 Joint Meeting	0	12,500,557	(39,340,255)	(48,158,798)
October 2019 Joint Meeting	1,065,912,849	1,085,032,338	1,117,745,818	1,181,655,723
Adjust to dist by dist	0	0	12,382	(9,820,790)
Actual FY19 AFR, lower GFOE	0	(48,345,183)	(49,268,270)	(51,239,001)
Change in NEEDS gained or lost in basic funding calculation	0	(4,239,149)	(13,573,876)	4,194,462
Averaging Adjustment	0	(1,074,358)	1,672,982	(749,987)
Formula NEEDS Stabilization	0	9,684,462	3,216,231	1,853,948
Actual FY19 AFR, lower Other Receipts	0	10,233,610	10,557,534	10,891,575
Lower effective Yield from Local Effort Rate	0	4,669,892	7,463,847	8,547,515
Poverty / LEP Corrections	0	(1,808,827)	0	0
All Other Items	0	(1,296,927)	(1,060,165)	(1,622,337)
Total Change - NDE Jan 2020	0	(32,176,480)	(40,979,335)	(37,944,615)
NDE January 2020	1,065,912,849	1,052,855,858	1,076,766,483	1,143,711,108

Homestead Exemption (Revenue)

Total certificates for the current fiscal year and amended request for the Homestead Exemption in 2019 is \$92,730,285 while the current appropriation for FY19-20 was \$88.7 million. Since the

counties may amend their requests for reimbursement of tax loss up to the May 30th statutory deadline, the Department of Revenue requested an amended appropriation of \$92.8 million for the current fiscal year, an increase of \$4.1 million from the current appropriation.

With a higher FY2019-20 baseline amount, the FY2020-21 appropriation is increased by \$5.0 million from \$92.0 million to \$97.0 million.

Child Welfare savings, eastern service area contract (DHHS)

The child welfare case management and service contract for the Eastern Service Area was competitively bid. St. Francis Ministries was awarded the five-year contract with the option for two additional years over the existing contractor PromiseShip.

The original bid by St. Francis of \$196.4 million was 36% percent below the PromiseShip bid of \$305.3 million. Since the original contract was signed there have been three amendments. The amendments were due to the transition of cases being accelerated resulting in a total current contract of \$207.9 million.

There are still some questions and concerns as to the long term nature of these savings. The St. Francis bid assumed a case ratio of 25:1 while state law requires the case ratio to be between 12:1 and 17:1. After the bid award was announced, St. Francis requested a \$15 million increase in the contract amount to comply with state statute but was refused.

With this lower bid, DHHS request reflects savings of \$6 million in FY2019-20 and \$27 million in FY2020-21 and thereafter. Cost savings the first year are lower as the ESA was not fully transitioned over to the new vendor until January 1, 2020. The \$6 million savings in FY20 were reallocated to Program 033 to cover monies that had been used to support the Lincoln Regional Center in the absence of the deficit being passed due to suspension of the session.

Realign appropriation with current spend rates (DHHS)

The DHHS request for mid-biennium adjustments includes four programs where year-to-date spending levels under current law indicates excess appropriations and allowed for reductions in the current appropriation levels. Total General Fund savings amount to \$8.6 million each year. Because of the suspension of the legislative session, the FY20 appropriations could not be amended therefore the adjustments show as lapsed appropriations.

7 Program	T Type	Lapse FY2019-20	FY2020-21
33 Agency operations	Oper	(1,600,000)	(1,600,000)
344 Childrens Health Insurance (SCHIP)	Aid	(2,000,000)	(2,000,000)
347 Public Assistance	Oper	(4,000,000)	(4,000,000)
421 Beatrice State Develop Center (BSDC)	Oper	(1,000,000)	(1,000,000)
Total GF impact of FMAP change		(8,600,000)	(8,600,000)

Utilization of staffing agencies (DHHS)

The 2020 budget adjustments include \$5 million General Funds in FY2020-21 to cover higher costs at the Lincoln Regional Center (LRC) and Norfolk Sex Offender Program (NRC) due to the need to utilize staffing agencies, particularly Registered Nurses (RN) and Mental Health Security Specialists (MHSS), in order to meet minimum staffing levels until qualified individuals can be recruited, hired, and trained. These staff positions are responsible for providing 24/7 care and treatment at the facilities. Hourly charges from these staffing agencies are significantly higher than state employee wages and benefits. For example in FY19 approximately 10.5 FTE RN and 49 FTE MHSS were contracted from staffing agencies. For RN's, the contracted hourly rate is \$57.81 versus the average state hourly wage and benefits of \$41.84. The differential for MHSS is virtually the same, \$36/hour contracted rate versus \$21.36/hour average salary and benefits for similar state position. Most of the contracted staff were being utilized at the LRC but the need for contracted staff in Norfolk is increasing in FY19-20.

Failure to ensure adequate staffing and services places patient safety and health at risk, the State in jeopardy of lawsuits and a potential loss of federal funding from the Centers for Medicare and Medicaid Services (CMS) for failure to meet licensing guidelines. Compounding the issue, Mental Health Operations Program has seen an increase in general fund spending due to a reduction in cash and federal revenues due to fluctuations of the payer mix. In state fiscal year 2019, cash and federal fund reserves were utilized to cover these increased costs. It is not feasible, however, to sustain this as the federal fund revenues have dropped and cannot meet the spending authority given. For example, there are limitations on the number of days of hospital care that are eligible to be covered by Medicare with general funds covering any remaining days. Also the state must bear 100% of the cost of care for individuals who are placed at the LRC for competency restoration regardless of the individual's insurance coverage.

Originally there was also a \$5 million deficit for FY2019-20. Because the legislative session was suspended until July, the \$5 million deficit for FY20 could not be passed requiring the DHHS to cover the costs through the departments' administrative Program 033. These funds were then subsequently restored through enactment of a shift of reappropriated balances from the Child Welfare savings in Program 347 to Program 33.

Lincoln Regional Center, Ligature Mitigation (DHHS)

The 2020 budget adjustments include \$7.2 million General Funds in FY2020-21 to address the issue of ligature mitigation at the Lincoln Regional Center. In September 2019 the Joint Commission (JC) which is the accreditation body for Centers for Medicare and Medicaid Services (CMS) conducted a survey of the Lincoln Regional Center (LRC) and found deficiencies in the physical structure of the LRC that may pose as ligature risks. Ligature risks are those that may allow individuals to harm themselves or others in hospitals designated for behavioral health treatment. Total costs include \$5.6 million to make the structural and physical plant changes and \$1.6 million for temporary staffing until structural changes can be made to the facility.

Failure to address identified ligature risks increases liability to the State if a utilizer of the service would harm themselves or others and may result in a loss of all Medicaid billing privileges if accreditation is not retained. The loss in Medicaid billing would shift the federal cost of care to general funds. The expected completion date for the structural changes is June 30, 2021.

In order to retain accreditation, the JC required DHHS to create a risk mitigation plan to address the deficiencies in the physical structure. Examples of some of the needed changes to the LRC include substituting door hardware (lever handles and door closers) with those that are ligature resistant, replacing wall mounted accessories such as grab bars and soap holders to breakaway fixtures, covering exposed pipes, replacing acoustical ceiling tile with drywall and replacing furniture with that designated for behavioral health settings.

Also the mitigation plan outlines the use of temporary staff to address the risks until the physical building modifications can be completed. The additional staff will be utilized to enhance one-on-one monitoring of patients in areas of the building where ligature risks are present.

Originally the DHHS request for temporary staffing was \$3.2 million in FY19-20 with unused funds carried forward to FY20-21. However the FY20 appropriation could not be made due to suspension of the session so the FY19-20 costs were covered by using funds in the departments' administrative Program 033 and then adding \$1.6 million in FY20-21 to continue temporary staffing into FY21.

Developmental Disability Aid (DHHS)

The 2020 budget adjustments include an additional \$12,362,347 General Funds in FY2020-21 for developmental disability aid related to Medicaid Home and Community-Based Waivers for the Developmentally Disabled (DD Waivers) and provider rates.

The Division of Developmental Disabilities (DDD) makes offers to individuals for Medicaid Home and Community-Based Waiver Services for the developmentally disabled based on the priorities in Nebraska Revised Statute 83-1216. In SFY19, DDD began serving 56 additional individuals with the comprehensive (4154) waiver that met the priority one category which serves as an emergency capacity for those that are in immediate crisis. The additional number served under priority one was greater than in previous years (16 in SFY17 and 32 in SFY18) and the upward trend is expected to continue in the current biennium. The estimate for the mid-biennium issues is based on an estimate of 90 priority one waiver entrants in both SFY 20 and SFY 21. The cost to serve these individuals on the comprehensive waiver exceeds the funds that have become available through attrition from the waiver. Without the additional funding, DDD would not be able to make additional funding offers to individuals that are eligible for services for the priority one comprehensive waiver. Cost for this provision amounts to \$3,689,017 Gen Funds.

The DDD uses the Inventory for Client and Agency Planning (ICAP) assessment to determine funding levels for individuals served on Medicaid Home and Community-Based Waivers for the Developmentally Disabled (DD Waivers). Currently, DDD is in the process of standardizing the frequency for administration of the ICAP assessment to every two years to ensure that assessments are current and funding appropriately reflects the needs of individuals on DD Waivers. Between January 2019 and September 2019, DDD completed approximately 2,400 ICAP assessments for individuals on DD Waivers. It was determined that the updated assessments requires an average of 4% more funding to continue to provide services for current individuals on DD waivers at the funding levels and rates indicated by their ICAP assessments. The General fund portion of this cost, \$4,943,181.

LB 827 referenced to the Appropriations Committee provided funding to align rates paid to providers of developmental disability services as determined by the rate model study conducted by

the Division of Developmental Disabilities in 2018. The committee included funding for these provider rate increases in the mainline budget bill amounting to \$3,730,149 General Funds and \$4,507,813 Federal Funds (in program 348). These funds would be restricted to provider rate adjustments and cannot be utilized for payment of permanent or temporary state employees.

Medicaid/SCHIP Behavioral Health Provider Rates (DHHS)

LB 1100 referenced to the Appropriations Committee called for increased behavioral health rates in Medicaid and the Children's Health Insurance Program. The combined appropriation is \$4,140,249 General Funds and \$5,520,946 federal funds and was included in the mainline budget bill (LB1008). The rate increases are to be prioritized for mental health and behavioral health services which were reimbursed at fifteen percent or more below such rates paid as of January 1, 2020, by the Division of Behavioral Health. Services include but are not limited to day rehabilitation services, mental health individual sessions, substance use disorder individual sessions, substance use disorder assessments, therapeutic community services, and psychiatric residential rehabilitation. The intent of the Legislature is that funds appropriated for mental health and behavioral health rate increases be utilized solely for mental health and behavioral health rate increases in a proportional manner

Aid to Local Public Health Departments & FQHC (DHHS)

The mainline budget bill incorporated funding items originally included in LB1018 and LB1019 referenced to the Appropriations Committee but at a reduced level.

LB 1018 increased aid to the 18 local public health departments. The amount provided is \$1,500,000 General Funds in FY 2020-21. The funds are provided for local health departments for critical health services aid to be distributed equally among the eighteen public health.

LB 1019 increased funding for Federally Qualified Health Centers (FQHCs). The amount provided is \$500,000 General Funds in FY 2020-21 to be distributed to the community health centers funded through Federal Program 330, Public Law 104-299, the federal Health Centers Consolidation Act of 1996. Each center shall receive an amount to be distributed proportionally based on the previous fiscal year's number of uninsured clients as reported on the Uniform Data System Report provided to the United States Department of Health and Human Services Bureau of Primary Health Care. The distribution shall be made to Charles Drew Health Center, One World Community Health Center, East Central District Health Department – Good Neighbor Health Center, Community Action Partnership of Western Nebraska Health Center, Midtown Community Health Center, Bluestem Health, and Heartland Health Center.

Additional General Fund support, Area Agencies on Aging (DHHS)

Due to the projected reduction in federal funds, funding was added to the Area Agencies on Aging (AAAs) to prevent reductions in services that promote health, safety and long-term independence, such as home-delivered meals, mobility assistance, respite care, health screenings and durable medical equipment. Service vary among the eight AAAs as they are tailored to the needs of the local communities.

Governors Emergency Program (Military Dept.)

The Nebraska Emergency Management Agency (NEMA) had submitted a deficit request in the amount of \$53 million for FY20 for the Governors Emergency Program (GEP).

This request had two intended purposes. The first is to replenish the GEP to a balance of \$5 million in order to assure funding availability for immediate response to any disaster or emergency event(s). This balance amount is what has historically been maintained. The second purpose is to provide adequate funding (based on current total damage estimates) for the state's portion of the non-federal share of cost (12.5 percent of total eligible costs or \$50 million) associated with the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) program. FEMA will reimburse 75 percent of eligible costs while local jurisdictions will be responsible for the remaining 12.5 percent. Types of work to be completed, or in the process of being completed, include restoration of roads/bridges, water control facilities, buildings/equipment, utilities, and parks/recreational and other facilities.

The enacted budget included \$46 million for this purpose. This is \$7 million lower than the request based on a review of the listing of FEMA Public Assistance projects and identification of projects that have historically not been eligible for assistance through the GEP and by accounting for certain federal reimbursements for expenditures already made from the GEP related to the March 2019 flood response. Additionally, the agency's deficit request did not account for the General Fund appropriation of \$5 million in FY21. In accounting for the refinements delineated above, it is anticipated that the GEP will have \$51 million available for the state's 12.5 percent cost-share of eligible damages while also maintaining an available balance of at least \$5 million for future disasters/emergencies that may occur in the current biennium.

In addition to the \$46 million, the budget includes an additional \$9.2 million per the Governors Recommendation, to assist certain counties with their portion of the non-federal share of cost related to the Federal Emergency Management Agency (FEMA) Public Assistance (PA) program. In order to be eligible for assistance, a county's cost share (12.5%) of the projects related to the March 2019 disaster that are eligible under the FEMA PA program must total 20 percent or more of the county's 2018 taxes levied. The amount of assistance provided to a county is the difference between 20 percent of the 2018 taxes levied and the total amount of the county's cost share.

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.

Pay Increases for Protective Services Staff (Corrections)

The Department of Correctional Services (DCS) reached an agreement to provide additional pay increases for DCS Protective Services Staff: Corrections Officers, Corporals, Corrections Unit Caseworkers, and Sergeants. Corrections officers will be reclassified as corporals. Corporals, unit caseworkers, and sergeants will receive wage increases and placed on a new seven-step pay plan.

Corrections corporals, Unit Caseworkers, and Sergeants will get wage increases on January 20, 2020. Minimum pay for Corporals and Unit Caseworkers will increase to \$20 per hour, and \$24 per hour for sergeants. Current staff's pay will increase to the new minimum rate or by the same amount that the minimum has been raised, whichever is higher.

For example, the minimum rate of pay for the Corrections Corporal on January 19, 2020 is \$18.44 per hour. The new minimum rate of pay for that classification on January 20, 2020 is \$20.00 per hour. Accordingly, as of January 20, 2020 each employee in that classification shall receive an increase to the new minimum rate of pay of \$20.00 per hour, or shall receive a raise of \$1.56 per

hour, whichever results in a higher rate of pay. Corporals, Unit Caseworkers and Sergeants can receive step increases on July 1 following satisfactory performance reviews. Each step will add \$1 to the employees' hourly pay. Employees can move up a step each year for seven years.

Costs to implement this pay agreement are \$2.3 million for the remainder of FY2019-20 and \$5.7 million for FY2020-21. Because of the suspension of the legislative session, the FY20 amount had to be shifted and added to the FY20-21 appropriation amount. Cost in the following biennium will be \$8.7 million and then \$11.7 million as the additional \$1 per hour on the step plan will cost approximately \$3 million each year.

Workforce Development Partnership Proposal (Corrections)

The Governor's budget included funding for a project where the Dept. of Correctional Services (DCS) is partnering with Peru State College (PSC) to enhance the PSC criminal justice program with a corrections focus. It is being called the "Corrections Workforce Development Pathways (CWDP)". DCS will provide start-up, recruiting, and scholarship funding for PSC to develop this program. Housing will be available in Peru. During school, besides doing coursework, students will work at TSCI as Corporals, Caseworkers, and eventually as Sergeants and Case Managers. Upon graduation, they may be offered positions as Lieutenants or Unit Managers.

The enacted budget includes General Funds of \$523,465 in FY20-21 to implement the program. In FY23, the program is estimated to cost of \$973,465, which includes operations, recruiting, training, and 45 student scholarships.

Vocational and Life Skills Program funds (Corrections)

LB 1096 referenced to the Appropriations Committee called for additional General Funds of \$500,000 each year for the Vocational and Life Skills Program to provide grants to train adults and juveniles who are incarcerated, who have been incarcerated within the prior eighteen months, or who are serving a period of supervision on either probation or parole. Grants would be awarded to organizations that provide paid preparatory training programs, pre-apprenticeship programs, or other paid training that leads directly into a Federal Registered Apprenticeship Program, and grants shall require a minimum one-to-one cash or in-kind matching contribution. This proposal was funded as an addition to the mainline budget bill.

Nebraska Opportunity Grant Program (Coordinating Commission)

LB 1050 referenced to the Appropriations Committee proposed to increase the FY2020-21 General Fund appropriation for the Nebraska Opportunity Grant Program by \$1,500,000. The budget proposal and subsequently enacted budget increases the FY2020-21 appropriation by \$1,000,000 to support additional need-based financial aid for eligible Nebraska resident students attending the state's higher education institutions. The increase represents a 5.0% increase in the total FY2020-21 appropriation for this need based student financial aid program. The original FY2020-21 appropriations of \$19,948,302 for the program include \$6,593,430 General Fund and \$13,354,872 Cash Fund (from dedicated state lottery proceeds).

Nebraska Career Scholarships (University, State Colleges, DED)

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 \$4 million with intent language that the program would increase to \$16 million in the fourth year.

Program	FY2019-20	FY2020-21	FY2021-22	FY2022-23	FY2023-24
University of Nebraska	0	2,000,000	4,000,000	6,000,000	8,000,000
State Colleges	0	1,000,000	2,000,000	3,000,000	4,000,000
Dept of Economic Development (DED)	0	1,000,000	2,000,000	3,000,000	4,000,000
Total GF impact of FMAP change	0	4,000,000	8,000,000	12,000,000	16,000,000

University of Nebraska: The intent is that the funding support 170 scholarships for eligible student each year for each \$2,000,000 appropriated and further provides that scholarship awards not exceed \$25,000 annually to students who achieve an ACT score of 28 or higher and \$10,000 annually to students who achieve an ACT score of 20 to 27 or are qualified transfer students. No student is to receive a scholarship after four years of participation in the program. Scholarships are to be limited to students who enroll in a program of study of math, engineering, health care, or computer information systems. The Board of Regents, in collaboration with the Department of Economic Development, is directed to evaluate programs of study needed to meet Nebraska workforce needs every four years.

State Colleges: Language indicates intent that the funding support 200 scholarships not to exceed \$10,000 per eligible student each year for each \$1,000,000 appropriated. Intent language accompanying the appropriation provides that to be eligible for the related financial aid, a student would be required to achieve a minimum ACT score of 18 and enroll in a program of study in rangeland management, industrial technology, criminal justice, business administration, education, communications, or computer information systems. No student is to receive a scholarship after four years of participation in the program. The Board of Trustees, in collaboration with the Department of Economic Development, is directed to evaluate programs of study needed to meet Nebraska workforce needs every four years.

DED: The proposal notes that there would be 200 scholarships given for each \$1,000,000 appropriated. The Department of Economic Development would work in conjunction with the six Community Colleges to award scholarships to freshman students pursuing careers in high-demand areas.

Daugherty Water for Food Institute (University of Nebraska)

LB1026 referenced to the Appropriations Committee proposed to appropriate \$2,500,000 General Fund to the University of Nebraska for FY2020-21 to provide funds for the Daugherty Water for Food Institute to support water and agricultural research and existing collaborative initiatives to implement best practices in water conservation. The Committee proposal and enacted budget includes \$500,000 General Fund for FY2020-21 to support these purposes.

Community College aid, Dual Enrollment

LB894 referenced to the Appropriations Committee proposed to appropriate \$7,000,000 General Funds for FY2020-21 as an increase in aid to community colleges specifically to support efforts of the respective community college areas in their delivery of dual enrollment courses to high school students. The enacted budget includes \$1,000,000 General Fund for this purpose and provides a specific mechanism for distribution of this incremental increase in aid to community colleges.

State Capitol HVAC Project Cash Flow (Construction)

The enacted budget makes changes to the cash flow of appropriations as well as changes to the designated funding source(s) for appropriations committed to the Capitol HVAC Systems Replacement project. While there is a net \$3.5 million increase in FY2020-21, in total, recommended adjustments for cash flow increases are offset by adjustments for cash flow decreases over the project funding period with no net change in total appropriations committed for the project. Cash flow adjustments are shown in the following table.

	Current \$ Gen Fund	Change Gen Fund	Revised \$ Gen Fund
FY2020-21	8,089,861	3,500,000	11,589,861
FY2021-22	14,500,000	(1,411,172)	13,088,828
FY2022-23	11,500,000	(409,040)	11,090,960
FY2023-24	11,300,000	(5,189,104)	6,110,896
FY2024-15	4,074,174	3,509,316	7,583,490
Remaining Total	49,464,035	0	49,464,035

State Capitol Dome Long Term Repair (Construction)

Inspection of the gold tile masonry dome of the Capitol tower was performed during July, 2019 revealing dome conditions critically in need of repair/restoration. Weatherproofing sealant of the thirteen radial (vertical top to bottom) and three circumferential (horizontal) expansion joints of the dome was discovered to have degraded to the point that it provides little to no value toward keeping the dome and its tiled surface sealed from moisture. Many (approximately 200) of the tiles that cover the dome and flank the expansion joints were discovered to be so loose that they can be lifted from their setting beds. \$181,000 of unexpended carry-over appropriations for Program 901 (State Capitol Improvements) were used to complete emergency, short-term repair measures prior to arrival of winter weather conditions.

The agency requested and the budget includes \$1,766,200 (General Fund) to undertake long-term repair/restoration of the Capitol dome which will require full, fixed-in-place scaffold access to the entire dome. Also per the agency request, the reappropriation of the unexpended 2018-19 General Fund operating budget (Agency 65 – Program 685) appropriation is reduced by \$700,601 to assist in offsetting the project cost.

Lapse FY2018-19 and FY2019-20 Reappropriations (Courts, DHHS, DAS)

There are two instances where the budget includes a lapse of FY2018-19 reappropriated balances. These reappropriations are not included in the FY19-20 and FY20-21 and these reductions therefore are not shown as changes to the appropriation like the other items but show as additions to the unobligated beginning cash balance on the General Fund Financial Status.

First, the Governor's proposal identified an unexpended General Fund appropriation on June 30, 2020, for the Supreme Court's operations programs of approximately \$17 million and recommended lapsing \$10 million of that unexpended balance.

The second item is a lapse of \$700,601 from DAS program 685 per the agency request, to assist in offsetting the project cost of the Capitol Dome repair project.

Also there are several instances where FY19-20 appropriations were going to be reduced but due to suspension of the legislative session, the FY20 appropriations could not be amended therefore the adjustments had to be made as lapsed appropriations.

<u>Agency</u>	<u>Item</u>	<u>Amount</u>
Courts	Reduce reappropriations, Prog 435 Community Corrections	0
Courts	Reduce reappropriations, Prog 437 Juvenile Justice	(10,000,000)
DAS	Reduce reappropriations, Prog 685 Capital Commission	(700,601)
Education	TEEOSA state aid, to NDE calculated per current law	(319,400)
DHHS	DHHS Operations, realign the appropriation level with current spend rates	(1,600,000)
DHHS	SCHIP, realign the appropriation level with current spend rates	(2,000,000)
DHHS	Public Assistance, realign the appropriation level with current spend rates	(4,000,000)
DHHS	Child Welfare savings, new eastern service area contract	\$6m Prog 33
DHHS	BSDC, realign the appropriation level with current spend rates	(1,000,000)
	Total Lapsed General Fund Reappropriations	(19,620,001)

Total Appropriations All Funds

Total Appropriations – All Funds

Table 20 shows the total appropriation from all fund sources as enacted in the 2019 legislative session with budget adjustments enacted in the 2020 session.

Table 22 shows the major cash, federal, revolving and NCCF items included in the 2020 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 2019 Biennial Budget Report for a more detailed description of the budget actions taken in that session for the initial enactment of the FY20 / FY21 biennial budget.

Table 20 Total Appropriations - All Funds

FY2018-19	General	Cash	Federal	Rev/Other	Total
Adjusted Per 2018 Session	4,456,283,615	2,418,546,661	2,996,300,173	991,842,979	10,862,973,428
2019 Session Deficits	2,324,303	1,006,847	0	0	3,331,150
2019 Session State Claims	233,313	0	0	1,393,850	1,627,163
2019 Session "A" bills	0	0	0	0	0
Final Appropriation per 2019 Session	4,458,841,231	2,419,553,508	2,996,300,173	993,236,829	10,867,931,741
FY2019-20	General	Cash	Federal	Rev/Other	Total
Total Per 2019 Session	4,624,671,858	2,607,858,637	3,140,010,262	990,474,195	11,363,014,952
2020 Session-Committee Proposed	63,374,369	11,393,986	74,977	765,490	75,608,822
2020 Session Floor Actions	(63,374,369)	(11,393,986)	(74,977)	(765,490)	(75,608,822)
2020 Session State Claims (see FY20-21)	0	0	0	0	0
2020 Session Vetoes	0	0	0	0	0
2020 Session Overrides	0	0	0	0	0
2020 Session "A" bills	0	0	0	0	0
2020 Deficits	0	0	0	0	0
Final Total - 2020 Session	4,624,671,858	2,607,858,637	3,140,010,262	990,474,195	11,363,014,952
Change over prior year (without deficits)					
Dollar	168,388,243	189,311,976	143,710,089	(1,368,784)	500,041,524
Percent	3.8%	7.8%	4.8%	-0.1%	4.6%
FY2020-21	General	Cash	Federal	Rev/Other	Total
Total Per 2019 Session	4,729,514,204	2,551,451,848	3,538,555,907	980,536,067	11,800,058,026
2020 Session-Committee Proposed	(6,178,994)	15,145,080	21,757,374	3,518,490	34,241,950
2020 Session Floor Actions	71,204,163	10,711,520	0	765,490	82,681,173
2020 Session State Claims (FY20 claims)	1,292,243	50,629	0	808,581	2,151,453
2020 Session Vetoes & Overrides	0	0	0	0	0
2020 Session "A" bills	(12,064,718)	4,137,275	0	0	(7,927,443)
2020 Session Midbiennium Actions	54,252,694	30,044,504	21,757,374	5,092,561	111,147,133
Total Per 2020 Session	4,783,766,898	2,581,496,352	3,560,313,281	985,628,628	11,911,205,159
Change over prior year (without deficits)					
Dollar	159,095,040	(26,362,285)	420,303,019	(4,845,567)	548,190,207
Percent	3.4%	-1.0%	13.4%	-0.5%	4.8%

Table 21 Listing of 2020 Session "A" Bills

Description	Fund	Approp. FY2019-20	Approp.. FY2020-21	Estimated FY2021-22	Estimated FY2022-23
LB 4 Mileage reimbursement and filing fees, TERC	Cash	0	41,789	41,789	41,789
LB 310 Changes Job Creation/Mainstreet Revitalization Act	Cash	0	27,800	27,400	27,400
LB 323 Changes, Medicaid working disabled coverage.	General	0	0	131,583	131,583
LB 323 Changes, Medicaid working disabled coverage.	Cash	0	0	23,669	23,669
LB 323 Changes, Medicaid working disabled coverage.	Federal	0	0	166,277	166,277
LB 450 Change National Guard tuition assistance provisions	General	0	134,185	268,369	268,369
LB 477 Tax exemption, Segal AmeriCorps Education Awards	General	0	58,192	0	0
LB 632 NRC changes, state flood mitigation plan	General	0	0	225,000	0
LB 734 Licensure of charter bus services, Liquor Control Act	General	0	3,000	0	0
LB 755 Change permits, barbers, cosmetology, nail tech	Cash	0	1,600	1,600	1,600
LB 780 Change provisions, Arts and Humanities Cash Fund	Cash	0	0	0	0
LB 803 Dry Pea and Lentil Resources Act	Cash	0	140,000	140,000	140,000
LB 808 Ratification of defective corporate actions	Cash	0	21,436	0	0
LB 848 Indigenous People Day, Bridge to Independ change	General	0	0	84,507	84,507
LB 848 Indigenous People Day, Bridge to Independ change	Federal	0	0	17,793	17,793
LB 866 Muni Density, Middle Income Workforce Housing	Cash	0	3,500,000	7,000,000	0
LB 910 Change Secretary of State fees and funds	General	0	0	(300,000)	(300,000)
LB 911 Acquire former GI Veterans' Memorial Cemetery	Cash	0	270,000	0	0
LB 918 Commission on African American Affairs	General	0	127,500	255,000	255,000
LB 944 Change provision relating to MV license plates	Cash	0	29,900	72,300	72,300
LB 963 Workers' comp, first responder resiliency training	General	0	0	442,500	442,500
LB 965 Language assess, deaf/hard of hearing children	General	0	0	53,632	53,632
LB 992 Broadband Internet Service Infrastructure Act	General	0	0	0	111,506
LB 1042 Change contribution deductions, ed savings plans	Cash	0	59,500	0	0
LB 1107 ImagiNE, Prop Tax Incentive, Transform Projects	General	0	(12,387,595)	(12,863,285)	(13,162,385)
LB 1185 Change criminal history checks, child care staff	Cash	0	45,250	45,250	45,250
LB 1008 Mainline Midbiennium adjustments	General	0	65,025,169	(64,498,258)	(63,421,732)
LB 1008 Mainline Midbiennium adjustments	Cash	0	25,856,600	2,846,277	2,846,277
LB 1008 Mainline Midbiennium adjustments	Federal	0	21,757,374	21,757,374	21,757,374
LB 1008 Mainline Midbiennium adjustments	Revolving	0	4,283,980	3,518,490	3,518,490
LB 927 State Claims	General	0	1,292,243	0	0
LB 927 State Claims	Cash	0	50,629	0	0
LB 927 State Claims	Federal	0	0	0	0
LB 927 State Claims	Revolving	0	808,581	0	0
General		1,292,243	52,960,451	(76,200,952)	(75,537,020)
Cash		50,629	29,993,875	10,198,285	3,198,285
Federal		0	21,757,374	21,941,444	21,941,444
Revolving		808,581	4,283,980	3,518,490	3,518,490
Total 2020 Changes by Bill		2,151,453	108,995,680	(40,542,733)	(46,878,801)

Table 22 Significant Non-General Fund Budget Adjustments – 2020 Session

Major Items - Cash Funds	FY2019-20	FY2020-21	2 Yr Total
DED - LB 773 Rural Workforce Housing Investment Fund	0	10,000,000	10,000,000
Natural Resources - Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)	0	3,800,000	3,800,000
DHHS - Public Health Unit, replace licensure information system	0	3,500,000	3,500,000
Education - Increased spending authority, Education Innovation Cash Fund.	0	3,448,400	3,448,400
DED - LB 866 Muni Density & Missing Middle Housing, Middle Income Workforce Housing	0	3,500,000	3,500,000
DHHS - Increase cash spending authority, Homeless Assistance program	0	1,964,198	1,964,198
Sec of State - Relocate State Records Center (also transfer cash funds)	0	662,380	662,380
Electrical Board - Salary increase, additional Inspectors, and computing costs	0	434,818	434,818
Natural Resources - South Platte and Platte River Basin Studies	0	350,000	350,000
Game & Parks - Reallocate funds to Prog 336 for additional conservation officers	0	340,102	340,102
Construction - Vets Affairs LB 911 Acquisition of former GI Veterans' Memorial Cemetery	0	270,000	270,000
Game & Parks - Additional conservation officers	0	232,327	232,327
Natural Resources - Missouri River Basin Studies	0	250,000	250,000
DHHS - Increase cash spending authority, Child Abuse Prevention Program	0	200,000	200,000
Agriculture - Industrial Hemp Program, higher participation and fees	0	200,000	200,000
DED - LB 848 Indigenous People's Day, change Bridge to Independence Act	0	171,150	171,150
Dry Pea & Lentil - LB 803 Dry Pea and Lentil Resources Act	0	140,000	140,000
All Other	0	581,129	581,129
TOTAL CASH FUNDS	0	30,044,504	30,044,504

Major Items - Federal Funds	FY2019-20	FY2020-21	2 Yr Total
DHHS-Medicaid fed match, completed ICAP assessments, DD waiver services	0	6,423,066	6,423,066
DHHS-LB 1100 Increase certain behavioral health provider rates	0	4,955,334	4,955,334
DHHS-Medicaid fed match, higher DD waiver Sec 83-1216 priority 1 individuals	0	4,706,561	4,706,561
DHHS-LB 827 Appropriate funds, increase developmental disability provider rates	0	4,507,813	4,507,813
DHHS-LB 1100 Increase certain behavioral health provider rates	0	565,612	565,612
All Other	0	598,988	598,988
TOTAL FEDERAL FUNDS	0	21,757,374	21,757,374

Major Items – NCCF / Revolving	FY2019-20	FY2020-21	2 Yr Total
DAS-New lease requests (Building Division)	0	2,800,000	2,800,000
Education-Implement an information tech (IT) Rev Fund chargeback system	0	1,483,980	1,483,980
DAS-State Claims - Workers Comp (LB927)	0	282,734	282,734
DAS-State Claims - Tort (LB927)	0	525,847	525,847
All Other (Revolving)	0	0	0
TOTAL NCCF / REVOLVING FUNDS	0	5,092,561	5,092,561

Rural Workforce Housing Investment Fund (LB773)

LB 773 as introduced proposed that a \$10,000,000 transfer be made from the General Fund to the Rural Workforce Housing Investment Fund. The Appropriations Committee approved a \$10,000,000 transfer from the General Fund to the Rural Workforce Housing Investment Fund. An increased cash fund appropriation is included for FY20-21 to allow the Department of Economic Development to expend the additional funds provided to the program.

The Investment Fund was enacted in 2017 through the passage of LB518, which created a rural workforce housing grant program. The program is intended to address the barrier housing shortages in rural communities pose to our ability to deal with a workforce shortage. Initial funding was provided through a one-time transfer of \$7.3 million from the Affordable Housing Trust Fund to the Rural Workforce Housing Investment Fund.

Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)

The Governor recommended that \$3,800,000 be transferred from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund to provide financial assistance to the Gering - Fort Laramie Irrigation District related to temporary repair costs for two tunnels and related canal infrastructure. The funding is intended to reimburse the irrigation district for their portion of temporary repairs. The Appropriations Committee approved a \$3,800,000 transfer from the General Fund to the Critical Infrastructure Facilities Cash Fund. Additionally, a \$3,800,000 cash fund appropriation was approved for FY19-20 to allow for the payment of aid to the Gering-Ft. Laramie Irrigation District.

Public Health Unit, replace licensure information system (DHHS)

DHHS requested a one-time \$3.5 million increase in the cash fund appropriation to replace the licensure information system. The licensure information system is close to the end of its life cycle. The vendor System Automation has notified the department that it will no longer support the system after June 30, 2020. The system houses the credentialing information for professions and occupations under the Uniform Licensing Act which includes 26 boards and licensed and registered child care services.

Education Innovation Cash Fund, spending authority (Education)

Spending authority for the Education Innovation Cash Fund allows the Department to carry out required activities and approved appropriations of the Expanded Learning Opportunity Grant Program Act, competitive innovation grants, pass through of the community college gap assistance program, the Excellence in Teaching Act, the Nebraska Opportunity Grant Act, and distance education incentives. NDE is requested an increase in their spending authority based on the cash available plus actual receipts received for FY 2018-19 which is offset by the current available authority and prior year encumbrances for each activity within the fund. The spending authority request will be allocated to two-thirds for FY 2020 and one-third for FY 2021.

LB 866 Municipal Density and Missing Middle Housing Act, Middle Income Workforce Housing Investment Act

LB 866 adopts the Municipal Density and Missing Middle Housing Act. Cities of the metropolitan class, primary class, and first class would be subject to the act, which would create a process for cities to review applications for a density bonus for housing developments in areas declared substandard and blighted. There would be no fiscal impact to the state. There would be some

initial administrative costs to cities to establish internal procedures and guidelines for the program, but it is estimated that existing staff would carry out these duties.

LB 866 also adopts the Middle Income Workforce Housing Investment Fund in the Department of Economic Development. The fund would receive revenue from a one-time transfer of \$10,000,000 from the General Fund on the effective date of the act. The fund would be used by the Department 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.

Cash spending authority, Homeless Assistance program (DHHS)

DHHS requested an increase in cash fund authority of \$350,000 for both FY2019-20 and FY2020-21 for the homeless assistance program. The program is funded from 25 cents of the documentary stamp fee. The current balance is \$2.4 million which has been consistent for a number of years. The agency requested an increase in the appropriation of \$350,000 to draw down the current balance over time. The fund is used to assist in the alleviation of homelessness, to provide temporary and permanent shelters for homeless persons, to encourage the development of projects which link housing assistance to programs promoting the concept of self-sufficiency, and to address the needs of the migrant farmworker.

Based on a hearing request from service providers, the committee increased funding by \$1,614,198 in FY2020-21 which brings funding levels to the FY2019-20 level. While this maintains funding at the FY20 level it draws the fund balance to a point where ongoing revenue levels will require either revenue increases or funding reductions in the next biennium.

Appendix A

Detailed Listing of All 2020 Budget Adjustments

		Current Biennium		Est for Following Biennium		
		Fund	FY2019-20	FY2020-21	FY2021-22	FY2022-23
#03-Legislative Council						
501	Restore senators travel to \$1500 cap	Gen	0	57,000	57,000	57,000
#05-Supreme Court						
5	Correct reappropriation of midbiennium amounts	Gen	0	0	0	0
420	.Problem-solving courts for young adults (LB 1097)	Gen	0	457,887	457,887	457,887
420	Problem solving courts for mental health (LB 1017)	Gen	0	637,788	657,788	677,788
435	Reduce reappropriation Prog 435 Community Corrections (\$2,850,000)	Gen	0	0	0	0
437	Reduce reappropriation Prog 437 Juvenile Justice (\$10,000,000)	Gen	0	0	0	0
#9-Secretary of State						
22	Increased travel International trade initiative	Cash	0	60,000	60,000	60,000
22	LB 910 Change Secretary of State fees and funds	Gen	0	0	(300,000)	(300,000)
22	OCIO rates	Cash	0	13,000	6,500	6,500
51	OCIO rates	Cash	0	51,000	0	0
51	LB 808 Ratification of defective corporate actions	Cash	0	21,436	0	0
53	OCIO rates	Cash	0	10,000	5,000	5,000
86	Relocate State Records Center (also transfer cash funds)	Cash	0	662,380	0	0
89	OCIO rates	Cash	0	35,000	0	0
#13-Dept of Education						
25	Funding for improved grant monitoring	Fed	0	322,364	322,364	322,364
25	Funding for improved grant monitoring (PSL)	PSL	0	176,863	176,863	176,863
25	Increased costs, DAS Accounting charges	Gen	0	312,645	139,962	139,962
25	Employee reclassifications and wage progressions (PSL)	PSL	0	21,633	21,633	21,633
25	Implement an information tech (IT) Rev Fund chargeback system	Rev	0	1,483,980	718,490	718,490
158	TEEOSA state aid, to NDE calculated per current law	Gen	0	(20,300,839)	(80,949,381)	(86,440,199)
158	TEEOSA state aid, insurance premium tax adjustment (lapse)	Gen	0	0	0	0
161	Increased spending authority, Education Innovation Cash Fund.	Cash	0	3,448,400	1,149,466	1,149,466
401	LB 965 Language assessment, deaf or hard of hearing children	Gen	0	0	53,632	53,632

#16-Dept of Revenue

102	LB 310 Changes Job Creation and Mainstreet Revitalization Act	Cash	0	27,800	27,400	27,400
102	LB 477 Tax exemption, Segal AmeriCorps Education Awards	Gen	0	58,192	0	0
102	LB 1042 Change contribution tax deductions, educational savings plans	Cash	0	59,500	0	0
102	LB 1107 ImagiNE, Prop Tax Incentive, Transformational Projects	Gen	0	1,259,100	456,600	482,500
108	Adjust Homestead Exemption to actual under current law	Gen	0	9,100,000	5,000,000	5,000,000
109	LB 1107 ImagiNE, Prop Tax Incentive, Transformational Projects	Gen	0	(14,800,000)	(15,200,000)	(15,600,000)

#18-Dept of Agriculture

78	Industrial Hemp Program, higher participation and fees	Cash	0	200,000	200,000	200,000
78	Restore funds, Riparian Vegetation grants	Gen	0	250,000	250,000	250,000

#24-Dept of Motor Vehicles

70	LB 944 Change provisions relating to motor vehicles, license plates	Cash	0	18,000	36,000	36,000
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#25-Health and Human Services

33	DHHS Operations, realign the appropriation level with current spend rates	Gen	0	(1,600,000)	(1,600,000)	(1,600,000)
33	Additional funds, competency restoration treatment (LB 1161)	Gen	0	88,927	88,927	88,927
33	LB 323 Changes, Medicaid working disabled coverage.	Gen	0	0	14,873	14,873
33	LB 323 Changes, Medicaid working disabled coverage.	Fed	0	0	14,873	14,873
38	Additional funds, competency restoration treatment (LB 1161)	Gen	0	211,073	211,073	211,073
178	Public Health Unit, replace licensure information system	Cash	0	3,500,000	0	0
344	SCHIP, realign the appropriation level with current spend rates	Gen	0	(2,000,000)	(2,000,000)	(2,000,000)
344	Increase certain behavioral health provider rates (LB 1100)	Gen	0	251,510	251,510	251,510
344	Increase certain behavioral health provider rates (LB 1100)	Fed	0	565,612	565,612	565,612
347	Increase cash spending authority, Homeless Assistance program	Cash	0	1,964,198	560,000	560,000
347	Public Assistance, realign the appropriation level with current spend rates	Gen	0	(4,000,000)	(4,000,000)	(4,000,000)
348	Medicaid fed match, completed ICAP assessments, DD waiver services	Fed	0	6,423,066	6,423,066	6,423,066
348	Medicaid fed match, higher DD waiver Sec 83-1216 priority 1 individuals	Fed	0	4,706,561	4,706,561	4,706,561
348	Increase Halfway House rates to those paid by the Division of Behavioral Health	Gen	0	217,347	217,347	217,347
348	Increase Halfway House rates to those paid by the Division of Behavioral Health	Fed	0	276,624	276,624	276,624
348	Intent, appropriations for nursing facility services under Medicaid (LB 1093)	Gen	0	0	0	0
348	Increase certain behavioral health provider rates (LB 1100)	Gen	0	3,888,739	3,888,739	3,888,739
348	Increase certain behavioral health provider rates (LB 1100)	Fed	0	4,955,334	4,955,334	4,955,334
348	Increase developmental disability provider rates (LB 827)	Fed	0	4,507,813	4,507,813	4,507,813
348	LB 323 Changes, Medicaid working disabled coverage.	Gen	0	0	116,710	116,710
348	LB 323 Changes, Medicaid working disabled coverage.	Cash	0	0	23,669	23,669
348	LB 323 Changes, Medicaid working disabled coverage.	Fed	0	0	151,404	151,404
350	Increase cash spending authority, Child Abuse Prevention Program	Cash	0	200,000	0	0

354	Child Welfare savings, new eastern service area contract	Gen	0	(27,000,000)	(27,000,000)	(27,000,000)
354	Additional funds, DHHS, child advocacy centers (LB 779)	Gen	0	250,000	250,000	250,000
359	LB 848 Indigenous People's Day, change Bridge to Independence Act	Gen	0	0	84,507	84,507
359	LB 848 Indigenous People's Day, change Bridge to Independence Act	Fed	0	0	17,793	17,793
365	Lincoln Reg Cntr, temporary staffing for ligature risk mitigation, CMS accreditation	Gen	0	1,600,000	0	0
365	Increased costs, need to utilize staffing agencies (Lincoln & Norfolk)	Gen	0	5,000,000	5,000,000	5,000,000
421	BSDC, realign the appropriation level with current spend rates	Gen	0	(1,000,000)	(1,000,000)	(1,000,000)
424	Completed ICAP assessments, DD waiver services	Gen	0	4,943,181	4,943,181	4,943,181
424	Higher DD waiver Sec 83-1216 priority 1 individuals	Gen	0	3,689,017	3,689,017	3,689,017
424	Increase developmental disability provider rates (LB 827)	Gen	0	3,730,149	3,730,149	3,730,149
502	Additional funds, federally qualified health centers (LB 1019)	Gen	0	500,000	500,000	500,000
502	Additional funds, aid to local public health departments (LB 1018)	Gen	0	1,500,000	1,500,000	1,500,000
214	Additional funds, volunteer emergency medical care provider training (LB 1102)	Gen	0	250,000	250,000	250,000
514	LB 963 Workers' comp changes, first responder resiliency training	Gen	0	0	442,500	442,500
571	Additional General Fund support, Area Agencies on Aging	Gen	0	1,262,878	1,262,878	1,262,878

#28-Dept of Veterans Affairs

511	LB 944 Change provisions relating to motor vehicles, license plates	Cash	0	5,950	18,150	18,150
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#29-Dept of Natural Resources

314	Critical Infrastructure Facilities (Gering-Ft. Laramie repairs)	Cash	0	3,800,000	0	0
314	Transfer \$3.8 million from General Fund to Critical Infrastructure Facilities	Transfer	0	0	0	0
334	Missouri River Basin Studies	Cash	0	250,000	0	0
334	South Platte and Platte River Basin Studies	Cash	0	350,000	0	0
334	Transfer \$125,000 each yr from Water Sustainability Fund to NR Cash Fund	Transfer	0	0	0	0
334	Transfer \$50,000 & \$300,000 from Water Sustainability Fund to NR Cash Fund	Transfer	0	0	0	0
334	LB 632 NRC changes, state flood mitigation plan	Gen	0	0	225,000	0

#30-Electrical Board

197	Salary increase, additional Inspectors, and computing costs	Cash	0	434,818	274,732	274,732
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#31-Military Dept

191	Earmark \$2M COVID19 funds for public health departments	Cash				
192	Governors Emergency Program, 2019 flood damage	Gen	0	46,000,000	0	0
192	Governors Emergency Program, 2019 flood damage, county share	Gen	0	9,240,974	0	0
548	LB 450 Change National Guard tuition assistance provisions	Gen	0	134,185	268,369	268,369

#33-Game and Parks Commission

336	Additional conservation officers	Gen	0	340,102	340,102	340,102
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336	Additional conservation officers	Cash	0	232,327	232,327	232,327
336	Additional conservation officers (PSL)	PSL	0	246,180	246,180	246,180
617	Reallocate funds to Prog 336 for additional conservation officers	Gen	0	(340,102)	(340,102)	(340,102)
617	Reallocate funds to Prog 336 for additional conservation officers	Cash	0	340,102	340,102	340,102

#35-Liquor Control Commission

73	LB 734 Licensure of charter bus services, Liquor Control Act	Gen	0	3,000	0	0
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#46-Dept of Correctional Services

200	Pay Increases for Protective Services Staff	Gen	0	8,000,000	8,700,000	11,700,000
200	Pay Increases for Protective Services Staff	PSL	0	7,000,000	8,000,000	11,000,000
213	Workforce development partnership with PSC	Gen	0	523,465	748,465	973,465
214	Additional funds, vocational and life skills programming (LB 1096)	Gen	0	500,000	500,000	500,000

#48-Postsecondary Coordinating Commission

690	Additional funds, Opportunity Grant Program (LB 1050)	Gen	0	1,000,000	1,000,000	1,000,000
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#50-State Colleges

48	Nebraska Career Scholarships	Gen	0	1,000,000	2,000,000	3,000,000
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#51-University of Nebraska

515	Nebraska Career Scholarships	Gen	0	2,000,000	4,000,000	6,000,000
515	Funds for Daugherty Water for Food Institute (LB 1026)	Gen	0	500,000	500,000	500,000

#54-Historical Society

648	Retiree leave payout	Gen	0	92,306	0	0
648	Retiree leave payout (PSL)	PSL	0	79,472	0	0

#58-Engineers & Architects

82	LB 755 Change home services permits, barbers, cosmetology, nail tech	Cash	0	1,600	1,600	1,600
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#64-State Patrol

100	Additional funds, processing of sexual assault forensic evidence (LB 1079)	Gen	0	250,000	250,000	250,000
100	LB 1185 Change criminal history record checks, child care staff	Cash	0	45,250	45,250	45,250

#65-Administrative Services

101	LB 992 Broadband Internet Service Infrastructure Act	Gen	0	0	0	111,506
560	New lease requests (Building Division)	Rev	0	2,800,000	2,800,000	2,800,000
536	State Claims - Misc (LB927)	Gen	0	107,243	0	0

536	State Claims - Misc (LB927)	Cash	0	50,629	0	0
591	State Claims - Tort (LB927)	Gen	0	1,185,000	0	0
593	State Claims - Workers Comp (LB927)	Rev	0	282,734	0	0
594	State Claims - Tort (LB927)	Rev	0	525,847	0	0
591	State Claims - Tort (mainline bill)	Cash	0	85,375	85,375	85,375
592	State Claims - Indemnification	Gen	0	0	0	0
593	State Claims - Workers Compensation	Rev	0	0	0	0
685	Reduce GF and use excess carryover (Capital Commission) (-\$701.601)	Gen	0	0	0	0

#69-Arts Council

326	Organization attendance at 2020 Arts Midwest Conference	Gen	0	4,550	0	0
326	Correction in PSL (\$93,789 FY20 and \$93,756 FY21) (PSL)	PSL	0	93,756	93,756	93,756
326	Increase number of allowed applications review programs in online software	Gen	0	1,440	1,440	1,440
327	LB 944 Change provisions relating to motor vehicles, license plates	Cash	0	5,950	18,150	18,150
329	Correction in PSL (\$3,266 FY20 and FY21) (PSL)	PSL	0	3,266	3,266	3,266
329	LB 780 Change provisions, uses from Arts and Humanities Cash Fund	Cash	0	(22,500)	(22,500)	(22,500)
329	LB 780 Change provisions, uses from Arts and Humanities Cash Fund	Cash	0	22,500	22,500	22,500

#72-Dept of Economic Development

601	Additional funds, development districts (LB 1098)	Gen	0	230,000	230,000	230,000
601	Additional funds, Rural Workforce Housing Investment Fund (LB 773)	Cash	0	10,000,000	0	0
601	\$10M from Gen Fund to Rural Workforce Housing Investment Fund (LB773)	Transfer	0	0	0	0
601	LB 866 Muni Density & Missing Middle Hsng, Middle Income Workforce Housing	Cash	0	3,328,850	6,273,140	0
601	Increased staffing, Civic and Community Center Financing Fund (PSL)	PSL	0	(50,000)	(50,000)	(50,000)
601	LB 866 Muni Density & Missing Middle Hsng, Middle Income Workforce Housing	Cash	0	171,150	726,860	0
603	Nebraska Career Scholarships	Gen	0	1,000,000	2,000,000	3,000,000
604	LB 1107 ImagiNE, Prop Tax Incentive, Transformational Projects	Gen	0	1,153,305	1,880,115	1,955,115
655	Increased staffing, Civic and Community Center Financing Fund	Cash	0	(67,225)	(67,225)	(67,225)
655	Increased staffing, Civic and Community Center Financing Fund	Cash	0	67,225	0	0
655	Increased staffing, Civic and Community Center Financing Fund (PSL)	PSL	0	50,000	50,000	50,000

#76-Nebraska Indian Commission

584	Increase cash fund authority, license plates and grant	Cash	0	20,000	0	0
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#78-Crime Commission

220	Create and hire a Research Analyst position, Community Corrections (PSL)	PSL	0	42,613	42,613	42,613
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#83-Community Colleges

151	Appropriate funds, community college aid, dual enrollment (LB 894)	Gen	0	1,000,000	1,000,000	1,000,000
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#85-Public Employees Retirement Board

515	Statutory Contribution - School 2%	Gen	0	460,351	460,351	460,351
515	Statutory Contribution - OPS service annuity	Gen	0	(82,083)	(82,083)	(82,083)
515	Actuarially required contribution - Judges plan	Gen	0	(160,206)	(160,206)	(160,206)
515	Actuarially required contribution - State Patrol plan	Gen	0	(87,130)	(87,130)	(87,130)

#87-Political Accountability and Disclosure

94	Increased costs, support of database and electronic filing system	Gen	0	118,000	56,000	56,000
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#90-Commission on African American Affairs

863	LB 918 Commission on African American Affairs	Gen	0	127,500	255,000	255,000
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#93-Tax Equalization and Review Commission

115	LB 4 Mileage reimbursement and filing fees, TERC	Cash	0	41,789	41,789	41,789
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#94-Commission on Public Advocacy

430	Transfer \$150,000, State Settlement Cash to Legal Education (LB995)	Cash	0	Transfer	0	0
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#95-Dry Pea and Lentil Commission

862	LB 803 Dry Pea and Lentil Resources Act	Cash	0	140,000	140,000	140,000
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Capital Construction Projects

936	DHHS - Lincoln Regional Center, ligature mitigation facility changes	Gen	0	5,600,000	0	0
900	Vets Affairs LB 911 Acquisition of former GI Veterans' Memorial Cemetery	Cash	0	270,000	0	0
908	NETC - Replace tower lighting system, KMNE Bassett	Gen	0	270,000	0	0
900	Hist Society - Chimney Rock Visitor's Center Remodel	Cash	0	200,000	0	0
922	DAS - Capitol Dome long term repair	Gen	0	1,766,200	0	0
922	DAS - Capitol HVAC Project, cash flow	Gen	0	3,500,000	(1,411,172)	(2,088,828)

General Funds	Gen	0	54,252,694	(76,200,952)	(75,537,020)
Cash Funds	Cash	0	30,044,504	10,198,285	3,198,285
Federal Funds	Fed	0	21,757,374	21,941,444	21,941,444
Revolving Funds	Rev	0	5,092,561	3,518,490	3,518,490
Nebraska Capital Construction Fund (NCCF)	NCCF	0	0	0	0
Total		0	111,147,133	(40,542,733)	(46,878,801)

Appendix B

General Fund Appropriations by Agency

			FY2018-19	FY2019-20			FY2020-21			Change over Prior Year (excludes deficits)			
			Without deficits	Enacted	2020	Revised	Enacted	2020	Revised	FY20	FY20	FY21	FY21
				2019	Deficits	Per 2020	2019	Changes	Per 2020				
Session	Session	Session	Session	Changes	Session	Changes	Session						
#03	Legislative Council	Oper	20,618,873	21,233,246	0	21,233,246	21,692,920	57,000	21,749,920	614,373	3.0%	516,674	2.4%
#03	Legislative Council	Total	20,618,873	21,233,246	0	21,233,246	21,692,920	57,000	21,749,920	614,373	3.0%	516,674	2.4%
#05	Supreme Court	Aid	300,000	500,000	0	500,000	500,000	0	500,000	200,000	66.7%	0	0.0%
#05	Supreme Court	Oper	187,043,520	195,447,322	0	195,447,322	199,189,998	1,095,675	200,285,673	8,403,802	4.5%	4,838,351	2.5%
#05	Supreme Court	Total	187,343,520	195,947,322	0	195,947,322	199,689,998	1,095,675	200,785,673	8,603,802	4.6%	4,838,351	2.5%
#07	Governor	Oper	2,151,585	2,058,577	0	2,058,577	2,102,805	0	2,102,805	(93,008)	-4.3%	44,228	2.1%
#07	Governor	Total	2,151,585	2,058,577	0	2,058,577	2,102,805	0	2,102,805	(93,008)	-4.3%	44,228	2.1%
#08	Lt. Governor	Oper	149,768	151,135	0	151,135	152,437	0	152,437	1,367	0.9%	1,302	0.9%
#08	Lt. Governor	Total	149,768	151,135	0	151,135	152,437	0	152,437	1,367	0.9%	1,302	0.9%
#09	Secretary of State	Oper	2,264,183	6,596,103	0	6,596,103	2,316,283	0	2,316,283	4,331,920	191.3%	(4,279,820)	-64.9%
#09	Secretary of State	Total	2,264,183	6,596,103	0	6,596,103	2,316,283	0	2,316,283	4,331,920	191.3%	(4,279,820)	-64.9%
#10	State Auditor	Oper	2,485,756	2,579,272	0	2,579,272	2,641,806	0	2,641,806	93,516	3.8%	62,534	2.4%
#10	State Auditor	Total	2,485,756	2,579,272	0	2,579,272	2,641,806	0	2,641,806	93,516	3.8%	62,534	2.4%
#11	Attorney General	Oper	6,551,897	6,475,924	0	6,475,924	6,606,854	0	6,606,854	(75,973)	-1.2%	130,930	2.0%
#11	Attorney General	Total	6,551,897	6,475,924	0	6,475,924	6,606,854	0	6,606,854	(75,973)	-1.2%	130,930	2.0%
#12	State Treasurer	Aid	0	0	0	0	0	0	0	0	na	0	na
#12	State Treasurer	Oper	1,157,357	1,154,310	0	1,154,310	1,171,439	0	1,171,439	(3,047)	-0.3%	17,129	1.5%
#12	State Treasurer	Total	1,157,357	1,154,310	0	1,154,310	1,171,439	0	1,171,439	(3,047)	-0.3%	17,129	1.5%
#13	Education	Aid	1,228,115,662	1,294,162,877	0	1,294,162,877	1,303,331,146	(20,300,839)	1,283,030,307	66,047,215	5.4%	(11,132,570)	-0.9%
#13	Education	Oper	24,847,544	25,744,791	0	25,744,791	26,076,673	312,645	26,389,318	897,247	3.6%	644,527	2.5%
#13	Education	Total	1,252,963,206	1,319,907,668	0	1,319,907,668	1,329,407,819	(19,988,194)	1,309,419,625	66,944,462	5.3%	(10,488,043)	-0.8%
#14	Public Service Comm	Oper	2,325,823	2,233,960	0	2,233,960	2,269,242	0	2,269,242	(91,863)	-3.9%	35,282	1.6%
#14	Public Service Comm	Total	2,325,823	2,233,960	0	2,233,960	2,269,242	0	2,269,242	(91,863)	-3.9%	35,282	1.6%
#15	Parole Board	Oper	7,534,270	7,891,768	0	7,891,768	8,124,998	0	8,124,998	357,498	4.7%	233,230	3.0%
#15	Parole Board	Total	7,534,270	7,891,768	0	7,891,768	8,124,998	0	8,124,998	357,498	4.7%	233,230	3.0%
#16	Revenue	Aid	98,300,000	103,100,000	0	103,100,000	106,800,000	(5,700,000)	101,100,000	4,800,000	4.9%	(2,000,000)	-1.9%
#16	Revenue	Oper	26,728,444	27,417,676	0	27,417,676	27,674,896	1,317,292	28,992,188	689,232	2.6%	1,574,512	5.7%
#16	Revenue	Total	125,028,444	130,517,676	0	130,517,676	134,474,896	(4,382,708)	130,092,188	5,489,232	4.4%	(425,488)	-0.3%

		FY2018-19	FY2019-20			FY2020-21			Change over Prior Year (excludes deficits)				
			Without deficits	Enacted	2020	Revised	Enacted	2020	Revised	FY20		FY21	
				2019 Session	Deficits	Per 2020 Session	2019 Session	Changes	Per 2020 Session	\$ Change	% Change	\$ Change	% Change
#18	Agriculture	Aid	456,000	456,000	0	456,000	456,000	250,000	706,000	0	0.0%	250,000	54.8%
#18	Agriculture	Oper	5,608,564	5,698,913	0	5,698,913	5,799,169	0	5,799,169	90,349	1.6%	100,256	1.8%
#18	Agriculture	Total	6,064,564	6,154,913	0	6,154,913	6,255,169	250,000	6,505,169	90,349	1.5%	350,256	5.7%
#21	Fire Marshal	Oper	4,172,967	4,231,522	0	4,231,522	4,345,277	0	4,345,277	58,555	1.4%	113,755	2.7%
#21	Fire Marshal	Total	4,172,967	4,231,522	0	4,231,522	4,345,277	0	4,345,277	58,555	1.4%	113,755	2.7%
#23	Labor	Oper	621,982	641,042	0	641,042	657,218	0	657,218	19,060	3.1%	16,176	2.5%
#23	Labor	Total	621,982	641,042	0	641,042	657,218	0	657,218	19,060	3.1%	16,176	2.5%
#25	DHHS	Aid	1,392,485,181	1,411,956,587	0	1,411,956,587	1,472,279,303	(12,306,106)	1,459,973,197	19,471,406	1.4%	48,016,610	3.4%
#25	DHHS *	Oper	236,687,805	243,004,720	0	243,004,720	247,444,292	4,088,927	251,533,219	6,316,915	2.7%	8,528,499	3.5%
#25	DHHS	Total	1,629,172,986	1,654,961,307	0	1,654,961,307	1,719,723,595	(8,217,179)	1,711,506,416	25,788,321	1.6%	56,545,109	3.4%
#27	Transportation	Oper	0	100,000	0	100,000	0	0	0	100,000	na	(100,000)	-100%
#27	Transportation	Total	0	100,000	0	100,000	0	0	0	100,000	na	(100,000)	-100%
#28	Veterans Affairs	Oper	25,901,529	26,582,179	0	26,582,179	27,182,314	0	27,182,314	680,650	2.6%	600,135	2.3%
#28	Veterans Affairs	Total	25,901,529	26,582,179	0	26,582,179	27,182,314	0	27,182,314	680,650	2.6%	600,135	2.3%
#29	Natural Resources	Aid	4,820,824	1,806,112	0	1,806,112	1,806,112	0	1,806,112	(3,014,712)	-62.5%	0	0.0%
#29	Natural Resources	Oper	10,169,740	10,388,164	0	10,388,164	10,577,369	0	10,577,369	218,424	2.1%	189,205	1.8%
#29	Natural Resources	Total	14,990,564	12,194,276	0	12,194,276	12,383,481	0	12,383,481	(2,796,288)	-18.7%	189,205	1.6%
#31	Military Dept	Aid	584,424	6,584,424	0	6,584,424	5,584,424	55,375,159	60,959,583	6,000,000	1026.7%	54,375,159	825.8%
#31	Military Dept	Oper	4,292,338	4,493,524	0	4,493,524	4,549,812	0	4,549,812	201,186	4.7%	56,288	1.3%
#31	Military Dept	Total	4,876,762	11,077,948	0	11,077,948	10,134,236	55,375,159	65,509,395	6,201,186	127.2%	54,431,447	491.3%
#32	Ed Lands & Funds	Oper	345,999	368,003	0	368,003	376,041	0	376,041	22,004	6.4%	8,038	2.2%
#32	Ed Lands & Funds	Total	345,999	368,003	0	368,003	376,041	0	376,041	22,004	6.4%	8,038	2.2%
#33	Game & Parks	Aid	42,011	42,011	0	42,011	42,011	0	42,011	0	0.0%	0	0.0%
#33	Game & Parks	Oper	11,410,487	11,674,040	0	11,674,040	11,864,115	0	11,864,115	263,553	2.3%	190,075	1.6%
#33	Game & Parks	Total	11,452,498	11,716,051	0	11,716,051	11,906,126	0	11,906,126	263,553	2.3%	190,075	1.6%
#34	Library Commission	Aid	1,243,282	1,262,369	0	1,262,369	1,281,837	0	1,281,837	19,087	1.5%	19,468	1.5%
#34	Library Commission	Oper	2,566,631	2,623,236	0	2,623,236	2,668,610	0	2,668,610	56,605	2.2%	45,374	1.7%
#34	Library Commission	Total	3,809,913	3,885,605	0	3,885,605	3,950,447	0	3,950,447	75,692	2.0%	64,842	1.7%
#35	Liquor Control	Oper	1,273,897	1,333,267	0	1,333,267	1,395,509	3,000	1,398,509	59,370	4.7%	65,242	4.9%
#35	Liquor Control	Total	1,273,897	1,333,267	0	1,333,267	1,395,509	3,000	1,398,509	59,370	4.7%	65,242	4.9%
#36	Racing Commission	Oper	0	60,000	0	60,000	0	0	0	60,000	na	(60,000)	-100%
#36	Racing Commission	Total	0	60,000	0	60,000	0	0	0	60,000	na	(60,000)	-100%

			FY2018-19	FY2019-20			FY2020-21			Change over Prior Year (excludes deficits)			
			Without deficits	Enacted	2020	Revised	Enacted	2020	Revised	FY20	FY20	FY21	FY21
				2019	Deficits	Per 2020	2019	Changes	Per 2020				
Session	Session	Session	Session	Session	Session	Session	Session	Session	Session	Session	Session	Session	
#46	Correctional Services	Aid	3,500,000	3,500,000	0	3,500,000	3,500,000	500,000	4,000,000	0	0.0%	500,000	14.3%
#46	Correctional Services	Oper	211,920,240	219,851,700	0	219,851,700	227,927,994	8,523,465	236,451,459	7,931,460	3.7%	16,599,759	7.6%
#46	Correctional Services	Total	215,420,240	223,351,700	0	223,351,700	231,427,994	9,023,465	240,451,459	7,931,460	3.7%	17,099,759	7.7%
#47	NETC	Oper	9,967,401	10,163,451	0	10,163,451	10,338,327	0	10,338,327	196,050	2.0%	174,876	1.7%
#47	NETC	Total	9,967,401	10,163,451	0	10,163,451	10,338,327	0	10,338,327	196,050	2.0%	174,876	1.7%
#48	Coordinating Comm	Aid	7,539,030	7,693,430	0	7,693,430	7,693,430	1,000,000	8,693,430	154,400	2.0%	1,000,000	13.0%
#48	Coordinating Comm	Oper	1,280,270	1,332,299	0	1,332,299	1,357,959	0	1,357,959	52,029	4.1%	25,660	1.9%
#48	Coordinating Comm	Total	8,819,300	9,025,729	0	9,025,729	9,051,389	1,000,000	10,051,389	206,429	2.3%	1,025,660	11.4%
#50	State Colleges	Aid	0	0	0	0	0	1,000,000	1,000,000	0	na	1,000,000	na
#50	State Colleges	Oper	51,620,804	53,548,946	0	53,548,946	55,527,357	0	55,527,357	1,928,142	3.7%	1,978,411	3.7%
#50	State Colleges	Total	51,620,804	53,548,946	0	53,548,946	55,527,357	1,000,000	56,527,357	1,928,142	3.7%	2,978,411	5.6%
#51	University of Nebraska	Aid	0	0	0	0	0	2,000,000	2,000,000	0	na	2,000,000	na
#51	University of Nebraska	Oper	574,745,874	592,104,554	0	592,104,554	613,935,633	500,000	614,435,633	17,358,680	3.0%	22,331,079	3.8%
#51	University of Nebraska	Total	574,745,874	592,104,554	0	592,104,554	613,935,633	2,500,000	616,435,633	17,358,680	3.0%	24,331,079	4.1%
#54	Historical Society	Oper	4,312,111	4,465,781	0	4,465,781	4,536,363	92,306	4,628,669	153,670	3.6%	162,888	3.6%
#54	Historical Society	Total	4,312,111	4,465,781	0	4,465,781	4,536,363	92,306	4,628,669	153,670	3.6%	162,888	3.6%
#64	State Patrol	Oper	60,309,294	62,871,629	0	62,871,629	64,198,023	250,000	64,448,023	2,562,335	4.2%	1,576,394	2.5%
#64	State Patrol	Total	60,309,294	62,871,629	0	62,871,629	64,198,023	250,000	64,448,023	2,562,335	4.2%	1,576,394	2.5%
#65	Admin Services (DAS)	Oper	8,551,907	8,902,707	0	8,902,707	8,772,731	1,292,243	10,064,974	350,800	4.1%	1,162,267	13.1%
#65	Admin Services (DAS)	Total	8,551,907	8,902,707	0	8,902,707	8,772,731	1,292,243	10,064,974	350,800	4.1%	1,162,267	13.1%
#67	Equal Opportunity	Oper	1,260,357	1,261,453	0	1,261,453	1,287,346	0	1,287,346	1,096	0.1%	25,893	2.1%
#67	Equal Opportunity	Total	1,260,357	1,261,453	0	1,261,453	1,287,346	0	1,287,346	1,096	0.1%	25,893	2.1%
#68	Latino American Comm.	Oper	211,023	256,904	0	256,904	262,746	0	262,746	45,881	21.7%	5,842	2.3%
#68	Latino American Comm.	Total	211,023	256,904	0	256,904	262,746	0	262,746	45,881	21.7%	5,842	2.3%
#69	Arts Council	Aid	905,346	905,346	0	905,346	905,346	0	905,346	0	0.0%	0	0.0%
#69	Arts Council	Oper	578,240	603,506	0	603,506	619,017	5,990	625,007	25,266	4.4%	21,501	3.6%
#69	Arts Council	Total	1,483,586	1,508,852	0	1,508,852	1,524,363	5,990	1,530,353	25,266	1.7%	21,501	1.4%
#70	Foster Care Review	Oper	2,081,930	1,941,852	0	1,941,852	1,981,200	0	1,981,200	(140,078)	-6.7%	39,348	2.0%
#70	Foster Care Review	Total	2,081,930	1,941,852	0	1,941,852	1,981,200	0	1,981,200	(140,078)	-6.7%	39,348	2.0%
#72	Economic Development	Aid	6,490,352	6,690,352	0	6,690,352	6,490,352	1,230,000	7,720,352	200,000	3.1%	1,030,000	15.4%
#72	Economic Development	Oper	4,850,408	4,844,761	0	4,844,761	4,928,918	1,153,305	6,082,223	(5,647)	-0.1%	1,237,462	25.5%
#72	Economic Development	Total	11,340,760	11,535,113	0	11,535,113	11,419,270	2,383,305	13,802,575	194,353	1.7%	2,267,462	19.7%

		FY2018-19	FY2019-20			FY2020-21			Change over Prior Year (excludes deficits)				
			Without deficits	Enacted	2020	Revised	Enacted	2020	Revised	FY20		FY21	
				2019 Session	Deficits	Per 2020 Session	2019 Session	Changes	Per 2020 Session	\$ Change	% Change	\$ Change	% Change
#76	Indian Affairs Commission	Oper	230,128	236,225	0	236,225	241,161	0	241,161	6,097	2.6%	4,936	2.1%
#76	Indian Affairs Commission	Total	230,128	236,225	0	236,225	241,161	0	241,161	6,097	2.6%	4,936	2.1%
#77	Industrial Relations	Oper	320,917	298,176	0	298,176	309,318	0	309,318	(22,741)	-7.1%	11,142	3.7%
#77	Industrial Relations	Total	320,917	298,176	0	298,176	309,318	0	309,318	(22,741)	-7.1%	11,142	3.7%
#78	Crime Commission	Aid	7,510,876	7,746,420	0	7,746,420	7,766,036	0	7,766,036	235,544	3.1%	19,616	0.3%
#78	Crime Commission	Oper	4,621,432	5,010,824	0	5,010,824	5,103,302	0	5,103,302	389,392	8.4%	92,478	1.8%
#78	Crime Commission	Total	12,132,308	12,757,244	0	12,757,244	12,869,338	0	12,869,338	624,936	5.2%	112,094	0.9%
#81	Blind & Visually Impaired	Aid	216,890	286,890	0	286,890	311,790	0	311,790	70,000	32.3%	24,900	8.7%
#81	Blind & Visually Impaired	Oper	1,000,058	1,570,253	0	1,570,253	1,634,396	0	1,634,396	570,195	57.0%	64,143	4.1%
#81	Blind & Visually Impaired	Total	1,216,948	1,857,143	0	1,857,143	1,946,186	0	1,946,186	640,195	52.6%	89,043	4.8%
#82	Deaf & Hard of Hearing	Oper	1,003,151	1,030,129	0	1,030,129	1,051,593	0	1,051,593	26,978	2.7%	21,464	2.1%
#82	Deaf & Hard of Hearing	Total	1,003,151	1,030,129	0	1,030,129	1,051,593	0	1,051,593	26,978	2.7%	21,464	2.1%
#83	Community Colleges	Aid	98,575,874	100,547,391	0	100,547,391	102,558,339	1,000,000	103,558,339	1,971,517	2.0%	3,010,948	3.0%
#83	Community Colleges	Total	98,575,874	100,547,391	0	100,547,391	102,558,339	1,000,000	103,558,339	1,971,517	2.0%	3,010,948	3.0%
#84	Environmental Quality	Aid	0	0	0	0	0	0	0	0	na	0	na
#84	Environmental Quality	Oper	3,652,217	3,680,094	0	3,680,094	3,716,744	0	3,716,744	27,877	0.8%	36,650	1.0%
#84	Environmental Quality	Total	3,652,217	3,680,094	0	3,680,094	3,716,744	0	3,716,744	27,877	0.8%	36,650	1.0%
#85	Retirement Board	Oper	52,698,171	53,638,505	0	53,638,505	54,709,000	130,932	54,839,932	940,334	1.8%	1,201,427	2.2%
#85	Retirement Board	Total	52,698,171	53,638,505	0	53,638,505	54,709,000	130,932	54,839,932	940,334	1.8%	1,201,427	2.2%
#87	Account/Disclosure	Oper	476,323	489,547	0	489,547	500,170	118,000	618,170	13,224	2.8%	128,623	26.3%
#87	Account/Disclosure	Total	476,323	489,547	0	489,547	500,170	118,000	618,170	13,224	2.8%	128,623	26.3%
#90	African American Comm	Oper	0	0	0	0	0	127,500	127,500	0	na	127,500	na
#90	African American Comm	Total	0	0	0	0	0	127,500	127,500	0	na	127,500	na
#93	Tax Equal/Review Comm	Oper	855,648	879,848	0	879,848	899,242	0	899,242	24,200	2.8%	19,394	2.2%
#93	Tax Equal/Review Comm	Total	855,648	879,848	0	879,848	899,242	0	899,242	24,200	2.8%	19,394	2.2%
	Construction	Total	21,739,000	38,265,811	0	38,265,811	27,489,461	11,136,200	38,625,661	16,526,811	76.0%	359,850	0.9%
OPERATIONS			1,583,458,863	1,639,165,838	0	1,639,165,838	1,680,718,617	19,068,280	1,699,786,897	55,706,975	3.5%	60,621,059	3.7%
STATE AID			2,851,085,752	2,947,240,209	0	2,947,240,209	3,021,306,126	24,048,214	3,045,354,340	96,154,457	3.4%	98,114,131	3.3%
CONSTRUCTION			21,739,000	38,265,811	0	38,265,811	27,489,461	11,136,200	38,625,661	16,526,811	76.0%	359,850	0.9%
TOTAL GENERAL FUNDS			4,456,283,615	4,624,671,858	0	4,624,671,858	4,729,514,204	54,252,694	4,783,766,898	168,388,243	3.8%	159,095,040	3.4%

Appendix C

General Fund Appropriations by State Aid Program

		FY2018-19 w/o Deficits	FY2019-20			FY2020-21			Change over Prior Year (exclude deficits)			
			Per 2019 Session	2020 Deficits	Revised 2020 Session	Per 2019 Session	2020 Change	Revised 2020 Session	FY20 \$ Change	FY20 % Chng	FY21 \$ Change	FY21 % Chng
Courts	Court Appointed Special Advocate	300,000	500,000	0	500,000	500,000	0	500,000	200,000	66.7%	0	0.0%
Education	TEEOSA State Aid to Education	974,507,975	1,036,237,766	0	1,036,237,766	1,042,856,698	(20,300,839)	1,022,555,859	61,729,791	6.3%	(13,681,907)	-1.3%
Education	Special Education	226,526,585	228,791,851	0	228,791,851	231,079,770	0	231,079,770	2,265,266	1.0%	2,287,919	1.0%
Education	Aid to ESU's	13,085,000	13,352,558	0	13,352,558	13,613,976	0	13,613,976	267,558	2.0%	261,418	2.0%
Education	High ability learner programs	2,202,384	2,342,962	0	2,342,962	2,342,962	0	2,342,962	140,578	6.4%	0	0.0%
Education	Early Childhood grant program	3,474,583	3,619,357	0	3,619,357	3,619,357	0	3,619,357	144,774	4.2%	0	0.0%
Education	Early Childhood Endowment	4,800,000	5,000,000	0	5,000,000	5,000,000	0	5,000,000	200,000	4.2%	0	0.0%
Education	Nurturing Healthy Behaviors	384,000	400,000	0	400,000	400,000	0	400,000	16,000	4.2%	0	0.0%
Education	School Lunch	376,351	392,032	0	392,032	392,032	0	392,032	15,681	4.2%	0	0.0%
Education	Textbook loan program	446,880	465,500	0	465,500	465,500	0	465,500	18,620	4.2%	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	206,077	214,664	0	214,664	214,664	0	214,664	8,587	4.2%	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	86,400	90,000	0	90,000	90,000	0	90,000	3,600	4.2%	0	0.0%
Education	High School Equivalency Assistance	720,000	750,000	0	750,000	750,000	0	750,000	30,000	4.2%	0	0.0%
Education	Step Up Quality Child Care - Scholarship	96,000	100,000	0	100,000	100,000	0	100,000	4,000	4.2%	0	0.0%
Education	Step Up Quality Child Care - Bonuses	66,240	69,000	0	69,000	69,000	0	69,000	2,760	4.2%	0	0.0%
Education	Vocational Rehabilitation	49,289	1,249,289	0	1,249,289	1,249,289	0	1,249,289	1,200,000	23434%	0	0.0%
Revenue	Homestead Exemption	84,100,000	88,700,000	0	88,700,000	92,000,000	9,100,000	101,100,000	4,600,000	5.5%	12,400,000	14.0%
Revenue	Personal Property Tax Relief Act	14,200,000	14,400,000	0	14,400,000	14,800,000	(14,800,000)	0	200,000	1.4%	(14,400,000)	-100.0%
Agriculture	Riparian Vegetation grants	456,000	456,000	0	456,000	456,000	250,000	706,000	0	0.0%	250,000	54.8%
DHHS	Behavioral Health Aid	71,872,571	75,388,670	0	75,388,670	71,995,541	211,073	72,206,614	3,516,099	4.9%	(3,182,056)	-4.2%
DHHS	Medical student assistance/RHOP	680,723	680,723	0	680,723	680,723	0	680,723	0	0.0%	0	0.0%
DHHS	Children's Health Insurance (SCHIP)	6,178,073	14,317,097	0	14,317,097	25,527,244	(1,748,490)	23,778,754	8,139,024	131.7%	9,461,657	66.1%
DHHS	Public Assistance	94,994,043	91,609,328	0	91,609,328	90,756,257	(4,000,000)	86,756,257	(3,384,715)	-3.6%	(4,853,071)	-5.3%
DHHS	Medicaid	849,628,184	860,304,131	0	860,304,131	917,144,136	4,106,086	921,250,222	10,675,947	1.3%	60,946,091	7.1%
DHHS	Child Welfare aid	197,071,388	197,032,479	0	197,032,479	198,924,830	(26,750,000)	172,174,830	(38,909)	0.0%	(24,857,649)	-12.6%
DHHS	Developmental disabilities aid	150,279,443	150,880,903	0	150,880,903	144,893,404	12,362,347	157,255,751	601,460	0.4%	6,374,848	4.2%
DHHS	Community health centers	5,783,060	5,783,060	0	5,783,060	5,783,060	2,000,000	7,783,060	0	0.0%	2,000,000	34.6%
DHHS	Health Aid	6,151,907	6,114,407	0	6,114,407	6,114,407	250,000	6,364,407	(37,500)	-0.6%	250,000	4.1%
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	7,530,229	7,530,229	0	7,530,229	8,144,141	1,262,878	9,407,019	0	0.0%	1,876,790	24.9%

		FY2018-19 w/o Deficits	FY2019-20			FY2020-21			Change over Prior Year (exclude deficits)			
			Per 2019 Session	2020 Deficits	Revised 2020 Session	Per 2019 Session	2020 Change	Revised 2020 Session	FY20 \$ Change	FY20 % Chng	FY21 \$ Change	FY21 % Chng
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%
Nat Resources	Resources Development Fund	3,014,712	0	0	0	0	0	0	(3,014,712)	-100.0%	0	na
Military Dept	Governors Emergency Program	0	6,000,000	0	6,000,000	5,000,000	55,240,974	60,240,974	6,000,000	na	54,240,974	904.0%
Military Dept	Guard tuition assistance	584,424	584,424	0	584,424	584,424	134,185	718,609	0	0.0%	134,185	23.0%
Game & Parks	Niobrara Council	42,011	42,011	0	42,011	42,011	0	42,011	0	0.0%	0	0.0%
Library Comm	Local libraries	1,243,282	1,262,369	0	1,262,369	1,281,837	0	1,281,837	19,087	1.5%	19,468	1.5%
Corrections	Vocational and Life Skills Program	3,500,000	3,500,000	0	3,500,000	3,500,000	500,000	4,000,000	0	0.0%	7500,000	14.3%
Coord. Comm	Nebr Opportunity Grant Program	6,593,430	6,593,430	0	6,593,430	6,593,430	1,000,000	7,593,430	0	0.0%	1,000,000	15.2%
Coord. Comm	Access College Early Scholarship	945,600	1,100,000	0	1,100,000	1,100,000	0	1,100,000	154,400	16.3%	0	0.0%
St Colleges	Nebraska Career Scholarships	0	0	0	0	0	1,000,000	1,000,000	0	na	1,000,000	na
University	Nebraska Career Scholarships	0	0	0	0	0	2,000,000	2,000,000	0	na	2,000,000	na
Arts Council	Aid to arts programs	905,346	905,346	0	905,346	905,346	0	905,346	0	0.0%	0	0.0%
Econ Develop	State aid to development districts	470,000	670,000	0	670,000	470,000	230,000	700,000	200,000	42.6%	30,000	4.5%
Econ Develop	Business Innovation Act	6,020,352	6,020,352	0	6,020,352	6,020,352	0	6,020,352	0	0.0%	0	0.0%
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	6,048,000	0	6,048,000	6,048,000	0	6,048,000	0	0.0%	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	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	336,000	571,544	0	571,544	591,160	0	591,160	235,544	70.1%	19,616	3.4%
Blind & Vis Imp	Blind rehabilitation	216,890	286,890	0	286,890	311,790	0	311,790	70,000	32.3%	24,900	8.7%
Comm Colleges	Aid to Community Colleges	98,575,874	100,547,391	0	100,547,391	102,558,339	1,000,000	103,558,339	1,971,517	2.0%	3,010,948	3.0%
	Individuals/Other	1,415,580,493	1,437,130,930	0	1,437,130,930	1,497,317,630	(6,441,921)	1,490,875,709	21,550,437	1.5%	53,744,779	3.7%
	Local Government	1,435,505,259	1,510,109,279	0	1,510,109,279	1,523,988,496	30,490,135	1,554,478,631	74,604,020	5.2%	44,369,352	2.9%
	Total General Fund State Aid	2,851,085,752	2,947,240,209	0	2,947,240,209	3,021,306,126	24,048,214	3,045,354,340	96,154,457	3.4%	98,114,131	3.3%