

STATE OF NEBRASKA
FY2015-16 / FY2016-17
BIENNIAL BUDGET

As Enacted in the
104th Legislature-First Session

August 2015

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Introduction

This report contains a summary of the initial appropriations and budget actions for the FY2015-16 and FY2016-17 biennium as enacted during the 2015 Legislative Session. These are not the final appropriations as both fiscal years numbers can be changed during the 2016 Legislative Session, and FY2016-17 can further be changed during the 2017 Legislative Session. The following is a brief description of what can be found in the various sections of this report.

General Fund Financial Status The state's General Fund financial status is displayed here, both the projected status at the end of 2015 Session in May (referred to as Sine Die) as well as the current status incorporating changes that have occurred since that time. Also included is a detailed chronology of the Financial Status for both the FY16/FY17 Biennium and projected for the FY18/FY19 Biennium.

General Fund Revenues This section details General Fund revenue projections, an overview of the growth in revenue both projected and historical, and lists legislation enacted during the 2015 Legislative Session that impact revenues.

General Fund Appropriations This section provides detailed information on General Fund appropriations as enacted during the 2015 Legislative Session including state totals, agency totals, historical appropriations, various breakdowns by state agency operations and state aid to individuals and local governments, and state aid listed by individual aid programs. This section also includes an extensive listing of the major changes in the budget as well as narrative descriptions of some of the major spending areas, both agency operations and state aid programs. A listing of General Fund "A" bills and vetoes and overrides is also included.

Appropriations-All Fund Sources While previous sections relate to the General Fund, this section provides a summary of appropriations from all fund sources (General, Cash, Federal, and Revolving) including state totals, by agency, and by bill enacted.

Capital Construction A complete listing of all new and reaffirmed construction projects, from all fund sources, is included in this section.

FY2014-15 Deficit Appropriations This section provides a detailed listing of all FY2014-15 deficiency appropriations. Also included is a chronology of FY2014-15 appropriations from when first enacted in the 2013 Session, changed during 2014 Session, and the final appropriations after the 2015 Session.

Definition of Terms This section of the report provides descriptions of the various terms used in this report as well as a complete chronology and description of the states' budget process.

Legislative Fiscal Office Staff The last section includes a numerical listing of all state agencies and the Legislative -Fiscal Office staff assigned to that agency. Also included are phone numbers and email addresses of the LFO staff.

Highlights

This report contains a summary of the initial appropriations and budget actions for the FY2015-16 and FY2016-17 biennium as enacted during the 2015 Legislative Session. These are not the final appropriations as both fiscal years numbers can be changed during the 2016 Legislative Session, and FY2016-17 can further be changed during the 2017 Legislative Session. The following is a brief description of what can be found in the various sections of this report.

General Fund Financial Status

The enacted budget resulted in an unobligated ending balance at the end of the FY16/FY17 Biennial Budget which is \$2.3 million above the minimum 3% reserve. This status is based on the April 2015 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) and the budget and revenue bills as enacted during the 2015 legislative session.

Revenue Forecasts

Revenue growth (adjusted for rate and base changes) is projected to be very close to the 33 year historical average of 5.0%. Revenue estimates for FY2014-15, FY2015-16, and FY2016-17 are the April 2015 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) plus revenue bills enacted. Rate and base adjusted revenue growth implied by these current forecasts is 6.6% in FY14-15, 4.9% in FY15-16 and 4.3% in FY16-17. The two year average for FY16/FY17 is 4.6%.

While the rate and base adjusted revenue growth averages 4.6%, the unadjusted, “nominal” growth in revenues (or what’s available to use in the financial status) has an average growth of only 3.6% reflecting the annualized impacts of LB987 passed in 2014 which indexed income tax brackets and reduced income taxes on social security, military retirement, and other prior legislation impacting revenues.

For the “following biennium”, adjusted revenue growth is calculated at 3.9% per year using the historical average methodology. The target growth is the historical average of 5.0% but adjusted down to 4.75% to exclude growth that is now negated by indexing of the income tax brackets.

Budget Growth

Growth in the enacted General Fund budget is 4.0% in FY16 and 2.9% in FY17 for a two year average of 3.5%. This two year average is the fifth lowest growth in the last 15 biennial budgets. Excluding the \$20 million increase for LB259-Personal Property Tax Relief, the two year spending growth is 3.3%.

Cash Reserve Fund

The projected ending balance at the end of the FY16/FY17 biennium based on current forecasts and enacted 2015 session actions is \$718.5 million if FY2014-15 receipts reach the current forecast level. The enacted budget includes an additional \$20 million of transfers to the Nebraska Capital Construction Fund (NCCF) for the State Capitol HVAC project in FY19, FY21, and FY23 lowering the *unobligated* balance to \$698.1 million. This is approximately 15% of General Fund expenditures.

The enacted budget utilized \$63.5 million of Cash Reserve Fund monies for five different items: (1) \$17.2 million transfer the General Fund to cover payment of IV-E disallowance penalties, (2) \$5.5

million transfer to the Republican River Compact Litigation Contingency Cash Fund to pay a court ordered settlement related to the State of Kansas v. State of Nebraska Republican River Compact, (3) \$25 million transfer to the Nebraska Capital Construction Fund for construction of the Global Center for Advanced Interprofessional Learning, (4) \$8 million to a new cash fund in the Coordinating Commission to contract for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using telehealth, and (5) \$7.8 million transfer to the NCCF for the State Capitol HVAC project.

All of these items followed the previously used concepts that a significant balance should be retained in the Cash Reserve Fund in light of the cyclical nature of variances from forecast and the dollar level of those variances cumulative over several years, and any use of the Cash Reserve Fund should be for one-time items to match the one-time nature of the financing source.

Property Tax Relief

The Property Tax Credit program, enacted in 2007, was funded at \$105 million in FY07-08, and \$115 million in FY08-09 through FY13-14. During the 2014 session, the FY14-15 amount was increased to \$140 million. This enacted budget increases the credit amount by \$64 million (45.7%) to a total of \$204 million per year. This allows for a credit estimated at \$95 per \$100,000 of valuation. The credit would be \$65 at the previous \$140 million transfer level. Although accounted for as a transfer not an expenditure, in terms of using available General Funds, this is the single largest increase item in the budget. The \$64 million per year transfer totals \$128 million over the two years. TEEOSA school aid is the largest single spending item accounting for a \$79.7 million increase over the two years.

The legislature enacted LB 259 which creates the Personal Property Tax Relief Act. The bill provides for an exemption from the property tax on the first \$10,000 of valuation of tangible personal property in each tax district in which a personal property tax return is required to be filed. The Legislature is then required to reimburse taxing subdivisions for the resulting tax loss, estimated at \$19.6 million starting in FY2016-17.

TEEOSA School Aid

The budget includes funding for state aid to schools (TEEOSA) which fully funds the certified aid for FY2015-16 and current estimated funding needs for FY2016-17 based on the existing TEEOSA formula. The overall net change in total TEEOSA aid is an increase of \$40.1 million (4.3%) in FY2015-16 followed by a \$7.6 million (0.8%) increase in FY16-17. The General Fund amounts (excluding the amount financed by allocated Insurance Premium Tax monies) reflect a \$37.1 million (4.1%) increase in FY15-16 followed by a \$5.6 million (0.6%) increase in FY16-17.

Correctional Services

One of the largest percent and dollar increases in the budget is for the Dept. of Correctional Services (DCS), 11.0% (\$19.9 million) increase in the FY15-16. Almost half of this amount is related to inmate medical costs. DCS is required to provide inmates with the community standard of medical care and health care costs have increased significantly during recent years due to an increase in the inmate population, an aging inmate population, inflation, and the new Hepatitis C treatment. The budget also includes \$2.5 million each year for 59 additional security staff and \$1.2 million each year for behavioral health staff.

The Legislature enacted LB 605 to begin addressing overcrowding in the correctional system. This bill was the result of a study conducted by the Nebraska Justice Reinvestment Working Group, an inter-branch working group established under LB 907-2014, in cooperation with the Council of State Governments Justice Center. LB 605 expands the use of probation in lieu of incarceration, ensures that more people receive supervision upon release from prison, and bolsters parole supervision practices to reduce recidivism.

The Legislature also enacted LB 598 which implements several of the recommendations made by the Department of Correctional Services Special Investigative Committee (the LR424 Committee) and the Performance Audit Committee from its audit of the Department of Correctional Services. This includes creating the Office of the Inspector General of the Nebraska Correctional System to conduct investigations and performance reviews, move the Office of Parole Administration from Department of Correctional Services (DCS) to the Parole Board, provides distinction for mental illness for those in restricted housing, and a stipulation to the Department of Correctional Services to require parole supervision for purposes of effective reintegration.

Higher Education

The budget includes a general 3% increase of the University of Nebraska, State Colleges, and Community Colleges. Funding is also included for several specific items for University of Nebraska including operation and program costs for the Health Science Education Center (\$1,424,000 FY16 and \$2,424,000 FY17) and support of the Yeutter Institute for International Trade and Finance (\$1,250,000 each year).

Funding was included for the construction and operation of the Global Center for Advanced Interprofessional Learning, \$25 million construction through a Cash Reserve Fund transfer to the Nebraska Capital Construction Fund and General Funds for operations (\$1,000,000 FY16 and \$2,000,000 FY17)

Another funded item is an \$8 million Cash Reserve Fund transfer to a newly created Oral Health Training and Services Fund to be administered by the Coordinating Commission for Postsecondary Education (CCPE). Applicants for funding would be required to provide oral health training, discounted and charitable oral health services focusing on lower-income and at-risk populations in the state, and to target unmet oral health care needs of Nebraskans.

Roads Funding

Although not funded with General Funds, roads funding was a significant issue this session. The mainline budget bill (LB 657) used the latest projections (March 26, 2015) to set the Highway Cash Fund (HCF) appropriation at a level that will attempt to set the fuel tax at 26.4¢ each year of the next biennium. This follows the recent trend in that the Legislature has used revenue projections prepared by the Department of Roads to target a fuel tax of 26.4¢ per gallon since FY09-10.

In addition to this projected 26.4¢ rate, LB 610 increased the fuel tax by 1.5¢ per gallon in each of the next four years. This 1.5¢ incremental increase starts on January 1, 2016 and culminates when a 6¢ increase is reached on January 1, 2019. The additional revenue once the full 6¢ is reached is projected to total over \$76 million per year. All of the additional revenue from LB 610 is split equally among the Department of Roads, and cities and counties for use on road and bridge construction and maintenance.

GENERAL FUND FINANCIAL STATUS

General Fund Financial Status

Tax Rate Review Committee (June 22, 2015)

	Actual	Biennial Budget		Following Biennium	
	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
1 BEGINNING BALANCE					
2 Beginning Cash Balance	673,683,437	732,273,130	262,963,924	289,049,244	267,789,695
3 Cash Reserve transfers-automatic	(96,721,232)	(84,599,532)	0	0	0
4 Carryover obligations from FY14	0	(389,161,805)	0	0	0
5 Lapse FY14 and FY15 reappropriations	0	25,000,000	0	0	0
6 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	576,962,205	283,511,793	257,963,924	284,049,244	262,789,695
8 REVENUES					
9 Net Receipts (April 2015 NEFAB+hist avg+bills)	4,306,364,121	4,473,856,000	4,645,441,000	4,790,502,000	4,948,411,000
10 General Fund transfers-out	(188,350,000)	(217,600,000)	(217,100,000)	(216,300,000)	(216,300,000)
11 General Fund transfers-in	in forecast	0	0	0	0
12 Cash Reserve transfers (current law)	67,701,112	0	0	0	0
13 2016 Cash Reserve transfers	0	0	0	0	0
14 2016 General Fund transfers-out	0	0	0	0	0
15 2016 General Fund transfers-in	0	0	0	0	0
16 2016 Revenue Bills	0	0	0	0	0
17 General Fund Net Revenues	4,185,715,233	4,256,256,000	4,428,341,000	4,574,202,000	4,732,111,000
18 APPROPRIATIONS					
19 Appropriations (2015 Session)	4,030,404,308	4,271,803,869	4,397,255,680	4,397,255,680	4,397,255,680
20 Projected budget increase, following biennium	--	--	--	193,205,869	387,704,092
21 2016 Mainline Budget Actions	0	5,000,000	0	0	0
22 2016 State Claims	0	0	0	0	0
23 2016 "A" Bills	0	0	0	0	0
24 General Fund Appropriations	4,030,404,308	4,276,803,869	4,397,255,680	4,590,461,549	4,784,959,772
25 ENDING BALANCE					
26 Dollar ending balance (per Financial Status)	732,273,130	262,963,924	289,049,244	267,789,695	209,940,923.1
27 Dollar ending balance (at Minimum Reserve)			271,813,707		279,476,570.2
28 Excess (shortfall) from Minimum Reserve			17,235,537		(69,535,647)
29 Biennial Reserve (%)			3.2%		2.2%
<u>General Fund Appropriations</u>					
30 Annual % Change - Appropriations (w/o deficits)	7.0%	4.0%	2.9%	4.4%	4.2%
31 Two Year Average	6.3%	--	3.5%	--	4.3%
<u>General Fund Revenues</u>					
32 Est. Revenue Growth (rate/base adjusted)	6.2%	5.3%	4.4%	4.1%	3.8%
33 Two Year Average	5.3%	--	4.8%	--	3.9%

CASH RESERVE FUND	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Projected Unobligated Ending Balance	727,835,426	728,615,207	728,615,207	728,615,207	708,178,493

General Fund Financial Status

End of 2015 Session (Sine Die May 29, 2015)

	Current Yr FY2014-15	Biennial Budget FY2015-16 FY2016-17		Following Biennium FY2017-18 FY2018-19		
<u>BEGINNING BALANCE</u>						
2	Beginning Cash Balance	673,683,437	331,747,203	236,699,334	262,784,654	241,525,105
3	Cash Reserve transfers-automatic	(96,721,233)	(74,500,000)	0	0	0
4	Carryover obligations from FY14	(305,427,164)	0	0	0	0
5	Lapse FY14 and FY15 reappropriations	2,911,800	no estimate	0	0	0
6	Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7	Unobligated Beginning Balance	274,446,840	257,247,203	231,699,334	257,784,654	236,525,105
<u>REVENUES</u>						
9	Net Receipts (April 2015 NEFAB+hist avg+bills)	4,295,000,000	4,473,856,000	4,645,441,000	4,790,502,000	4,948,411,000
10	General Fund transfers-out (2015 Session)	(188,350,000)	(217,600,000)	(217,100,000)	(216,300,000)	(216,300,000)
11	General Fund transfers-in (2015 Session)	in forecast	0	0	0	0
12	Cash Reserve transfers (current law)	67,701,112	0	0	0	0
13	2016 Cash Reserve transfers (new)	0	0	0	0	0
14	2016 General Fund transfers-out	0	0	0	0	0
15	2016 General Fund transfers-in	0	0	0	0	0
16	2016 Revenue Bills	0	0	0	0	0
17	General Fund Net Revenues	4,174,351,112	4,256,256,000	4,428,341,000	4,574,202,000	4,732,111,000
<u>APPROPRIATIONS</u>						
19	Appropriations (2015 Session)	4,117,050,749	4,271,803,869	4,397,255,680	4,397,255,680	4,397,255,680
20	Projected budget increase, following biennium	--	--	--	193,205,869	387,704,092
21	2016 Mainline Budget Actions	0	5,000,000	0	0	0
22	2016 State Claims	0	0	0	0	0
23	2016 "A" Bills	0	0	0	0	0
24	General Fund Appropriations	4,117,050,749	4,276,803,869	4,397,255,680	4,590,461,549	4,784,959,772
<u>ENDING BALANCE</u>						
26	Dollar ending balance (per Financial Status)	331,747,203	236,699,334	262,784,654	241,525,105	183,676,333.1
27	Dollar ending balance (at Minimum Reserve)			260,442,064		278,711,582.2
28	Excess (shortfall) from Minimum Reserve			2,342,590		(95,035,249)
29	Biennial Reserve (%)			3.0%		2.0%
<u>General Fund Appropriations</u>						
30	Annual % Change - Appropriations (w/o deficits)	7.0%	4.0%	2.9%	4.4%	4.2%
31	Two Year Average	6.3%	--	3.5%	--	4.3%
<u>General Fund Revenues</u>						
32	Est. Revenue Growth (rate/base adjusted)	6.7%	4.9%	4.3%	4.1%	3.8%
33	Two Year Average	5.6%	--	4.6%	--	3.9%

CASH RESERVE FUND	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Projected Unobligated Ending Balance	684,819,968	718,515,676	718,515,676	718,515,676	698,078,962

Chronology - General Fund Financial Status

End of 2014 Session (Sine Die)

At Sine Die 2014, the financial status for the FY16/FY17 biennium reflected a \$170.1 million projected shortfall from the minimum reserve. At that point, FY16/FY17 was the “out year” in the five year financial status with no projection for FY18/FY19 biennium. At the July 2014 meeting of the Tax Rate Review Committee (TRR), the General Fund financial status declined slightly to \$176.8 million below the minimum reserve. FY2013-14 revenues were \$16.9 million above forecast but under current law revenues above the certified forecast are transferred to the Cash Reserve Fund.

Impact on Variance from Min Reserve (Millions of Dollars)	July 2014 TRR Committee			
	FY15	FY16	FY17	Total
Carryover obligations from FY12-13	0.0	0.0	0.0	1.5
FY14 Actual vs Est General Fund Net Receipts	0.0	0.0	0.0	16.9
FY14 Actual vs Est CRF transfers-automatic	(14.4)	0.0	0.0	(14.4)
FY14 Actual vs Est Accounting adjustment	(11.0)	0.0	0.0	(11.0)
Total Change – July 2014 TRR Committee				(6.7)

2014 Interim

The financial status improved significantly in November 2014 when the TRR committee again met. The shortfall from the minimum reserve declined from \$176.8 million to \$50.1 million due to a variety of revenue and spending items. Original NEFAB forecasts for FY16 and FY17 were a combined \$117.7 million above the previously used preliminary LFO revenue estimates. Also the NEFAB increased their FY14-15 forecast by \$61.5 million however these amounts are shown as transferred to the Cash Reserve Fund as prescribed under current law for revenues above certified forecast. In addition to higher revenues, lower spending projections were used. Those projected appropriation levels used the latest estimates for TEEOSA school aid and information from the agency budget request.

Impact on Variance from Min Reserve (Millions of Dollars)	November 2014 TRR Committee			
	FY15	FY16	FY17	Total
Revenue Forecasts (revised / original Oct 2014)	61.5	60.7	57.0	179.2
"Above certified" FY15 forecast to CRF	0.0	(61.5)	0.0	(61.5)
Change in Minimum Reserve	0.2	0.0	(2.1)	(2.1)
Subtotal - Revenue	61.7	(0.8)	54.9	115.6
Deficit requests vs \$5M	(45.3)	0.0	0.0	(45.3)
Revised TEEOSA aid estimates (Oct 2014 Joint Meeting)	0.0	32.5	62.3	94.8
Operations cost increases (est to 24/7 facility request)	0.0	4.9	10.1	15.0
Medicaid (7.5% to adjusted request)	0.0	(6.6)	19.2	12.6
Health insurance, University+Colleges (10% vs request)	0.0	3.1	7.3	10.3
Public Assistance+Child Welfare (3% to 4% to adjusted request)	0.0	1.6	4.1	5.7
Inmate per diem costs (3% vs request)	0.0	(15.3)	(17.4)	(32.7)
Behavioral health (base restoration + delete future savings est)	0.0	(10.0)	(15.0)	(25.0)
DHHS fund shifts	0.0	(4.5)	(6.9)	(11.4)
Behavioral health (potential maintenance of effort penalty)	0.0	(3.1)	(2.4)	(5.5)
Developmental Disability aid (3% to transition only)	0.0	(3.4)	(3.7)	(7.1)
Homestead exemption (3% to request)	0.0	(1.7)	(1.5)	(3.2)
Revised estimate of budget increases, all other	0.0	(0.4)	3.3	2.9
Subtotal - Appropriations	(45.3)	(2.7)	59.2	11.2
Total Change – November TRR Committee	16.5	(3.5)	114.1	126.7

Appropriations Committee Preliminary Budget

The Appropriations Committee Preliminary Budget turned that \$50 million “shortfall” into a projected unobligated ending balance \$51.7 million above the minimum reserve. This \$102 million swing was accomplished through a combination of \$104 million of transfers from several cash funds and the Cash Reserve Fund, an appropriations level \$87 million lower than estimated at the November TRR meeting and then offset by a \$90 million (\$45 million per year) increase in transfers to the Property Tax Credit cash fund. The combination of these actions leaves an \$89 million structural balance when comparing on-going revenues and spending.

<u>Impact on Variance from Min Reserve (Millions of Dollars)</u>	Committee Prelim Budget			
	FY15	FY16	FY17	Total
GF Transfers-in	0.0	44.2	39.2	83.4
Cash Reserve Fund transfer to GF (IV-E disallowance)	17.2	0.0	0.0	17.2
GF Transfers-Out - Property Tax Credit	0.0	(45.0)	(45.0)	(90.0)
GF Transfers-Out - expiration of Cultural Trust transfer	0.0	0.0	0.0	0.0
Lapse FY14 / FY15 reappropriations	4.9	0.0	0.0	4.9
Change in Minimum Reserve	0.0	0.0	(1.0)	(1.0)
Subtotal - Revenue	22.1	(0.8)	(6.8)	14.4
Medicaid (other than FMAP)	0.0	15.7	19.2	34.9
Homestead Exemption	0.0	7.7	8.0	15.7
Inmate costs - non-medical, medical & Hepatitis C	0.0	6.8	7.6	14.4
Behavioral Health aid (restore base cut)	0.0	5.0	5.0	10.0
Behavioral Health aid (Fed penalty, MOE)	0.0	3.4	2.7	6.1
Childrens Health Insurance (expanded match rate, ACA)	0.0	3.3	4.3	7.6
Aid to K-12 Schools (TEEOSA), to NDE Jan 2015 estimate	0.0	(10.0)	(3.7)	(13.7)
Staffing and programs (Corrections)	0.0	(3.6)	(3.5)	(7.1)
All Other appropriation changes (net)	0.0	(3.8)	3.3	(0.5)
Deficits and Claims vs Nov TRR	20.0	0.0	0.0	20.0
Subtotal - Appropriations	20.0	24.4	42.9	87.3
Total Change – Appropriations Committee Prelim Budget	42.0	23.6	36.1	101.8

February 2015 Revised Revenue Forecasts

In February the Nebraska Economic Forecasting Advisory Board (NEFAB) made very minor revisions to their previous forecasts, a cumulative reduction of \$9 million over the three fiscal years; a \$1 million increase for FY14-15, and a \$5 million reduction for both FY15-16 and FY16-17. Year to date revenue performance and an upcoming meeting in April resulted in the minimal change.

Revenues in excess of "certified" forecasts are required by statute to be transferred to the Cash Reserve Fund. At the present time, FY2014-15 is the year applicable to the certified forecast and the \$1 million increase would be considered above certified and is thus shown as a subsequent transfer to the Cash Reserve Fund.

<u>Impact on Variance from Min Reserve (Millions of Dollars)</u>	Revised Revenue Forecast			
	FY15	FY16	FY17	Total
Revenue Forecasts (Feb 2015) - Base Forecast Changes	1.0	(5.0)	(5.0)	(9.0)
"Above certified" FY15 forecast to CRF	0.0	(1.0)	0.0	(1.0)
Change in Minimum Reserve	0.0	0.0	.3	.3
Total Change – February 2015 Forecast revisions	1.0	(6.0)	(4.7)	(9.7)

Appropriations Committee Post Hearing Adjustments

After weeks of budget hearings, the Appropriations Committee finalized their recommendation with a variety of funding and transfer adjustments. The total impact of these actions amounted to \$7.2 million over the three year period virtually offsetting the impact of the revised February forecasts.

Major changes were a \$15 million per year increase in funding for the Property Tax Credits was more than offset by a \$31 million base reduction in Medicaid and Public Assistance.

Impact on Variance from Min Reserve (Millions of Dollars)	Committee Proposed Budget			
	FY15	FY16	FY17	Total
GF Transfers-in	0.0	3.0	1.4	4.3
GF Transfers-Out - Property Tax Credit	0.0	(15.0)	(15.0)	(30.0)
Change in Minimum Reserve	0.0	0.0	0.2	0.2
Subtotal - Revenue	0.0	(12.0)	(13.5)	(25.5)
Reduction in deficits (net)	20.9	0.0	0.0	20.9
DHHS - Base reduction - Public Assistance	0.0	9.0	9.0	18.0
DHHS - Base reduction - Medicaid	0.0	22.0	22.0	44.0
Crime Commission - lower Community based juvenile justice aid	0.0	0.0	3.0	3.0
Errors / Adjust prelm budget	(1.6)	(0.3)	0.8	(1.1)
Courts - Juvenile Services	0.0	(7.0)	0.0	(7.0)
Education - Increase TEEOSA Aid (Feb 2015 certified)	0.0	(1.4)	(0.6)	(1.9)
Education - Replace lottery funds, ed aid programs	0.0	0.0	(5.3)	(5.3)
DHHS - Restore base for behavioral health aid	0.0	0.0	(2.5)	(2.5)
DHHS - Provider rates, due to FMAP and additional .25 increase	0.0	(1.9)	(4.2)	(6.0)
DHHS - Community health center dental services (LB82)	0.0	(1.1)	(1.1)	(2.1)
Nat Resource - Resources Development Fund	0.0	0.0	(2.6)	(2.6)
Corrections - County Jail Funding	0.0	(5.0)	0.0	(5.0)
University - Various Specific Items	0.0	(4.8)	(7.2)	(12.0)
All Other new appropriations	0.0	(4.1)	(3.8)	(7.9)
Subtotal - Appropriations	19.3	5.5	7.9	32.7
Total Change - Appropriations Committee Proposed Budget	19.3	(6.5)	(5.6)	7.2

Revised Revenue Forecast - April 2015

After the Appropriations Committee submitted their budget recommendations to the Legislature, the Nebraska Economic Forecasting Advisory Board (NEFAB) held their statutorily required April meeting to evaluate their revenue forecasts. At that meeting the NEFAB increased the revenue forecasts for the first two years; \$12 million in FY14-15 and \$17 million in FY2015-16 but reduced the forecast for FY16-17 by \$7 million.

For FY14-15 the revenue forecast had been previously "certified" and by law any revenues above this certified amount are to be transferred to the Cash Reserve Fund. Therefore for purposes of the financial status, the \$12 million increase in the FY14-15 forecast is subsequently shown as transferred to the Cash Reserve Fund.

Impact on Variance from Min Reserve (Millions of Dollars)	Revised Revenue Forecasts			
	FY15	FY16	FY17	Total
Revenue Forecasts (April 2015)	12.0	17.0	(7.0)	22.0
"Above certified" FY15 forecast to CRF	0.0	0.0	(12.0)	(12.0)
Change in Minimum Reserve	0.0	0.0	(0.3)	(0.3)
Total Change - April 2015 NEFAB forecasts	12.0	17.0	(7.3)	9.7

Floor Actions – 2015 Session

Budget actions from the time the Appropriations Committee submitted their recommendations to final enactment of the budget consist of (1) floor amendments, (2) Governor vetoes and overrides, and (3) enactment of revenue and spending legislation.

The first actions taken were floor amendments to the mainline budget bills. The only floor amendments adopted with a General Fund impact were five relatively small committee amendments totaling \$990,000 in the first year and \$900,000 in the second year. These were mostly corrective in nature. The Appropriations Committee then offered an amendment to increase the Property Tax Credit transfer by \$4 million each year which when coupled with the net impact of other committee floor amendments and corrections equaled the amount gained from the revised revenue forecasts. These actions then left the financial status at the same level as the committee recommendation prior to the forecast changes.

The Governor subsequently signed the mainline budget bills with no vetoes.

A total of \$47.3 million was utilized over the two year period for new revenue and spending bills that were enacted. The largest items were LB 259 which exempted the first \$10,000 of personal property from taxation (\$19.6 million) and LB 605 the Justice Reinvestment Act (\$6.7 million)

Impact on Variance from Min Reserve (Millions of Dollars)	2015 Floor Actions			
	FY15	FY16	FY17	Total
Floor amendments (Committee)	(0.4)	(1.0)	(0.9)	(2.3)
General Fund Transfers-in (correct errors and changes)	0.0	0.5	0.3	0.8
General Fund transfers-out (Prop tax credits to \$202M)	0.0	(4.0)	(4.0)	(8.0)
Mainline vetoes (none)	0.0	0.0	0.0	0.0
Revenue bills enacted	0.0	(4.3)	(5.4)	(9.7)
A Bills enacted	0.0	(7.6)	(30.0)	(37.6)
Change in Minimum Reserve	0.0	0.0	0.5	0.5
Total Change - 2015 Floor Actions	(0.4)	(16.4)	(39.5)	(56.4)

FY2014-15 Actual Data

Receipts for FY2014-15 were \$10.1 million above the forecast used at the end of the 2015 Legislative Session. As noted elsewhere in this report, FY15 revenues in excess of the July 2014 certified forecast are to be transferred to the Cash Reserve Fund.

The amount of the minimum reserve increases by \$11.4 million due to a technical change in the calculation of the reserve attributed to assuming 100% expenditure of funds in FY15 at Sine Die versus less than 100% expenditure with FY15 data but offsetting carryover of unexpended appropriations at the start of the next year. In this instance, in the reserve calculation both the numerator (available funds) and denominator (amount of appropriations) both increase by \$389 million resulting in the \$11.4 million difference.

With respect to the unexpended FY15 appropriations, a significant amount of operations and selected state aid programs were reappropriated as well as all certified encumbrances. While the carryover amounts from reappropriated programs is known, the certification of encumbrances is not completed until the end of August. At this point an estimated \$25 million of lapsed unexpended appropriations is used. This is a relatively conservative number after a review of unexpended balances by individual budget program.

Lastly, the \$1.3 million of accounting adjustments include several transfers to other funds not previously accounted for under “transfers-out”. These are transfers out that are authorized in statute but not in specific amounts.

Impact on Variance from Min Reserve (Millions of Dollars)	FY2014-15 Actual Data			
	FY15	FY16	FY17	Total
Carryover obligations from FY14-15	0.0	0.0	0.0	0.0
FY15 Actual vs Est General Fund Net Receipts	10.1	0.0	0.0	10.1
FY15 Actual vs Est CRF transfers-automatic	0.0	(10.1)	0.0	(10.1)
FY15 Actual vs Est Accounting adjustment	1.3	0.0	0.0	1.3
Assumed lapse, FY15 unexpended appropriations	0.0	25.0	0.0	25.0
Change in Minimum Reserve	0.0	0.0	(11.4)	(11.4)
Total Change - 2015 Floor Actions	11.4	14.9	(11.4)	14.9

Table 1 Chronology of the Financial Status

(millions of dollars)	FY16 / FY17 Biennium	FY18 / FY19 Biennium
Variance from Min. Reserve: Sine Die 2014 Session	(170.1)	NA
. Carryover obligations from FY12-13	1.5	--
. FY14 Actual vs Est General Fund Net Receipts	16.9	--
. FY14 Actual vs Est CRF transfers-automatic	(14.4)	--
. FY14 Actual vs Est Accounting adjustment	(11.0)	--
. Change in Minimum Reserve	0.2	--
Variance from Min. Reserve: TRR July 2014	(176.8)	NA
Revenue Forecasts (revised / original Oct 2014)	179.2	--
"Above certified" FY15 forecast to CRF	(61.5)	--
Deficit requests vs \$5M	(45.3)	--
Revised estimate of FY16/FY17 projected budget (2 yr total)	56.4	--
Change in Minimum Reserve	(2.1)	--
Variance from Min. Reserve: TRR Nov 2014	(50.1)	(33.0)
GF Transfers-in	83.4	83.4
Medicaid Nov TRR estimate	34.9	76.5
All Other items vs Nov TRR estimate (net)	14.3	41.6
Homestead Exemption vs Nov TRR estimate	15.7	31.7
Behavioral Health aid vs Nov TRR estimate	16.1	31.6
Deficits vs Nov TRR estimate	20.0	20.0
Cash Reserve Fund transfer to GF (IV-E disallowance)	17.2	17.2
Lapse FY14 / FY15 reappropriations	4.9	4.9
GF Transfers-Out - expiration of Cultural Trust transfer	0.0	1.5
GF Transfers-Out - Property Tax Credit	(90.0)	(180.0)
TEEOSA school aid vs Nov TRR estimate	(13.7)	(35.2)
Change in Minimum Reserve	(1.0)	(0.4)
Variance from Min. Reserve: Committee Preliminary Budget	51.7	59.7
DHHS - Base reduction - Public Assistance	18.0	36.0
DHHS - Base reduction - Medicaid	44.0	88.0
Reduced deficits	20.9	20.9
Crime Commission - Community based juvenile justice aid	3.0	9.0
GF Transfers-in	4.3	4.3
GF Transfers-Out - Property Tax Credit	(30.0)	(60.0)
University - Various Specific Items	(12.0)	(26.4)
Education - Replace lottery funds, ed aid programs	(5.3)	(15.9)
DHHS - Provider rates, due to FMAP and .25 increase	(6.0)	(14.4)
Courts - Juvenile Services	(7.0)	(7.0)
DHHS - Restore base for behavioral health aid	(2.5)	(7.5)
Nat Resource - Resources Development Fund	(2.6)	(7.7)
Corrections - County Jail Funding	(5.0)	(5.0)
DHHS -Community health center dental services LB82	(2.1)	(4.2)
Education - Increase TEEOSA Aid (Feb 2015 certified)	(1.9)	(3.0)
All Other new appropriations	(7.9)	(11.1)
Errors / Adjust to the preliminary budget	(1.1)	0.4
Change in Minimum Reserve	0.2	0.7
Variance from Min. Reserve: Committee Budget to the Floor	49.0	47.1

(millions of dollars)	FY16 / FY17 Biennium	FY18 / FY19 Biennium
Revenue Forecasts (revised April 2015)	22.0	22.0
"Above certified" FY15 forecast to CRF	(12.0)	(12.0)
Change in Minimum Reserve	(0.3)	(0.1)
Variance from Min. Reserve: Post April 2015 NEFAB forecasts	58.7	57.0
Floor amendments (Committee)	(2.3)	(4.2)
General Fund Transfers-in (correct errors and changes)	0.8	0.8
General Fund transfers-out (Prop tax credits to \$202M)	(8.0)	(16.0)
CRF transfer to NCCF, Capitol HVAC project	0.0	0.0
Mainline vetoes (none)	0.0	0.0
Change in Minimum Reserve	0.2	0.3
Variance from Min. Reserve: Mainline Bills as Enacted	49.4	37.9
Revenue bills enacted	(9.7)	(22.8)
A Bills enacted	(37.6)	(112.1)
Update out year estimates	0.0	0.2
Change in Minimum Reserve	0.3	1.8
Variance from Min. Reserve: Sine Die 2015 Session (May 29, 2015)	2.3	(95.0)
Carryover obligations from FY14-15	0.0	0.0
FY15 Actual vs Est General Fund Net Receipts	10.1	10.1
FY15 Actual vs Est CRF transfers-automatic	(10.1)	(10.1)
FY15 Actual vs Est Accounting adjustment	1.3	1.3
Assumed lapse, FY15 unexpended appropriations	25.0	25.0
Change in Minimum Reserve	(11.4)	(0.8)
July 2015 Tax Rate Review Committee	17.2	(69.5)

Estimated Financial Status - Following Biennium

For planning purposes, an estimated financial status is constructed for the biennium following the two-year biennial budget currently being considered. This allows the Legislature to see the future implications of budget actions being considered.

Revenues

The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years". Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY17-18 and FY18-19) in the current financial status are derived using a "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY14 to FY19) roughly equal to the 33 year historical average (5.00%) less .25% which is the projected impact of indexing the tax brackets as enacted last session in LB987. Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth on page 22.

The "capped" provision of this methodology means that if the derived growth needed in the out-years to achieve the historical average is above the "above average" years, growth is then capped at the average of the "above average years". Likewise if the historical average method calls for below average growth in the out years, the growth is capped at the average of the "below average years". Over the past 33 years, there were 11 years in which revenue growth was "below average" (1.1% average) and 22 years in which revenue growth was above average (7.3% average).

Appropriations

For the "following biennium" (FY17-18 and FY18-19), the mainline budget numbers reflect the annualized impact of the current 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. Obviously the actual funding needs in these areas will not be known until the biennial budget process starts again in two years. However for planning purposes, some level of funding for these items must be acknowledged and shown as likely funding commitments

Table 2 Projected Budget Increases-Following Biennium

Numbers are annual increases	Two Yr Average	Est for Following Biennium	
		FY2017-18	FY2018-19
Aid to K-12 Schools (TEEOSA GF only)	5.0%	45,626,027	52,934,725
Special Education	2.5%	5,614,749	5,755,118
Community Colleges	3.5%	3,490,067	3,612,219
Community based Juvenile Services aid	3.0%	0	0
Homestead Exemption	3.0%	2,139,450	2,203,634
Aid to ESU's	2.5%	351,294	360,076
Medicaid	5.5%	47,399,051	50,005,999
Public Assistance	6.0%	6,785,644	7,192,783
Children's Health Insurance (SCHIP)	8.9%	640,572	675,803
Child Welfare Aid	6.0%	7,981,697	7,661,506
Developmental Disability aid	4.0%	6,026,436	6,267,494
Behavioral Health aid	2.5%	1,851,119	1,897,397

Numbers are annual increases	Two Yr Average	Est for Following Biennium	
		FY2017-18	FY2018-19
Employee Salaries	2.5%	26,259,026	26,915,501
Employee Health Insurance	10.0%	16,432,488	18,075,737
Operations increase	2.0%	5,790,778	5,906,594
Justice Reinvestment Act (LB605-2015)	--	4,536,736	3,313,569
Inmate per diem costs	3.0%	1,866,698	1,922,699
Juvenile Services costs (Probation)	5.0%	703,176	724,271
Defined benefit retirement plans	calculated	0	0
Capital Construction	Reaff Only	9,529,333	(801,807)
All Other	--	181,528	(125,094)
Net Annual \$ Increase		193,205,869	194,498,224
Annual % Increase		4.4%	4.2%

Aid to Local Governments

State Aid to Schools (TEEOSA) The estimates for FY18 and FY19 are based on the same methodology utilized for the November 15 estimates required under current law for the proposed biennial budget but with Fiscal Office assumptions and should be considered Fiscal Office estimates. They are based on the existing TEEOSA aid formula. The estimates reflect a growth in overall school aid of 4.8% in FY18 and 5.3% in FY19.

Special Education: Increases for FY18 and FY19 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 A 3.5% per year annual increase is included for the following biennium budget reflecting increased state aid to support operations budget increases. This increase amounts to about a \$3.5 million per year increase.

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

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

Aid to Individuals

Medicaid For the following biennium, the average growth is 5.5% per year. This reflects projected growth of 3.0% per year for population client eligibility and utilization and 2.5% per year for provider rates. This estimate also assumes no change from the FFY16 FMAP of 51.16%.

Public Assistance and Child Welfare A basic growth rate of 6.0% per year is utilized for the various Public Assistance programs for the following biennium. This reflects projected growth of 3% per year for population client eligibility and utilization and 2.5% per year for provider rates, and 6% for child care rates.

Children's Health Insurance (CHIP) For the following biennium, a 9% per year increase is used which is the same as Medicaid. However the large increase reflects the fact that the General Fund base is very low due to the expanded federal match rate (23%) from the Affordable Care Act and General Funds pick up the percent increase in the fixed \$5 million allocated from the Health Care Cash Fund.

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.

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 10% per year increase in health insurance is included for the following biennium. Because rates have been flat for the past several years due to coverage and program changes and drawing down fund balances, this higher growth is utilized to anticipate a potential hike in rates.

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 to reflect both inflationary costs and an increase in the number of inmates.

Defined Benefit Retirement Plans The preliminary budget assumes a slight reduction additional state contribution amounts for the Judges and Patrol plans offsets an increase in the 2% of pay contribution in the school plan. This is based on the Fall 2014 actuarial reports.

Capital Construction General Fund dollars included in the projected budget for the following biennium for capital construction reflect reaffirmations only based on the proposed FY16/FY17 biennial budget. These are dollar amounts needed to complete funding of previously approved projects. The \$9 million increase reflects new funding for the State Capitol HVAC system replacement. A large appropriation in FY14-15 carried forward to cover costs for the current biennium.

Cash Reserve Fund

The Cash Reserve Fund (CRF) is not included as part of the "General Fund Reserve" (which is the statutorily defined ending General Fund balance for a biennium) and was created as a separate and distinct fund to cover cash flow needs within a month or several month period. The Cash Reserve Fund also serves as a "rainy day fund" in that 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.

The projected unobligated ending balance taking into consideration all enacted transfers and based on current forecasts is \$708.2 million. Table 4 (page 20) gives an historical summary of the fund balance.

Table 3 Cash Reserve Fund Status

	Estimated FY2014-15	Estimated FY2015-16	Estimated FY2016-17	Estimated FY2017-18	Estimated FY2018-19
Beginning Balance	719,065,306	684,819,968	728,615,207	728,615,207	728,615,207
Excess of certified forecasts	96,721,233	84,599,532	0	0	0
To General Fund per current law	(50,500,000)	0	0	0	0
To Nebr Capital Construction Fund (NCCF)	(57,515,459)	0	0	0	0
2015 To Gen Fund (IV-E disallowance)	(17,201,112)	0	0	0	0
2015 To Republican River Litigation Fund	(5,500,000)	0	0	0	0
2015 To Oral Health Services & Training	0	(8,000,000)	0	0	0
2015 To NCCF (State Capitol HVAC)	0	(7,804,292)	0	0	(7,160,412)
2015 To NCCF (State Capitol HVAC) Future	0	0	0	0	(13,276,302)
2015 To NCCF (Global Cntr Advanced Interprofessional Learning	0	(25,000,000)	0	0	0
Ending Balance	684,819,968	728,615,207	728,615,207	728,615,207	708,178,493

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. The \$96,721,233 transfer in FY15 is the amount that the FY2013-14 actual receipts were above certified. This was \$14.4 million above what was estimated at Sine Die 2014.

The \$84.6 million in FY16 reflects the amount that the FY14-15 actual receipts exceeded the July 2014 certified level. This is \$10.1 million higher than estimated at the end of the 2015 session.

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 2014, the Legislature enacted a \$50.5 million transfer to the General Fund in LB130 to cover a series of one-time items as shown below.

<u>Related Item</u>	<u>\$ Amount</u>	<u>Transfer</u>
DCS- temporary housing, county jails	4,950,229	
Natural Resources-Resources Development Fund	10,492,793	
Water Sustainability Fund-(one-time portion)	10,000,000	
Game & Parks Improvement and Maintenance Fund	15,000,000	
Job Training Cash Fund	10,000,000	
<i>Subtotal: Transfer to General Fund</i>	<u>50,443,022</u>	<u>50,500,000</u>

Transfers To/From Other Funds

In the 2013 session, LB 200 provided for a \$43,015,459 transfer from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF) sometime between July 1, 2013 and June 30, 2017 at the discretion of the Budget Administrator for construction of a new Central Nebraska Veterans Home to replace the existing facilities. Originally this transfer was shown in FY13-14, however it has been shifted to FY15-16 since the actual transfer has not yet been made.

In the 2014 session, LB 130 provided for a \$14.5 million transfer from the Cash Reserve Fund to the NCCF to cover the cost of the first three years of the State Capitol HVAC systems replacement project (\$11.7 million) and installation of four courtyard fountains in the State Capitol (\$2.5 million).

2015 Session Transfers

The enacted budget utilizes a total of \$83.9 million of Cash Reserve Fund monies. This includes:

- (1) \$17.2 million transfer to the General Fund to cover payment of IV-E disallowance penalties imposed on the Dept. of Health and Human Services,
- (2) \$5.5 million transfer to the Republican River Compact Litigation Contingency Cash Fund to pay a court ordered settlement related to the Kansas v. Nebraska Republican River Compact,
- (3) \$25 million transfer to the Nebraska Capital Construction Fund for construction of the Global Center for Advanced Interprofessional Learning (originally LB532).
- (4) \$8 million to a new cash fund in the Coordinating Commission to contract for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using telehealth (originally LB584)
- (5) \$28.2 million to the NCCF for the State Capitol HVAC project. This includes \$7,804,292 in FY2015-16, \$7,160,412 in FY2018-19, \$9,492,568 in FY2020-21, and \$3,783,734 in FY2022-23

All of these items followed the concepts used by the Appropriations Committee in the 2014 session which were that (1) a significant balance should be retained in the Cash Reserve Fund in light of the cyclical nature of variances from forecast and the dollar level of those variances cumulative over several years, and (2) any use of the Cash Reserve Fund should be for one-time items to match the one-time nature of the financing source

Table 4 Cash Reserve Fund – Historical Balances

Fiscal Yr	Beginning Balance	Direct			Cash Flow	Ending Balance	Balance as % of Expend
		Deposit and Interest	Automatic Transfers	Legislative Transfers			
FY1983-84	0	37,046,760	na	0	0	37,046,760	4.9%
FY1984-85	37,046,760	(1,472,551)	na	0	0	35,574,209	4.4%
FY1985-86	35,574,209	227,855	na	(13,500,000)	0	22,302,064	2.7%
FY1986-87	22,302,064	1,428,021	na	0	0	23,730,085	2.8%
FY1987-88	23,730,085	1,654,844	na	(7,700,000)	0	17,684,929	2.0%
FY1988-89	17,684,929	139,000	na	32,600,000	0	50,423,929	5.1%
FY1989-90	50,423,929	113,114	na	(10,500,000)	0	40,037,043	3.4%
FY1990-91	40,037,043	0	na	(8,100,000)	0	31,937,043	2.3%
FY1991-92	31,937,043	0	na	(5,000,000)	0	26,937,043	1.7%
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	2.2%
FY1997-98	40,962,684	0	91,621,018	0	0	132,583,702	6.9%
FY1998-99	132,583,702	0	111,616,422	(98,500,000)	0	145,700,124	6.5%
FY1999-00	145,700,124	0	20,959,305	(24,500,000)	0	142,159,429	6.1%
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	4.2%
FY2002-03	110,066,099	66,476,446	0	(87,400,000)	(30,000,000)	59,142,545	2.3%
FY2003-04	59,142,545	59,463,461	0	(61,577,669)	30,000,000	87,028,337	3.4%
FY2004-05	87,028,337	8,170,556	108,727,007	(26,758,180)	0	177,167,720	6.5%
FY2005-06	177,167,720	0	261,715,297	(165,266,227)	0	273,616,790	9.4%
FY2006-07	273,616,790	0	259,929,524	(17,458,523)	0	516,087,791	16.5%
FY2007-08	516,087,791	0	191,436,773	(161,978,767)	0	545,545,797	16.8%
FY2008-09	545,545,797	0	116,976,571	(84,330,505)	0	578,191,863	17.4%
FY2009-10	578,191,863	0	0	(110,990,237)	0	467,201,626	14.1%
FY2010-11	467,201,626	0	0	(154,000,000)	0	313,201,626	9.4%
FY2011-12	313,201,626	8,422,528	145,155,092	(33,439,198)	(4,461,676)	428,878,372	12.4%
FY2012-13	428,878,372	0	104,789,781	(154,008,427)	4,461,676	384,121,402	10.7%
FY2013-14	384,121,402	0	285,292,610	49,651,294	0	719,065,306	18.7%
FY2014-15	719,065,306	0	96,721,232	(87,951,112)	0	727,835,426	18.1%
FY2015-16 est	727,835,426	0	84,599,532	(83,819,751)	0	728,615,207	17.1%
FY2016-17 est	728,615,207	0	0	0	0	728,615,207	16.6%
FY2017-18 est	728,615,207	0	0	0	0	728,615,207	16.6%
FY2018-19 est	728,615,207	0	0	(20,436,714)	0	708,178,493	16.1%

Considerations for Amount to Retain in the Cash Reserve Fund

The relatively high balance in the Cash Reserve Fund (CRF) raises the question; is this balance too high? Should the balance be reduced and if so in what manner and by how much? To try and address the issue of what the balance should be, we first look at what is the purpose of the Cash Reserve Fund. The major purpose of the fund is to provide protection against forecast errors. Monies are accumulated in the CRF when receipts exceed certified forecast levels and are then available to offset instances when receipts are below forecasts.

The level of “protection” or in other words the level of funds to retain in the Cash Reserve fund, can be derived by looking at historical variances derived by comparing forecasts at Sine Die of the legislative session when the budget was enacted and actual receipts which are known anywhere from 13 to 15 months later (Table 5). Over the 27 year period the average negative variance is - 4.4% clustered in groups of 3 to 4 years. For simplicity, using a 4% negative variance clustered for

four consecutive years would require a balance equal to about 16% of annual net receipts. Applied to the four years of the current “savings” cycle that began in FY11 yields a dollar balance of \$643 million based on projected revenue in FY13-14. Applied to the average forecast from FY16 to FY19 the target balance would be \$751 million.

Another factor to keep in mind is the need for supplemental funds during a budget down period. One recent illustration is the budget shortfall which occurred during the 2008 through 2011 legislative sessions. During that time a total of \$986 million of one-time funds were utilized to balance the budget in addition to the various budget cuts that were made. The largest amount of these one-time funds, \$653.8 million, came from the federal government through several ARRA programs (FMAP, General and Education stabilization) followed by Cash Reserve Fund transfers (\$259 million) and extraordinary cash fund lapses (\$73.2 million). While this was a time of unprecedented revenue declines, it illustrates the cumulative impact of multiple year shortfalls.

Table 5 Historical Variance, Projected vs Actual General Fund Receipts

Millions of \$	Projected Sine Die	Actual Receipts	\$ Variance	% Variance	
				Negative	Positive
FY 1986-87	878.0	886.4	8.4		1.0%
FY 1987-88	924.3	1,016.3	92.0		10.0%
FY 1988-89	988.4	1,133.5	145.1		14.7%
FY 1989-90	1,110.9	1,152.7	41.8		3.8%
FY 1990-91	1,334.6	1,367.1	32.5		2.4%
FY 1991-92	1,493.2	1,490.4	(2.8)	-0.2%	
FY 1992-93	1,537.3	1,524.7	(12.6)	-0.8%	
FY 1993-94	1,662.5	1,653.7	(8.8)	-0.5%	
FY 1994-95	1,729.9	1,706.0	(23.9)	-1.4%	
FY 1995-96	1,834.3	1,836.7	2.4		0.1%
FY 1996-97	1,918.0	2,009.6	91.6		4.8%
FY 1997-98	1,993.8	2,105.4	111.6		5.6%
FY 1998-99	2,102.9	2,123.9	21.0		1.0%
FY 1999-00	2,326.3	2,403.9	77.6		3.3%
FY 2000-01	2,484.3	2,456.8	(27.5)	-1.1%	
FY 2001-02	2,646.0	2,365.5	(280.5)	-10.6%	
FY 2002-03	2,725.7	2,456.4	(269.3)	-9.9%	
FY 2003-04	2,732.0	2,718.7	(13.3)	-0.5%	
FY 2004-05	2,775.5	3,037.2	261.7		9.4%
FY 2005-06	3,092.3	3,352.2	259.9		8.4%
FY 2006-07	3,217.0	3,408.3	191.4		5.9%
FY 2007-08	3,389.2	3,506.1	116.9		3.5%
FY 2008-09	3,531.7	3,357.5	(174.3)	-4.9%	
FY 2009-10	3,446.7	3,204.7	(242.0)	-7.0%	
FY 2010-11	3,422.2	3,499.7	77.4		2.3%
FY 2011-12	3,591.1	3,695.9	104.8		2.9%
FY 2012-13	3,767.1	4,052.4	285.3		7.6%
FY 2013-14	4,020.7	4,117.40	96.7		2.4%
FY 2014-15	4,220.5	4,220.5	4,305.1		2.0%
FY 2015-16 est	4,473.9	?	?	?	?
FY 2016-17 est	4,645.4	?	?	?	?
Avg Variance				-4.9%	4.4%

GENERAL FUND REVENUES

General Fund Revenue Forecasts

Table 6 - General Fund Revenue Forecasts

	Actual FY2014-15	NEFAB FY2015-16	NEFAB FY2016-17	LFO Prelim FY2017-18	LFO Prelim FY2018-19
Forecast (April 2015 NEFAB + Bills)					
Sales and Use Tax	1,535,419,516	1,615,000,000	1,691,000,000	1,755,000,000	1,815,000,000
Individual Income Tax	2,205,463,903	2,285,000,000	2,405,000,000	2,530,000,000	2,650,000,000
Corporate Income Tax	346,477,378	330,000,000	335,000,000	320,000,000	315,000,000
Miscellaneous receipts	217,738,529	183,000,000	186,000,000	192,000,000	175,000,000
Total Gen Fund Receipts	4,305,099,326	4,473,856,000	4,645,441,000	4,790,502,000	4,948,411,000
Est Revenue Growth (base and rate adjusted)					
Annual	6.2%	5.3%	4.4%	4.1%	3.8%
Two Yr Average	5.3%	--	4.8%	--	3.9%
Five Yr Average	6.6%	--	5.6%	--	4.7%
Est Revenue Growth (unadjusted)					
Annual	4.6%	3.9%	3.8%	3.1%	3.3%
Two Yr Average	3.1%	-	3.9%	-	3.2%
Five Yr Average	6.1%	-	4.7%	-	3.7%

Forecasts for the FY16 / FY17 Biennial Budget

Revenue estimates for FY2015-16 and FY2016-17 are the April 2015 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB) plus revenue legislation enacted during the 2015 legislative session. Rate and base adjusted revenue growth implied by the forecasts for the FY16/FY17 biennium average 4.8% (5.3% in FY15-16 and 4.4% in FY16-17). When including the 6.2% growth in FY14-15 actual receipts, this provides an average growth of 5.3% over the three years that affect the financial status for the biennial budget. This reflects growth just slightly above the 5.0% historical 33 year average.

While the rate and base adjusted revenue growth averages 5.3%, the unadjusted, “nominal” growth in revenues (or what’s available to use in the financial status) has an average growth of only 4.1% reflecting the annualized impacts of LB987 passed in 2014 which indexed income tax brackets and reduced income taxes on social security and military retirement.

Forecasts for the Following Biennium (FY18 / FY19)

The NEFAB does not make official forecasts for the following biennium or what’s commonly referred to as the “out years”. Although different methodologies could be utilized, the revenue estimates used for the following biennium (FY17-18 and FY18-19) are derived by the Legislative Fiscal Office (LFO) using a “capped” historical average methodology. This “smoothing” technique derives “out year” revenue estimates by calculating the level of revenues that would yield a five year average growth (FY14 to FY19) roughly equal to the 33 year historical average. 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.

The “capped” provision of this methodology means that the derived growth needed in the out-years to achieve the historical average cannot be higher than the “above average” growth years nor lower than the “below average” growth years. Over the past 33 years, there were 11 years in which revenue growth was "below average" (1.1% average) and 22 years in which revenue growth was above average (7.3% average).

There has been one change in the implementation of this methodology. In the past, the target growth was the 33 year historical average which is 5.0%. Part of this revenue growth can be attributed to “bracket creep” in the income tax where the income tax brackets remained constant while inflation moved up incomes. Some of this bracket creep was subsequently offset by periodic legislatively enacted increases in the income tax brackets. However, because this was accomplished through legislation, the impact was adjusted out as part the base and rate adjustments and the 5% historical growth still includes the impacts of “bracket creep”. LB 987 enacted in the 2014 session provides that the income brackets will be indexed for inflation starting with taxable years beginning on or after January 1, 2015 effectively eliminating the growth historically achieved through bracket creep. Therefore the target historical average growth used in this methodology is 4.75%, the historical 5% growth less .25% attributed to bracket creep.

Because the revenue growth in the NEFAB forecasts is slightly above average, the revenue growth needed to yield a 4.75% five year average is 3.9% for FY17-18 and FY18-19.

Alternative Forecasts for the Following Biennium

Alternative methods are also available for purposes of deriving revenue estimates for the following biennium. In addition to the historical average methodology used in the financial status, in February 2013 both the Nebraska Dept. of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two “out years” using the same models and input from Global Insight, the national forecasting service used as input into the tax forecast models. While these forecasts work well for the 1 to 3 year forecasts, when extended further they have a tendency to flatten out and follow the 3 year trend into the 4th and 5th year. In other words, they have difficulty picking up changes in the trend. The historical average methodology has been used since 1991 and the “smoothing” technique used for the most part relies on the trend changes. As shown in Table 7, the preliminary estimates for the two “out years” arrived at using the historical average concept (as used in the Financial Status) tends to the low end however there are very large difference in the numbers.

Table 7 Alternate "Out Year" Revenue Forecasts

Based on April 2015 Revenue Forecasts	Current Status	Average IHS Economics	Average All Forecasts	High Est NDR Moody	Low Est LFO IHS Econ
<u>Dollar Forecast (thousands)</u>					
FY2017-18 Prelim	4,790,502	4,766,977	4,855,731	4,984,701	4,741,542
FY2018-19 Prelim	4,948,411	4,983,045	5,084,598	5,209,661	4,966,834
<u>Calculated Growth (adjusted)</u>					
FY2017-18 Prelim	4.1%	3.6%	5.4%	8.0%	3.1%
FY2018-19 Prelim	3.8%	4.9%	5.1%	4.9%	5.1%
Two Year Average	3.9%	4.3%	5.2%	6.4%	4.1%
Five Year Average	4.7%	4.9%	5.3%	5.7%	4.8%
<u>\$ Difference from Status</u>					
FY2017-18 Prelim	0	(23,525)	65,229	194,199	(48,960)
FY2018-19 Prelim	0	34,634	136,187	261,250	18,423
Cumulative Total	0	11,109	201,416	455,449	(30,537)

Chronology of Revenue Forecasts

Table 8 contains a chronology of the revenue forecasts for FY2013-14 through FY2016-17. The first column shows the total revenue forecast. The last four columns breaks down the total dollar change in the forecast whether caused by federal tax changes, bills enacted by the Legislature, or simply a change in the revenue expectations.

Table 8 Chronology of Revenue Forecasts

	Total	Base	Change in Forecast		Total
			Fed Chnge	Bills	
FY2013-14					
Board Est-October 2012	3,922,000				
Board Est-February 2013	3,962,000	14,522	25,478	0	40,000
Board Est-April 2013	3,984,000	22,000	0	0	22,000
Sine Die-2013 Session	4,020,687	0	0	36,687	36,687
Board Est-October 2013	4,067,000	46,313	0	0	46,313
Board Est-February 2014	4,103,000	36,000	0	0	36,000
Sine Die-2014 Session	4,100,525	0	0	(2,475)	(2,475)
Actual Receipts FY2013-14	4,117,408	16,883	0	0	16,883
FY2014-15					
Board Est-October 2012	4,080,000	140,160	0	0	140,160
Board Est-February 2013	4,107,000	289	26,711	0	27,000
Board Est-April 2013	4,138,000	31,000	0	0	31,000
Sine Die-2013 Session	4,157,329	0	0	19,329	19,329
Board Est-October 2013	4,175,000	17,671	0	0	17,671
Board Est-February 2014	4,238,000	63,000	0	0	63,000
Sine Die-2014 Session	4,220,500	50	0	(17,550)	(17,500)
Board Est-October 2014	4,282,000	61,500	0	0	61,500
Board Est-February 2015	4,283,000	1,000	0	0	1,000
Board Est-April 2015	4,295,000	12,000	0	0	12,000
Sine Die-2015 Session	4,295,000	0	0	0	0
Actual Receipts FY2014-15	4,305,099	10,099	0	0	10,099
FY2015-16					
LFO Prelim-October 2012	4,343,000				
LFO Prelim-February 2013	4,372,000	773	28,227	0	29,000
LFO Prelim-April 2013	4,387,000	15,000	0	0	15,000
Sine Die-2013 Session	4,349,887	0	0	(37,113)	(37,113)
LFO Prelim-October 2013	4,367,000	17,113	0	0	17,113
LFO Prelim-February 2014	4,404,000	37,000	0	0	37,000
Sine Die-2014 Session	4,357,312	(0)	0	(46,688)	(46,688)
Board Est-October 2014	4,418,000	60,688	0	0	60,688
Board Est-February 2015	4,413,000	(5,000)	0	0	(5,000)
Board Est-April 2015	4,430,000	17,000	0	0	17,000
Sine Die-2015 Session	4,473,856	0	0	43,856	43,856
FY2016-175					
LFO Prelim-October 2012	4,593,000				
LFO Prelim-February 2013	4,629,000	6,247	29,753	0	36,000
LFO Prelim-April 2013	4,629,000	0	0	0	0
Sine Die-2013 Session	4,609,898	0	0	(19,102)	(19,102)
LFO Prelim-October 2013	4,628,000	18,102	0	0	18,102
LFO Prelim-February 2014	4,628,000	0	0	0	0
Sine Die-2014 Session	4,564,997	0	0	(63,003)	(63,003)
Board Est-October 2014	4,622,000	57,003	0	0	57,003
Board Est-February 2015	4,617,000	(5,000)	0	0	(5,000)
Board Est-April 2015	4,610,000	(7,000)	0	0	(7,000)
Sine Die-2015 Session	4,645,441	0	0	35,441	35,441

Historical General Fund Revenues

From the numbers shown above, a simple percent change over the prior year can be calculated. While these simple percent changes are appropriate when looking at the actual changes over time, they do not represent what is commonly referred to as revenue growth. *For purposes here, revenue growth means the growth in revenues caused by economic activity and inflation as arrived at by adjusting for items such as tax base and rate changes, legislation enacted, and one-time extraordinary items.* The objective is to measure underlying patterns of revenue growth ignoring such changes.

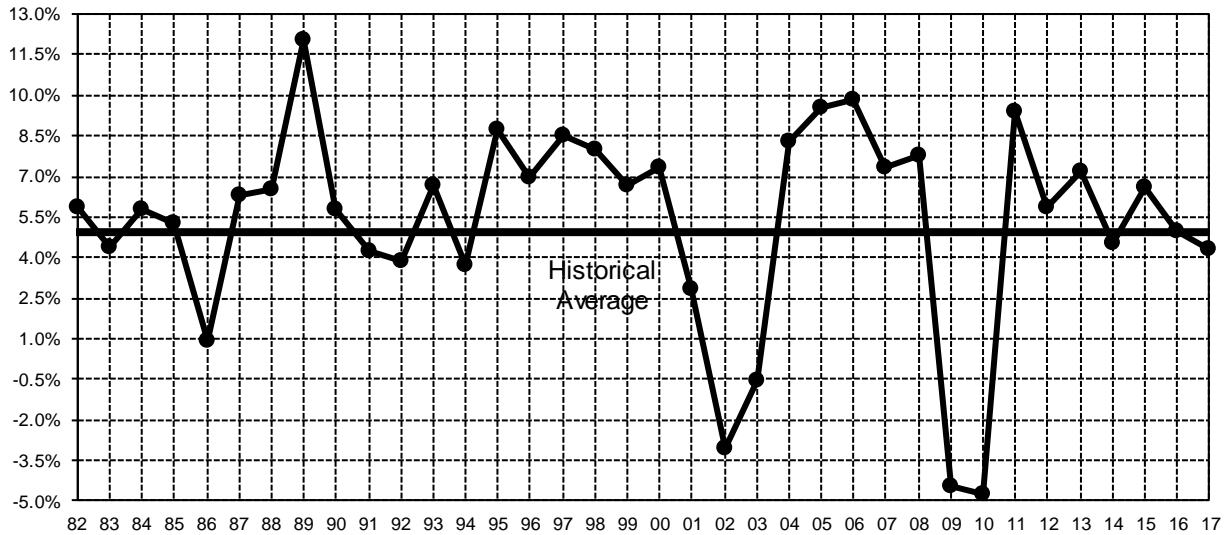
The average growth over the past 31 years is 5.0%. This revenue growth over time reflects the ebb and flow of economic activity and economic cycles. It reflects new businesses created and existing businesses that close. It reflects new products and services added to the tax base and existing products and services that are eliminated or expire. The key is the net impact. The new or expanded businesses, products or services more than offsets those that decline or disappear leaving a net overall increase averaging a 5.0% growth.

Table 9 Actual and Projected General Fund Revenues

Fiscal Year	Sales and Use Tax	Individual Income Tax	Corporate Income Tax	Miscellaneous Taxes and Fees	Total Net Receipts	Adjusted Growth
FY 1992-93	586,355,271	690,350,753	102,754,927	145,200,908	1,524,661,859	6.7%
FY 1993-94	648,846,708	722,360,866	113,142,771	169,401,912	1,653,752,257	3.7%
FY 1994-95	683,852,397	746,717,579	123,923,674	150,995,891	1,705,489,541	8.7%
FY 1995-96	711,008,684	846,550,249	126,801,468	152,380,385	1,836,740,786	7.0%
FY 1996-97	755,907,807	944,117,130	137,337,967	172,241,113	2,009,604,017	8.5%
FY 1997-98	803,805,374	981,643,795	142,150,133	177,852,119	2,105,451,422	8.0%
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 NEFAB*	1,614,273,000	2,298,471,000	329,124,000	231,988,000	4,473,856,000	5.3%
FY 2016-17 NEFAB*	1,683,200,000	2,407,937,000	329,072,000	225,232,000	4,645,441,000	4.3%
FY 2017-18 LFO	1,753,147,000	2,527,645,000	318,988,000	190,722,000	4,790,502,000	4.1%
FY 2018-19 LFO	1,813,091,000	2,647,610,000	313,988,000	173,722,000	4,948,411,000	3.8%
AVG GROWTH:						
Above Avg Years (23)						7.3%
Below Avg Years (11)						1.1%
Hist Average (34 yrs)						5.0%

*NEFAB April 2015 forecast plus revenue bills enacted during the 2015 legislative session.

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



General Fund Transfers-Out

This area tabulates 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 as such and thus are shown under the revenue category (see line 10 on the Financial Status).

Table 10 General Fund Transfers-Out

Excludes CRF Transfers	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Property Tax Credit Fund	(138,000,000)	(202,000,000)	(202,000,000)	(202,000,000)	(202,000,000)
Water Resources Cash Fund	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
Cultural Preservation Endowment	(500,000)	(750,000)	(750,000)	0	0
Water Sustainability Fund	(21,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(11,000,000)
Victim's Compensation Fund	0	(50,000)	(50,000)	0	0
Clean-burning Motor Fuel (LB581-2015)	0	(500,000)	0	0	0
Game & Parks Improve & Maint.	(15,000,000)	0	0	0	0
Job Training Cash Fund	(10,000,000)	0	0	0	0
Legal Ed Pub Srvce/Rural Practice	(500,000)	0	0	0	0
High Growth Business Develop Fund	(50,000)	0	0	0	0
<i>Total-General Fund Transfers-Out</i>	<i>(114,700,000)</i>	<i>(217,600,000)</i>	<i>(217,100,000)</i>	<i>(216,300,000)</i>	<i>(216,300,000)</i>

Property Tax Credit Cash Fund

Under this program transfers are made to the Property Tax Credit Cash Fund at the discretion of the Legislature. Based on the amount of funds available, monies are then allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as credit to each tax payer again based on their proportionate value. Enacted in 2007, the amount available for credits was \$105 million in FY07-08, and \$115 million in FY08-09 through FY13-14. During the 2014 session, the FY14-15 amount was increased to \$140 million.

The enacted budget includes a \$64 million increase to a total of \$202 million for both FY15-16 and FY16-17.

Note that the General Fund transfer amount is \$2 million less than the credit amount. The \$204 million credit level is financed by a combination of General Fund transfers (\$202 million in FY2015-16) and interest that will be earned on the fund balance from the time of transfer to the time of reimbursement payments to the counties, and credits calculated but unpaid relating to properties receiving homestead exemptions.

Water Resources Cash Fund

These transfers were originally enacted by LB 701 (2007) for the purpose of (1) aiding compliance efforts regarding the reduction of consumptive uses of water dealing with those natural resources districts which are deemed over or fully appropriated or are bound by an interstate compact or decree; and (2) for a statewide assessment of short- and long-term water management activities and funding needs that are statutorily required. The bill included transfers of \$2.7 million in both FY07-08 and FY08-09 and intent language for a \$2,700,000 General Fund transfer to occur annually from FY2009-10 through FY2018-19. LB229 enacted during the 2011 Session increased this transfer amount from \$2.7 million to \$3.3 million per year with no change in the FY2018-19 sunset.

Nebraska Cultural Preservation Endowment Fund

The Cultural Preservation Endowment Fund was originally created in 1998 with a transfer of \$5 million from the General Fund. LB 1165 (2008) provided for an additional \$5 million for the endowment fund through a \$1 million transfer from the Cash Reserve Fund and intent language that \$2 million shall be transferred from the General Fund to the Nebraska Cultural Preservation Endowment Fund in both FY2009-10 and FY2010-11. The enacted budget spread that \$4 million over a four year period, \$500,000 in FY10 and FY11 and \$1.5 million in FY12 and FY13. LB1063 (2010) changed the statutory transfers from two \$1.5 million transfers to the Fund in both FY11-12 and FY12-13 to two transfers of \$500,000 and then extending the \$500,000 transfers for three more years, FY13-14, FY14-15, and FY15-16. LB378 (2011) deleted the FY12 and FY13 transfers, and then extended the \$500,000 annual transfers to FY17-18 and FY18-19. The current transfers are based on the provisions of LB193 (2013) which called for a \$500,000 increase in the FY13-14 transfer, a \$250,000 increase in the transfers for both FY16 and FY17 (from \$500,000 to \$750,000) and then eliminated the \$500,000 transfers for FY18 and FY19. Current law provides for no more transfers after FY2016-17.

Water Sustainability Fund

This fund in the Department of Natural Resources, was created through LB906 passed in the 2014 session. An initial General Fund transfer of \$21,000,000 in FY2014-15 was included. Of this transfer, \$10,000,000 was considered one-time as it was financed by a like transfer from the Cash Reserve Fund to the General Fund. Intent language was include that \$11,000,000 General Funds be transferred to the Water Sustainability Fund in each fiscal year beginning in FY2015-16.

The fund is to be used in accordance with guidelines established in LB 1098 (2014) which include programs, projects, or activities in the following categories: (a) Research, data, and modeling; (b) rehabilitation or restoration of water supply infrastructure, new water supply infrastructure, or water supply infrastructure maintenance or flood prevention for protection of critical infrastructure; (c) conjunctive management, storage, and integrated management of ground water and surface water; and (d) compliance with interstate compacts or agreements or other formal state contracts or agreements or federal law.

Clean-burning Motor Fuel Development Fund

During the 2015 session, the Legislature enacted LB581, the Nebraska Clean-burning Motor Fuel Development Act. The bill provides for rebates to purchasers of clean-burning motor vehicle fuel property. Total rebates are limited to the amount of funds transferred to the Clean-burning Motor Fuel Development Fund. The amount transferred from the General Fund to this fund was \$500,000

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 current year (FY2014-15) and proposed biennial budget are shown in Table 11.

The FY2014-15 transfers were enacted in the 2013 and 2014 legislative sessions and are already incorporated into the revenue projections of the Nebraska Economic Forecast Advisory Board (NEFAB) as existing law. All the transfers shown for FY2015-16 and FY2016-17 are new transfers included in enacted budget. These transfers are shown as additions to the NEFAB April 2015 forecast as these were not current law at the time of the forecast and were not accounted for in those revenue forecasts.

Table 11 General Fund Transfers-In

	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Securities Act Cash Fund	21,000,000	24,000,000	24,000,000	0	0
Tobacco Products Admin Cash Fund	10,000,000	13,000,000	10,000,000	0	0
Dept of Insurance Cash Fund	6,000,000	6,250,000	6,250,000	0	0
Charitable Gaming Operations Fund	0	2,000,000	0	0	0
Dept of Motor Vehicles Ignition Interlock	200,000	200,000	200,000	0	0
Collection Agency Cash Fund	0	200,000	0	0	0
Waste Reduction/ /Recycling Incentive Fund	0	1,000,000	0	0	0
Resource Recovery Cash Fund	0	200,000	0	0	0
Metropolitan Class Development Fund	0	147,000	0	0	0
Primary Class Development Fund	0	98,000	0	0	0
Convention Center Support Fund	0	150,000	0	0	0
Severance Tax Admin Cash Fund	0	150,000	150,000	0	0
Job Training Cash Fund	0	250,000	250,000	0	0
Mutual Finance Assistance Fund	6,800,000	0	0	0	0
<i>Total General Fund Transfers-In</i>	44,000,000	47,645,000	40,850,000	0	0

Revenue Legislation – 2015 Session

Table 12 Revenue Bills Enacted - 2015 Session

	FY2015-16	FY2016-17	FY2017-18	FY2018-19
LB 156 Credit amounts, Angel Investment Tax Credit Act	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
LB 175 Livestock Growth Act, NE Advantage Rural credits	0	(500,000)	(750,000)	(750,000)
LB 183 Change provisions relating to the Grain Dealer Act	(8,600)	(8,600)	(8,600)	(8,600)
LB 279 Changes, business entity reinstatement	5,000	5,000	5,000	5,000
LB 330 Change provisions relating to alcoholic liquor	(6,720)	45,580	45,580	45,580
LB 419 Sales tax exemption, zoos and aquariums	(727,500)	(1,799,500)	(1,853,500)	(1,909,500)
LB 468 Changes, judges retirement	(660,000)	(660,000)	(1,320,000)	(1,320,000)
LB 559 Change New Markets Job Growth credits	(875,559)	(928,093)	(1,011,621)	(1,011,621)
LB 591 ABLE accounts for disabled, carryforward losses	(529,000)	(563,000)	(605,000)	(640,000)
LB 623 MV operators' licenses, persons with lawful status	13,800	0	0	0
Subtotal - Revenue Bills	(3,788,579)	(5,408,613)	(6,498,141)	(6,589,141)
Cash Fund Lapses (see GF transfers-in)	47,645,000	40,850,000	0	0
Total-Revenue Legislation	43,856,421	35,441,387	(6,498,141)	(6,589,141)

LB 156, amends the Angel Investment Tax Credit Act, Sections 77-6306 and 77-6307 by increasing the annual maximum available amount of the tax credit for a calendar year from \$3,000,000 to \$4,000,000.

LB 175 increases the statutory annual maximum for credits approved under the Nebraska Advantage Rural Development Act from \$1,000,000 to \$1,500,000 for calendar year 2016, \$1,750,000 for calendar years 2017 and 2018, and \$2,000,000 for calendar year 2019.

LB 419 provides a sales tax exemption for the sale of memberships, admissions, and the purchases of any national accredited zoo or aquarium that is operated by a public agency or nonprofit corporation primarily for educational, scientific, or tourism purposes from Nebraska sales and use tax. The bill has an operative date of January 1, 2016

LB 468 makes a variety of changes to the Judges' Retirement Act. The bill also re-directs part of the civil, criminal, traffic and probate case docket fees from the General Fund to the Judges' Retirement Fund; \$2 beginning July 1 2015 and then \$4 beginning July 1, 2017.

LB 559 amends the New Markets Job Growth Investment Act providing that a tax credit claimed under the Act against the insurance premium tax is to be considered a payment of tax for purposes of the insurance premium tax (Sec. 77-2734.03) and taxes paid for purposes of offsetting the corporate income tax.

LB 591 establishes the Achieving a Better Life Experience (ABLE) program. This program allows for establishment of tax-exempt 529A savings accounts for individuals with disabilities that developed prior to age 26 for education, housing, assistive technology and other needs of a disabled beneficiary.

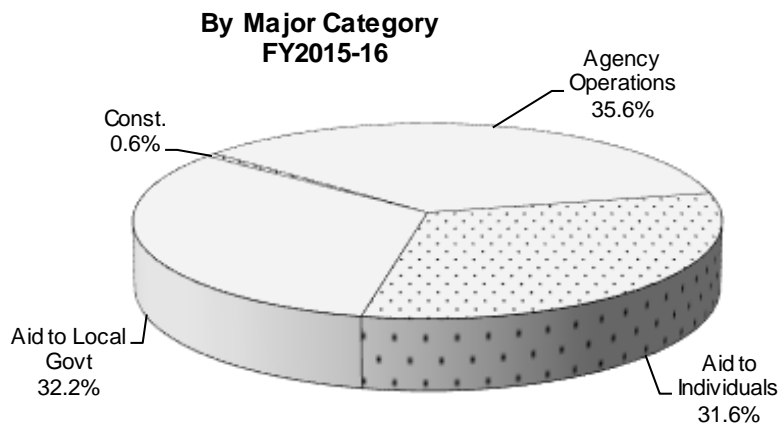
GENERAL FUND APPROPRIATIONS

General Fund Overview

Table 13 contains a summary of the General Fund budget for the FY2015-16 and FY2016-17 biennium as enacted in the 2015 legislative session. Subsequent sections of this report contain a more detailed explanation of the various increases and reductions which are included in the totals shown below. The average spending growth for the two years of the biennium is 3.5%.

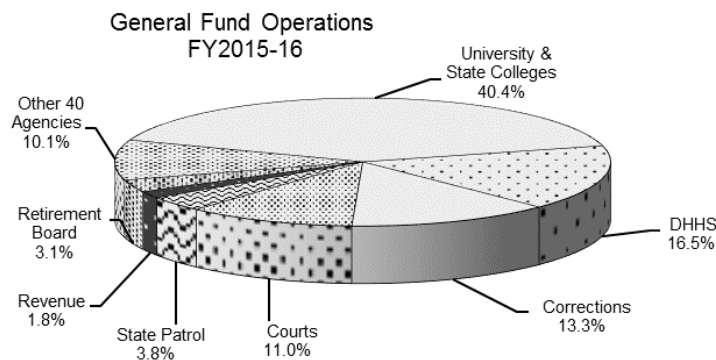
Table 13 General Fund Budget as Enacted in the 2015 Session

	w/o Deficits FY2014-15	Total Per 2015 Session		Change over Prior Yr		Change over Prior Yr		2 Yr Avg % Change
		FY2015-16	FY2016-17	FY15-16 (w/o deficits) \$ %	FY16-17 (w/o deficits) \$ %			
Agency Operations								
University/Colleges	592,212,914	614,763,452	635,472,980	22,550,538	3.8%	20,709,528	3.4%	3.6%
Health & Human Services System	235,054,760	250,901,024	256,756,287	15,846,264	6.7%	5,855,263	2.3%	4.5%
Correctional Services	181,813,346	201,754,397	192,864,541	19,941,051	11.0%	(8,889,856)	-4.4%	3.0%
Courts	149,427,839	166,968,022	179,080,632	17,540,183	11.7%	12,112,610	7.3%	9.5%
State Patrol	56,576,821	58,537,010	60,095,811	1,960,189	3.5%	1,558,801	2.7%	3.1%
Revenue	26,428,021	26,805,142	27,256,828	377,121	1.4%	451,686	1.7%	1.6%
Retirement Board	46,645,251	47,477,438	46,400,000	832,187	1.8%	(1,077,438)	-2.3%	-0.3%
Other 40 Agencies	141,320,139	154,389,309	162,110,499	13,069,170	9.2%	7,721,190	5.0%	7.1%
Total-GF Operations	1,429,479,091	1,521,595,794	1,560,037,578	92,116,703	6.4%	38,441,784	2.5%	4.5%
State Aid to Individuals/Others								
Medicaid	777,723,897	818,751,907	861,800,928	41,028,010	5.3%	43,049,021	5.3%	5.3%
Child Welfare Aid	137,778,999	142,549,735	145,248,431	4,770,736	3.5%	2,698,696	1.9%	2.7%
Public Assistance	110,319,888	111,909,169	113,094,067	1,589,281	1.4%	1,184,898	1.1%	1.2%
Developmental disabilities aid	137,040,195	145,556,246	150,660,905	8,516,051	6.2%	5,104,659	3.5%	4.9%
Behavioral Health aid	67,444,214	69,421,172	74,044,769	1,976,958	2.9%	4,623,597	6.7%	4.8%
Childrens Health Insurance (SCHIP)	27,560,027	12,408,257	6,646,762	(15,151,770)	-55.0%	(5,761,495)	-46.4%	-50.9%
Aging Programs	9,463,465	9,868,712	10,449,701	405,247	4.3%	580,989	5.9%	5.1%
Higher Ed Student Aid programs	7,553,156	7,603,156	7,603,156	50,000	0.7%	0	0.0%	0.3%
Public Health Aid	6,437,612	7,077,612	6,917,612	640,000	9.9%	(160,000)	-2.3%	3.7%
Business Innovation Act	6,760,000	6,760,000	6,760,000	0	0.0%	0	0.0%	0.0%
Community health centers	4,308,060	5,708,060	5,783,060	1,400,000	32.5%	75,000	1.3%	15.9%
All Other Aid to Individuals/Other	12,512,373	11,230,853	11,256,968	(1,281,520)	-10.2%	26,115	0.2%	-5.1%
Total-GF Aid to Individuals/Other	1,304,901,886	1,348,844,879	1,400,266,359	43,942,993	3.4%	51,421,480	3.8%	3.6%
State Aid to Local Govts								
State Aid to Schools (TEEOSA)	913,571,842	950,651,625	956,243,013	37,079,783	4.1%	5,591,388	0.6%	2.3%
Special Education	213,767,961	219,112,160	224,589,964	5,344,199	2.5%	5,477,804	2.5%	2.5%
Property Tax Credit	Transfer	Transfer	Transfer	--	--	--	--	--
Aid to Community Colleges	95,040,351	97,891,562	100,828,308	2,851,211	3.0%	2,936,746	3.0%	3.0%
Homestead Exemption	73,521,000	71,000,000	71,315,000	(2,521,000)	-3.4%	315,000	0.4%	-1.5%
Personal Property Tax Relief Act	0	0	19,600,000	0	#DIV/0!	19,600,000	#DIV/0!	na
Aid to ESU's	14,051,761	14,051,761	14,051,761	0	0.0%	0	0.0%	0.0%
Early Childhood programs	9,235,164	5,820,164	8,770,164	(3,415,000)	-37.0%	2,950,000	50.7%	-2.6%
Community Based Juvenile Services	4,950,000	6,300,000	6,300,000	1,350,000	27.3%	0	0.0%	12.8%
Resources Development Fund	13,633,118	3,140,325	3,140,325	(10,492,793)	-77.0%	0	0.0%	-52.0%
Other Aid to Local Govt	7,235,912	7,012,799	7,531,246	(223,113)	-3.1%	518,447	7.4%	2.0%
Total-GF Aid to Local Govt	1,345,007,109	1,374,980,396	1,414,712,743	29,973,287	2.2%	39,732,347	2.9%	2.6%
Capital Construction								
	26,437,444	26,382,800	22,239,000	(54,644)	-0.2%	(4,143,800)	-15.7%	-8.3%
Total Appropriations								
	4,105,825,530	4,271,803,869	4,397,255,680	165,978,339	4.0%	125,451,811	2.9%	3.5%



Agency Operations 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 FY2015-16 budget, 35.6% of all General Fund appropriations are for agency operations. Although there are 48 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 90% 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.



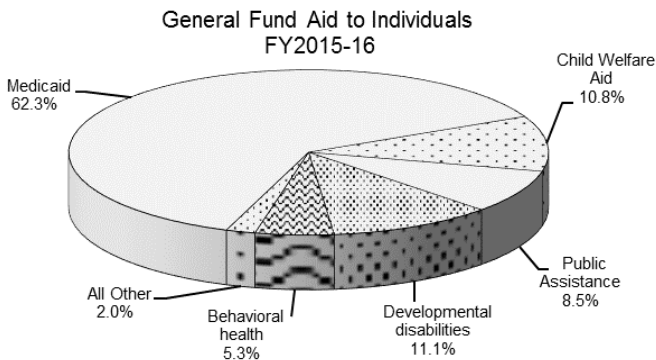
General Funds for agency operations shows a net \$92.1 million increase (6.4%) in FY15-16 and a \$38.4 million increase (2.5%) in FY16-17. The most significant increases in operations in FY15-16 are \$17.8 million for a 3.0%

increase in support for the University of Nebraska and State Colleges, \$14.8 million for staffing and inmate per diem costs (mostly health care) under the Dept. of Correctional Services, \$10.4 million for a 2.25% salary increase for state employees, \$8.1 million for a 15.7% increase in health insurance for state employees, and \$7 million (FY16 only) for funding shortfall in juvenile probation related to LB561 transition. Under the Dept. of Correctional Services the budget continues funding for one more year (\$5 million) the program that allows housing inmates in county jails pending longer term solutions to the overcrowding issue.

The smaller increase in FY16-17 reflects a much smaller growth in two of the areas which contributed to the higher growth in FY15-16. State employee health insurance is projected to increase at a 5% rate as compared to the 15.7% in FY16 and inmate health care costs are increased by \$2.2 million compared to the \$8.8 million in FY16 where the initial hepatitis C costs are included in the base. Appropriations for LB605-Justice Reinvestment Act however increase from \$2.6 million in FY16 to \$9.9 million in FY17.

State Aid to Individuals. About 32% of all General Fund appropriations are classified as state aid to individuals. Aid to individuals includes programs such as Medicaid, Child Welfare, Public Assistance programs such as AFDC, student scholarships, etc... This area also includes aid to quasi-government units that are those local agencies that do not have the authority to levy property taxes such as area agencies on aging, behavioral health regions and developmental disability regions.

Compared to prior years, this area has relatively modest overall growth in the budget with a net increase of \$43.9 million (3.4%) in FY2015-16. This includes, \$34.2 million to offset a lower federal

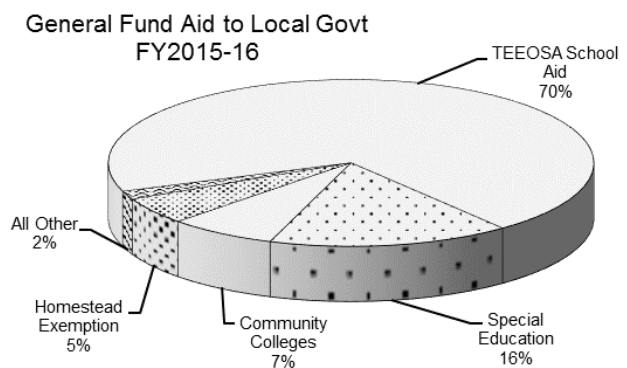


\$34.2 million to offset a lower federal Medicaid match rate, \$23.8 million for DHHS provider rate increases (2.0% in general and 2.25% for certain providers), \$23.1 million increase for Medicaid eligibility and utilization, and \$8.5 million to increase child care rates to the 60th percentile based on the 2015 market rate survey. These increases were partially offset by a \$17.4 million reduction in Children's Health Insurance (SCHIP) due to a larger federal match under the Affordable

Care Act (ACA) health care reform, and a \$31 million base reduction in Medicaid and Public Assistance based on projected FY15 spending levels..

Increased funding is also provided for the developmental disability program including funds for new clients transitioning from high school (\$1.3 million FY16 and \$2.5 million FY17). The proposed budget does not include any additional funds relating to reducing the waiting list.

State Aid to Local Governments accounts for aid payments to local governments and represents 32.2% of all General Fund appropriations. This category includes those local entities that have the authority to levy a property tax such as cities, counties, and schools and includes programs such as state aid to schools (TEEOSA), special education, community colleges, and homestead exemption reimbursements. State payments for teacher retirement are not included under this category as those amounts are credited directly to the teacher retirement fund and are not checks written to school districts nor do those amounts show up as a school revenue or subsequent expenditure.



Collectively, aid to local governments receives a \$29.9 million (2.2%) increase in FY2015-16 and another \$39.7 million (2.9%) increase in FY2016-17.

Because TEEOSA school aid accounts for 70% of all aid to local governments, TEEOSA also significantly influences the growth rate in this category. TEEOSA aid is projected to increase by \$37.1 million (4.1%) in FY15-16 and only \$5.6 million (.6%) in FY16-17. The FY15-16 amount is based on existing law and the Dept. of Education certification in February 2015. The FY16-17 amount is also based on current law but is a Legislative Fiscal Office estimate based on assumptions

in valuation and spending growth as arrived at in the October joint meeting of the Fiscal Office, DAS Budget Office, Dept. of Education and Dept. of Revenue, Property Tax division. The low FY17 growth is the result of a lower spending estimate, continued growth in agricultural value, but also some renewed growth in residential valuation.

Other significant increases in FY2015-16 are Special Education (\$5.3 million, 2.5%), Community College aid (\$2.8 million, 3.0%) and aid for community based juvenile services (\$2 million, 41%). The budget also includes a \$5.3 million increase in FY16-17 to replace use of education lottery funds for the early childhood and high ability learners programs.

Homestead exemption reimbursements are budgeted at estimates based on current law which show a \$2.5 reduction from the FY15 base level before deficits.

The budget also includes two base reduction to remove one-time FY15 funding, \$10.4 million for the Resources Development Fund and \$3.4 million for early childhood programs which amount was to cover a three year period.

Almost half of the increase in FY2016-17 is related to enactment of LB259, the Personal Property Tax Relief Act. The bill provides for an exemption from the property tax on the first \$10,000 of valuation of tangible personal property in each tax district in which a personal property tax return is required to be filed and state replacement of the lost property tax revenue. Estimated cost for FY2016-17 is \$19.6 million..

Capital construction which accounts for about .6% of General Fund appropriations includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used with respect to repair and renovations as relatively small or on-going projects are routinely done within agencies operating budgets. Road construction and maintenance is not included in this category but included under cash fund agency operations.

The enacted budget reflects minimal change in construction compared to the current FY14-15 level. Virtually all of the General Funds included in the budget are to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations. The only General Funds for new construction are \$1.361 million for a renovation/conversion project at the Western Nebraska Veterans Home and financed by lapsing a like amount from the unexpended FY15 General Funds in the veterans home operations budget. Another significant new project, the Global Center for Advanced Interprofessional Learning, is financed through a transfer from the Cash Reserve Fund to the Nebraska Capital Construction Fund.

Historical General Fund Appropriations

While the previous sections provide an overview of the FY2015-16 and FY2016-17 General Fund biennial budget, Table 14 provides a historical perspective showing appropriations for the twenty year period FY1995-96 through the enacted budget for FY2015-16 by major area. Average spending growth over the 20 year period is 4.4%.

Table 15 provides a breakdown by year of General Fund appropriations for the past by major category and percent changes by year and biennial budget.

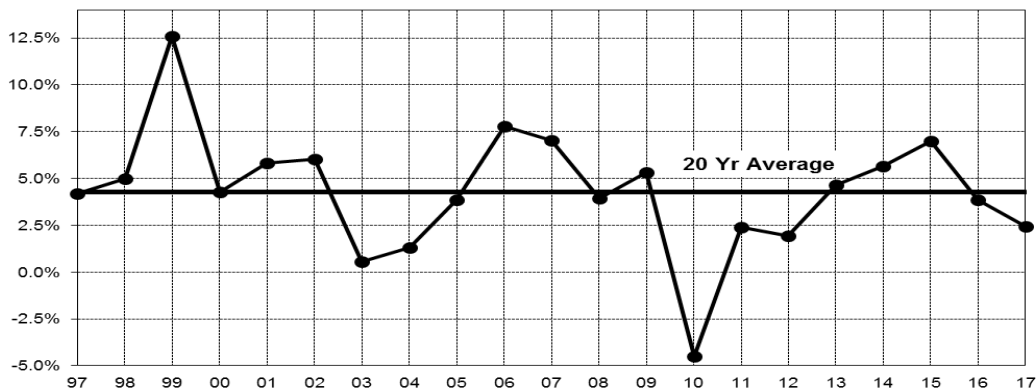
Table 14 Breakdown of General Fund Appropriations – Last 20 Years

APPROPRIATIONS	New Approp FY1995-96	New Approp FY2005-06	Per 2015 Sess FY2015-16	Avg % 20 Yr 96 to 16
<u>AGENCY OPERATIONS</u>				
University + Colleges	345,597,037	466,463,538	614,763,452	2.9%
Health & Human Services System	130,406,582	201,830,849	250,901,024	3.3%
Correctional Services	64,279,686	136,154,964	201,754,397	5.9%
Court System	38,160,849	59,110,239	166,968,022	7.7%
State Patrol	26,391,552	44,463,228	58,537,010	4.1%
Revenue	18,760,603	21,730,099	26,805,142	1.8%
Retirement Board	11,710,889	17,797,165	47,477,438	7.2%
Other 40 Agencies	90,550,268	132,344,510	154,389,309	2.7%
Total-GF Operations	725,857,466	1,079,894,592	1,521,595,794	3.8%
<u>AID TO INDIVIDUALS</u>				
Medicaid	263,812,317	507,609,799	818,751,907	5.8%
Child Welfare aid	31,923,721	120,912,249	142,549,735	7.8%
Public Assistance	49,467,594	86,732,877	111,909,169	4.2%
Developmental disabilities	30,364,109	58,458,245	145,556,246	8.2%
Behavioral Health aid	18,462,090	39,939,037	69,421,172	6.8%
Childrens Health Insurance (CHIP)	0	11,573,536	12,408,257	na
Public Health Aid and health centers	1,718,965	3,497,971	12,785,672	10.6%
Aging programs	2,709,786	5,867,884	9,868,712	6.7%
Higher Ed Student Aid	2,658,070	6,966,815	7,603,156	5.4%
Business Innovation Act	0	0	6,760,000	na
Other Aid to Individuals/Other	9,504,310	9,696,358	11,230,853	0.8%
Total-State Aid to Ind/Other	410,620,962	851,254,771	1,348,844,879	6.1%
<u>AID TO LOCAL GOVT</u>				
State Aid to Education (TEEOSA)	414,933,814	683,473,181	950,651,625	4.2%
Special Education	121,293,312	169,204,057	219,112,160	3.0%
Property Tax Credit	--	--	Transfer	--
Aid to Community Colleges	36,554,644	65,312,215	97,891,562	5.0%
Homestead Exemption	35,473,615	52,920,000	71,000,000	3.5%
Personal Property Tax Relief Act	0	0	0	na
Aid to ESU's	0	10,696,975	14,051,761	na
Aid to Cities	17,631,500	11,257,193	0	-100.0%
Aid to Counties (all programs)	13,297,500	8,467,271	0	-100.0%
Early Childhood+High Ability Learner	435,000	6,017,392	5,820,164	13.8%
Community Based Juvenile Services	0	1,492,500	6,300,000	na
Other Aid to Local Govt	13,249,340	9,098,441	10,153,124	-1.3%
Total-GF State Aid to Local Govt	652,868,725	1,017,939,225	1,374,980,396	3.8%
<u>CAPITAL CONSTRUCTION</u>				
	20,831,107	23,350,481	26,382,800	1.2%
<u>GENERAL FUND TOTAL</u>				
	1,810,178,260	2,972,439,069	4,271,803,869	4.4%

Table 15 Historical General Fund Appropriations

<i>(Excludes deficits)</i>	Agency Operations	Aid to Individuals	Aid to Local Govt	Construction	Total	% Change
FY1995-96 Approp	725,857,466	410,620,962	652,868,725	20,831,107	1,810,178,260	5.3%
FY1996-97 Approp	750,780,005	440,564,731	674,622,322	19,843,088	1,885,810,146	4.2%
FY1997-98 Approp	781,597,662	461,238,934	695,680,295	41,250,742	1,979,767,633	5.0%
FY1998-99 Approp	818,104,542	489,445,789	860,034,724	60,994,066	2,228,579,121	12.6%
FY1999-00 Approp	877,214,679	523,395,392	868,657,713	54,676,163	2,323,943,947	4.3%
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	1,560,037,578	1,400,266,359	1,414,712,743	22,239,000	4,397,255,680	2.9%
Average Annual Growth						
FY04/FY05 Biennium	0.7%	10.1%	-0.9%	2.7%	2.6%	
FY06/FY07 Biennium	6.4%	9.3%	6.4%	29.4%	7.4%	
FY08/FY09 Biennium	3.0%	4.0%	8.0%	-49.2%	4.6%	
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	4.5%	3.6%	2.6%	-8.3%	3.5%	
Avg FY97 to FY07 (10 yr)	4.4%	7.9%	4.6%	4.9%	5.4%	
Avg FY07 to FY17 (10 yr)	3.1%	4.1%	2.9%	-3.5%	3.3%	
Avg FY97 to FY17 (20 yr)	3.7%	6.0%	3.8%	0.6%	4.3%	

General Fund Budget Growth - Past 20 Years



Significant General Fund Increases and Reductions

The FY2015-16 / FY2016-17 budget represents the result of numerous areas where the budget was increased, offset to some extent by areas that were reduced. There were over 250 individual issues plus four items that affected all agencies and programs including salary and health insurance increases. For use of available General Funds, the single largest item is not on the list. The budget included an additional \$64 million each year, \$128 million two year total, for the Property Tax Credit program. For accounting purposes this is shown as a transfer-out not a General Fund expenditure.

Table 16 Significant General Fund Increases / Reductions In Rank Order

Numbers are \$ change compared to FY15 base	Per 2015 Session		
	FY2015-16	FY2016-17	Two Yr total
1 <u>SIGNIFICANT INCREASES:</u>			
2 TEEOSA Aid to Schools (General Funds only)	37,079,783	42,671,171	79,750,954
3 Federal Medicaid Match rate (op & aid)	35,048,141	40,891,678	75,939,819
4 Medicaid (other than FMAP)	13,559,511	51,978,013	65,537,524
5 General 3% Increase (University & Colleges)	17,766,389	36,065,766	53,832,155
6 Salaries & Health Insurance (Agencies)	18,714,932	33,761,332	52,476,264
7 Inmate per diem costs - Medical & Hepatitis C (Corrections)	8,770,710	11,050,102	19,820,812
8 Personal Property Tax Relief Act	0	19,600,000	19,600,000
9 Special Education	5,344,199	10,822,003	16,166,202
10 Juveniles, court jurisdiction - LB464 (Courts)	2,970,373	12,071,602	15,041,975
11 Developmental Disability aid (other than FMAP)	4,327,173	8,631,602	12,958,775
12 Funds shifts (DHHS)	6,426,704	6,426,704	12,853,408
13 Specific Items (University)	4,784,150	7,194,300	11,978,450
14 Child Welfare aid (other than FMAP)	4,194,616	6,914,641	11,109,257
15 Staffing and programs (Corrections)	5,017,185	4,911,840	9,929,025
16 Community Colleges	2,851,211	5,787,957	8,639,168
17 Behavioral health aid (other than FMAP)	1,976,958	6,600,555	8,577,513
18 Juvenile probation costs under LB561 (Courts)	7,000,000	0	7,000,000
19 LB 605 Justice Reinvestment Act (Courts & Corrections)	1,763,046	4,839,586	6,602,632
20 Replace Ed Lottery funds (education aid programs)	0	5,292,962	5,292,962
21 Operating inflation & DAS rates (State Agencies)	2,073,297	3,015,701	5,088,998
22 Public/Community Health Aid	2,040,000	1,955,000	3,995,000
23 Public Assistance (other than FMAP)	1,194,906	2,324,327	3,519,233
24 Student assessment (Education)	1,600,000	1,600,000	3,200,000
25 Community Based Juvenile Services aid	1,350,000	1,350,000	2,700,000
26 Inmate per diem costs - non-medical (Corrections)	1,061,343	1,552,644	2,613,987
27 Judges salaries (Courts)	723,236	1,471,786	2,195,022
28 Retirement, K-12 School / Judges / Patrol	1,701,755	378,749	2,080,504
29 LB 598 Mentally ill inmates, move parole (Parole & Corrections)	946,087	1,029,168	1,975,255
30 Children's Health Insurance (other than FMAP & ACA)	635,188	983,769	1,618,957
31 Subtotal-Increases Listed	190,920,893	331,172,958	522,093,851
32 <u>SIGNIFICANT REDUCTIONS:</u>			
34 Children's Health Insurance (expanded match rate, ACA)	(17,383,901)	(23,712,590)	(41,096,491)
35 Resources Development Fund (one-time & complete projects)	(10,492,793)	(10,492,793)	(20,985,586)
36 Early Childhood grant program (one-time)	(3,415,000)	(3,415,000)	(6,830,000)
37 Homestead Exemption	(2,521,000)	(2,206,000)	(4,727,000)
38 Capital Construction	(54,644)	(4,198,444)	(4,253,088)
39 Use of county jail housing (Corrections)	773,375	(4,226,625)	(3,453,250)
40 Subtotal-Reductions Listed	(33,093,963)	(48,251,452)	(81,345,415)
41 <u>OTHER NOT LISTED (NET)</u>	8,151,409	8,508,644	16,660,053
42 <u>TOTAL GENERAL FUND CHANGE</u>	165,978,339	291,430,150	457,408,489

Table 17 Significant General Fund Increases / Reductions by Budget Category

	Numbers are \$ change compared to FY15 base	Per 2015 Session		
		FY2015-16	FY2016-17	Two Yr total
1	TEEOSA Aid to Schools	37,079,783	42,671,171	79,750,954
2	Special Education	5,344,199	10,822,003	16,166,202
3	Early Childhood grant program	(3,415,000)	(1,465,000)	(4,880,000)
4	Early Childhood Endowment	0	1,000,000	1,000,000
5	High ability learner programs	0	2,342,962	2,342,962
6	Homestead Exemption	(2,521,000)	(2,206,000)	(4,727,000)
7	Personal Property Tax Relief Act	0	19,600,000	19,600,000
8	Resources Development Fund (one-time & complete projects)	(10,492,793)	(10,492,793)	(20,985,586)
9	Community Colleges	2,851,211	5,787,957	8,639,168
10	Community Based Juvenile Services aid	1,350,000	1,350,000	2,700,000
11	Other Not Listed (net)	(223,113)	295,334	72,221
12	AID TO LOCAL GOVERNMENTS	29,973,287	69,705,634	99,678,921
13	Medicaid	41,028,010	84,077,031	125,105,041
14	Public Assistance	1,589,281	2,774,179	4,363,460
15	Child Welfare aid	4,770,736	7,469,432	12,240,168
16	Developmental Disability aid	8,516,051	13,620,710	22,136,761
17	Behavioral health aid	1,976,958	6,600,555	8,577,513
18	Children's Health Insurance (SCHIP)	(15,151,770)	(20,913,265)	(36,065,035)
19	Public/Community Health Aid	2,040,000	1,955,000	3,995,000
20	Aging programs	405,247	986,236	1,391,483
21	Voc Rehab, shift funds from aid to operations (Education)	(2,101,250)	(2,101,250)	(4,202,500)
22	State aid to development districts	500,000	500,000	1,000,000
23	Other Not Listed (net)	369,730	395,845	765,575
24	AID TO INDIVIDUALS / OTHER	43,942,993	95,364,473	139,307,466
25	Salaries (State Agencies)	10,407,337	21,718,622	32,125,959
26	Health Insurance (State Agencies)	8,307,595	12,042,710	20,350,305
27	General Operating inflation (State Agencies)	930,135	1,449,401	2,379,536
28	DAS related rates (State Agencies)	1,143,162	1,566,300	2,709,462
29	Juveniles, court jurisdiction - LB464 (Courts)	2,970,373	12,071,602	15,041,975
30	Annualize Public Guardianship Act LB920 (Courts)	618,134	618,134	1,236,268
31	Juvenile probation costs under LB561 (Courts)	7,000,000	0	7,000,000
32	LB 605 Justice Reinvestment Act (Courts)	2,645,228	9,942,870	12,588,098
33	Judges salaries (Courts)	723,236	1,471,786	2,195,022
34	LB 598 Mentally ill inmates, move parole (Parole Board)	463,522	5,500,975	5,964,497
35	Strategic and performance management (Governor)	385,081	385,081	770,162
36	Student assessment (Education)	1,600,000	1,600,000	3,200,000
37	Voc Rehab, shift funds from aid to operations (Education)	2,101,250	2,101,250	4,202,500
38	Funds shifts (DHHS)	6,426,704	6,426,704	12,853,408
39	FMAP-operations related (DHHS)	823,326	983,353	1,806,679
40	Inmate per diem costs - non-medical (Corrections)	1,061,343	1,552,644	2,613,987
41	Inmate per diem costs - Medical & Hepatitis C (Corrections)	8,770,710	11,050,102	19,820,812
42	Staffing, security, overtime and health services (Corrections)	4,504,437	4,409,013	8,913,450
43	Vocational & Life Skills, Violence Reduction (Corrections)	512,748	502,827	1,015,575
44	Use of county jail housing (Corrections)	773,375	(4,226,625)	(3,453,250)
45	LB 605 Justice Reinvestment Act (Corrections)	(882,182)	(5,603,284)	(6,485,466)
46	LB 598 Mentally ill inmates, move parole (Corrections)	482,565	(4,471,807)	(3,989,242)
47	General Increase (Colleges)	1,481,882	3,008,218	4,490,100
48	General Increase (net) (University)	16,284,507	33,057,548	49,342,055
49	Specific Items (University)	4,784,150	7,194,300	11,978,450
50	Retirement, K-12 School / Judges / Patrol	1,701,755	378,749	2,080,504
51	Other Not Listed (net)	6,096,330	5,828,014	11,924,344
52	AGENCY OPERATIONS	92,116,703	130,558,487	222,675,190
53	CAPITAL CONSTRUCTION	(54,644)	(4,198,444)	(4,253,088)
54	TOTAL GENERAL FUND CHANGE (without deficits)	165,978,339	291,430,150	457,408,489

General Fund Aid to Individuals

Behavioral Health Aid

The budget for behavioral health aid increases by an average of 4.8% per year. This reflects a 2.25% per year increase in certain provider rates, restoration of a base reduction, and one reduction item.

With respect to the provider rate increase, the amount of General Funds exceeds 2.25% as the General Fund covers the rate increase attributed to a fixed amount of cash and federal funds.

In the 2013 legislative session, behavioral health aid was reduced by \$15 million due to potential savings due to provisions of the Affordable Care Act (ACA). At the same time, \$10 million of general fund aid was appropriated to a new budget program as a contingency in the event that the ACA did not result in \$10 million of savings in behavioral health services. In the 2014 session, behavioral health providers indicated savings had not been realized and the \$10 million contingency was reallocated back to Program 38 to provide aid to behavioral health providers in FY2014-15. At that time, a \$5 million reduction still remained. This session, providers requested funds to restore the remaining \$5 million. The enacted budget restores \$2.5 million consisting of a reappropriation of FY15 unexpended funds to cover FY2015-16 and a new appropriation of \$2.5 million in FY2016-17.

The budget reduces the amount of General Funds allocated as aid to provide drugs for indigent persons. Currently, \$2.1 million is budgeted for this purpose. Expenditures have been lower than budgeted the last few years due to increased availability of generic psychotropic drugs as well as additional individuals receiving assistance through insurance or disability payments.

Table 18 Behavioral Health Aid

Program 38-Behavioral Health aid (General Funds only)	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	75,133,219	75,133,219	67,444,214	67,444,214
Mental Health provider rates	1,389,908	2,811,089	2,081,958	4,205,555
Federal match rate, Medicaid	236,537	312,860	0	0
Move Medicaid Rehab Option (MRO) Match	(6,000,000)	(6,000,000)	0	0
ACA savings, insurance coverage	0	(5,000,000)	Reapprop	2,500,000
2014 - LB 901 Psychology internship	0	100,000		
Reduce, drugs for indigent persons	0	0	(105,000)	(105,000)
Total	70,759,664	67,444,214	69,421,172	74,044,769
\$ Change over Prior Year	(4,373,555)	(3,315,450)	1,976,958	4,623,597
% Change over Prior Year	-5.8%	-4.7%	2.9%	6.7%

Community Based Developmental Disabilities Aid

The enacted budget includes a substantial increase in developmental disability aid, 6.2% increase in FY2015-16 and 3.5% in FY2016-17.

Table 19 Developmental Disability Aid

Program 424-Developmental Disability aid (General Funds only)	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	101,878,371	101,878,371	137,040,195	137,040,195
Service Coordination	in oper	in oper	in oper	in oper
Provider Rates/Rate Equity	2,826,383	17,564,055	2,977,678	6,090,001
Transition	1,400,000	2,800,000	1,338,335	2,528,063
Waiting List	1,946,650	8,638,300	0	0
Fed match rate, Medicaid	2,306,233	5,850,939	4,188,878	4,989,108
IRS Ruling Impacting DD	(1,184,625)	(1,191,470)	0	0
State Ward Permanency Pilot		1,500,000	0	0
Total - New Appropriation	109,173,012	137,040,195	145,545,086	150,647,367
\$ Change over Prior Year	7,294,641	27,867,183	8,504,891	5,102,281
% Change over Prior Year	7.2%	25.5%	6.2%	3.5%

Transition: The budget includes \$1,338,335 in FY15-16 and \$2,528,063 in FY16-17 for clients transitioning from K-12 school programs to community based programs. LB 830 (1991) established an entitlement to services for persons with developmental disabilities who graduate from high school or reach age 21. These dollars provides funding for a net additional 186 graduates in FY2015-16 and an additional 166 persons will be served in FY2016-17. The General Fund appropriation will be matched with \$1,456,267 of federal Medicaid waiver funds in FY16 and \$2,750,832 in FY17. Funds are also included in the operations program (\$73,111 General, \$73,111 Federal each year) for an additional 2.0 Developmental Disability Service Specialists in FY16 and FY17 to meet the assessment and waiver compliance needs for the new graduates entering into services. Based upon current staff and service projections, no new service coordinators are necessary to maintain the caseload standard of 28 or less clients.

Rate Methodology Funds are included for a 2.25% per year increase in provider rates (rate methodology) costing \$2,977,678 in FY16 and \$6,090,001 in FY17. These amounts are all General Funds, matching federal funds would be available through Medicaid.

Waiting List The budget does not include any additional funds to provide services to persons on the developmental disability waiting list past their date of need.

Federal Medicaid Match Rate (FMAP) The regular federal Medicaid match rate is changing from 53.27% to 51.16% beginning on October 1, 2015. This budget assumes that the FMAP will remain at this level. Additional General Funds amount to \$4,188,878 in FY16 and \$4,989,108 in FY17. This is the lowest the FMAP has been since the program began in 1966. The floor is 50%

State Ward Permanency Pilot Project The State Ward Permanency Pilot Project (LB 905-2014) provides developmental disability services to state wards to provide supports and promote permanency. This pilot project is to terminate on June 30, 2016. By FY2015-16, eligible youth will

have been served by the program for less than one year, leaving insufficient time to develop meaningful data and analysis. Additionally, without assurances of continued funding, permanency objectives for these youth will be hampered because courts are not going to be willing to dismiss their cases due to the risk of their discharge from developmental disability services. DHHS indicates the project currently serves 37 youth whose authorized individualized budgets for developmental disability services total \$1,498,547 in general funds. The enacted budget retains the funding in the base budget allowing the pilot project to continue for another two years.

Children’s Health Insurance Program (SCHIP)

This program provides medical coverage for children up to age 19 who do not have credible health insurance and whose family income is below 200% of poverty. Funding for this program began in 1998 and had originally been funded through a one-time \$25 million transfer from the Health Care Cash Fund. Those funds were exhausted in FY2003-04. A combination of General Funds and a \$5 million allocation from the Health Care Cash fund offset the expiration of the original amounts.

The amount of General Funds appropriated for SCHIP declines by \$15.1 million (55.0%) in FY 2015-16 and then declines by another \$5.9 million (47.5%) in FY 2016-17. The reduction can be attributed to an expanded match rate under the Affordable Care Act (ACA).

Table 20 Childrens Health Insurance (SCHIP)

Program 344-SCHIP (General Funds only)	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	13,107,750	13,107,750	27,560,027	27,560,027
Fed Medicaid match rate	462,796	1,469,923	1,596,943	1,815,556
Utilization	1,117,821	1,729,074	333,708	1,680,221
Cost Increases	350,570	713,080	301,480	408,916
Physical Health Managed Care Expansion	0	0	0	(12,989)
Affordable Care Act (ACA) enhanced FMAP	0	0	(17,383,901)	(23,712,590)
Affordable Care Act (ACA) implementation	2,600,000	6,100,000	0	0
ACA Section 2101F Population (SCHIP)	0	1,665,075	0	0
MAGI Eligibility Rules Under ACA	0	2,775,125	0	0
LB 500 Medicaid plan, multisystemic therapy	0	0	0	129,516
Total - New Appropriation	17,638,937	22,425,227	12,408,257	6,646,762
\$ Change over Prior Year	4,531,187	9,921,090	(15,151,770)	(5,761,495)
% Change over Prior Year	34.6%	56.2%	-55.0%	-46.4%

Regular Federal Medicaid Match Rate (FMAP) The regular SCHIP federal Medicaid match rate is changing from 67.29% to 65.18% beginning on October 1, 2015. This budget assumes that the regular FMAP rate will remain at this level. Additional General Funds amount to \$1,596,943 in FY16 and \$1,815,556 in FY17. Congress recently enacted an extension of SCHIP funding. Without this extension, the match rate for SCHIP would have reverted to the regular Medicaid FMAP.

ACA Additional Federal Match Rate (FMAP) The Affordable Care Act (ACA) included a provision that increases the regular SCHIP match rate by 23 percentage points for FFY2015 to FFY2019. This would increase the FMAP from the 65.18% regular rate to 88.81%. General Fund savings attributed to this additional FMAP are \$17,383,901 in FY16 and \$23,712,590 in FY17.

Eligibility and Utilization Increases The budget includes \$333,708 in FY16 and \$1,815,556 in FY16 for projected increases in eligibility and utilization. Rates of growth used in calculating these amounts were 2% each year for utilization. This also includes a price increase of 4% per year for drug costs.

Provider Rates The budget includes funds equating to a general 2.00% increase in provider rates each year and an additional .25% increase per year for behavioral health providers. Additional General Funds amount to \$301,480 in FY16 and \$408,916 in FY17.

Public Assistance

This budget area includes several different aid programs related to economic assistance, food, or special services such as AFDC/TANF, child care, and SSI state supplement. Overall the enacted budget has a low increase in General Fund appropriations, 1.4% in FY2015-16 and 1.1% increase in FY2016-17.

Table 21 Public Assistance by Program (General Funds Only)

(General Funds only)	Approp			Biennial Budget		\$ Change vs FY15 base	
	FY2014-15	FY2015-16	FY2016-17	FY15-16	FY16-17		
Food stamps	150,000	150,000	150,000	0	0		
Birth Certificates	0	0	0	0	0		
AABD (Aged/blind/disabled) Special Rates	339,929	339,929	339,929	0	0		
Tribal/TANF/MOE	185,395	189,103	192,885	0	0		
Food stamp employment	1,416,270	1,444,595	1,473,487	3,708	7,490		
Medically handicapped children	910,000	928,200	946,764	28,325	57,217		
Disabled persons/family support	12,097,211	12,339,155	12,585,938	18,200	36,764		
State Disability-Medical	466,684	476,018	485,538	241,944	488,727		
State Disability-Maintenance	6,443,807	6,572,683	6,704,137	9,334	18,854		
Title XX Social Services	8,522,485	8,732,935	8,914,794	128,876	260,330		
State supplement (AABD)	10,118,345	10,319,278	10,524,229	210,450	392,309		
AFDC / TANF	61,438,376	62,021,259	62,212,431	200,933	405,884		
Title IV-D Child Care	1,588,126	1,619,889	1,652,287	582,883	774,055		
Emergency Assistance	6,643,260	6,776,125	6,911,648	31,763	64,161		
Total Public Assistance (General Funds)	110,319,888	111,909,169	113,094,067	1,589,281	2,774,179		
Child care provider rates (net) (to 60th percentile)				8,510,036	8,510,036		
Other provider rates				966,398	1,952,124		
Utilization/Eligibility/Cost Increases				0	0		
Federal match rate change (FMAP) for federal FY2015				394,375	449,852		
Rebase appropriations based on year to date FY15 expenditures				9,000,000	9,000,000		
LB 81 Changes, eligibility for child care assistance				678,472	814,167		
LB 366 Change personal needs allowance, Medicaid				40,000	48,000		
LB 607 Change payment levels, aid to dependent children				Federal	Federal		
Total Public Assistance (General Funds)				1,589,281	2,774,179		

Child care shows a \$8.9 million increase in General Funds in FY15-16. This amount is provided to increase provider rates up to the 60th percentile. Under current law, the rates must be adjusted

every other year to a level between the 60th and 75th percentile based on a market rate survey. The market rates are established based on factors of child care facility type, geographic area and types of service based on the age groups. Some rates may exceed the 60th percentile and would not be adjusted. Only those below the 60th percentile would be increased.

Provider Rates The budget included funds equating to a 2.00% increase in non-child care provider rates each year. Additional General Funds amount to \$966,398 in FY16 and \$1,952,124 in FY16.

Federal Medicaid Match Rate (FMAP) The regular federal Medicaid match rate is changing from 53.27% to 51.16% beginning on October 1, 2015. This budget assumes that the FMAP will remain at this level. Additional General Funds for the Child Care program amount to \$394,375 in FY16 and \$449,852 in FY17.

Rebase New Appropriations As part of the budget review process, the FY15 base level appropriation for the various public assistance and child welfare programs was compared to an estimate of FY15 expenditures based on actual expenditures through March and estimates for the remaining three months. During FY2014-15, from July through February, DHHS was not allowed to expend federal funds for Child Care. In March DHHS was able to recapture federal funds from October through February as well as a March allocation. Current projections are based on the assumption that DHHS will continue to be able to access the federal funds at approximately \$3 million per month hereafter. Because the FY15 General fund base budget is reflects only 9 months of available federal funds, a \$9 million General Fund base reduction is applied to annualize a full 12 months of federal funds into FY16 and FY17.

LB 81 Changes, eligibility for child care assistance Transitional child care is provided to families who are transitioning off of the Aid to Dependent Children Program. This bill extends transitional child care to other low-income households. At redetermination, if a family's income exceeds 140% of the federal poverty level (FPL), transitional child care will be provided until the household income exceeds 185% of FPL. . In 2014, 1,296 participants lost the child care subsidy due to income exceeding eligibility requirements. Additionally it is assumed some did not reapply at redetermination because they were aware that their income exceeded the eligibility limits. The Department of Health and Human Services assumed that number could be 50% of those who did reapply at redetermination. Using the average monthly cost per child of \$418.81, the total cost for 10 months in FY 16 is \$678,472 GF and \$814,167 GF in FY 17 for a full year.

LB 607 Change payment levels, aid to dependent children This bill changes the payment for families qualifying for the Aid to Dependent Children Program from a base amount not to exceed \$300 a month for a two-person family plus an additional \$75 per month for each additional family member to a payment based on 55% of the standard of need. The increase to 55% of the standard of need would increase the average payment by \$72 a month. Assuming caseloads will remain constant at the January Year-to-Date average of 6,200 families, the increase in costs would be \$4.42 million in FY 16 and \$5.4 million in FY17. In FY 18 and beyond the costs will increase because the standard of need is adjusted every other year.

Temporary Assistance to Needy Families funding would cover the costs. The TANF balance as of September 30, 2014 was \$68.9 million. Based on the assumptions used in the fiscal note, the TANF balance is adequate to sustain this level of expenditure until FY 2025

Child Welfare

This budget area includes many different social service programs relating to child welfare such as child welfare services, educational assistance for state wards, foster care, and adoption assistance. Overall the budget reflects an increase of 3.5% in FY2015-16 (\$4.8 million) and 1.9% increase in FY2016-17.

Table 22 Child Welfare by Program (General Funds Only)

(General Funds only)	Approp		Biennial Budget		\$ Change vs FY15 base	
	FY2014-15	FY2015-16	FY2016-17	FY15-16	FY16-17	
Juvenile predisposition detention	156,536	156,536	156,536	0	0	
Post-adoption and post-guardianship services	2,027,970	2,063,632	2,095,104	35,662	67,134	
Protection and Safety of Children	1,789,556	1,789,556	1,789,556	0	0	
Title IV-E Foster Care	6,336,984	6,035,559	6,107,762	(301,425)	(229,222)	
Title IV-E Adoption	7,136,936	13,560,690	13,758,227	6,423,754	6,621,291	
Title IV-E Guardianship	82,500	85,421	87,559	2,921	5,059	
State subsidized adoption	9,756,839	6,951,976	7,151,016	(2,804,863)	(2,605,823)	
Domestic Violence	1,347,300	1,481,300	1,481,300	134,000	134,000	
Education Assistance, State Wards	17,540,376	15,891,184	16,249,008	(1,649,192)	(1,291,368)	
Child Welfare Services	91,604,002	94,533,881	96,372,363	2,929,879	4,768,361	
Total Child Welfare aid (General Funds)	137,778,999	142,549,735	145,248,431	4,770,736	7,469,432	
Child care provider rates (net) (to 60th percentile)				266,479	266,479	
Other provider rates				2,696,338	5,446,603	
Utilization/Eligibility/Cost Increases				0	0	
Federal match rate change (FMAP) for federal FY2014 and FY2015				576,120	554,791	
Rebase appropriations based on year to date FY15 expenditures				0	0	
Additional funding for Domestic Violence Programs				134,000	134,000	
Child welfare satellite offices and outreach coordinator (LB485)				500,000	500,000	
LB 243 Create a pilot project, family finding services				597,799	567,559	
Total Child Welfare aid (General Funds)				4,770,736	7,469,432	

Child care As noted in the Public Assistance, area funds are included to increase child care provider rates up to the 60th percentile. This increases costs for the Foster Care program amounting to \$266,479 in both FY16 and FY17.

Other Provider Rates The budget includes funds equating to a 2.00% increase in non-child care provider rates each year. Additional General Funds amount to \$2,696,338 in FY16 and \$5,446,603.

Federal Medicaid Match Rate (FMAP) The regular federal Medicaid match rate is changing from 53.27% to 51.16% beginning on October 1, 2015. This budget assumes that the FMAP will remain at this level. Additional General Funds for child welfare amount to \$576,120 in FY16 and \$554,791 in FY17. This affects the Foster Care and Adoption Assistance, and Guardianship programs.

Rebase New Appropriations As part of the budget review process, the FY15 base level appropriation for the various public assistance and child welfare programs was compared to an estimate of FY15 expenditures based on actual expenditures through March and estimates for the remaining three months. This review resulted in some shifting of monies within the program, there is

no change in the overall funding level. Increases in some areas, specifically Title IV-E Adoption, were offset by reductions in other areas to some extent associated with the restoration of IV-E Foster Care federal funds after the disallowance issue has been resolved.

Reappropriation In the past three years, there were not adequate funds to complete a fiscal year so at the end of the fiscal year bills were carried forward into the next fiscal year and paid with new monies appropriated for that year. To break this cycle the budget reappropriates \$12.3 million of unexpended FY15 monies to the child welfare program to cover encumbrances of FY15 child welfare monies leaving the FY16 new monies to cover FY16 obligations. The reappropriated funds come from Program 347 Public Assistance (\$3.9 million), program 250 Juvenile Services (\$6.6 million) and program 514 Health Aid (\$1,800,000)

Medicaid

For the FY15-16/FY16-17 biennium the enacted budget reflects an average increase in General Fund appropriations for Medicaid of 5.3% per year. Basic increases in cost, eligibility, utilization average 6.4%. The impact of the decline in the federal Medicaid match rate is partially offset by a reduction in the base appropriation based on FY15 estimated expenditures.

Percent Change	FY15-16	FY16-17	2 Yr Avg
Basic Cost / Eligibility/ Utilization	4.6%	4.6%	4.6%
Plus: Impact of FMAP	3.5%	0.6%	2.0%
Less: Base adjustment	(2.8)%	0.0%	(1.4)%
Plus: All Other	0.0%	(0.1)%	0.0%
Total % change	5.2%	5.2%	5.2%

Federal match rate change (FMAP) The Federal Medical Assistance Percentage (FMAP) is the share of Medicaid costs paid by the federal government. The FMAP is calculated based on a three-year average of state per capita personal income compared to the national average. No state can receive less than 50% or more than 83%. The regular federal Medicaid match rate is changing from 53.27% to 51.16% beginning on October 1, 2015. This is the lowest the state FMAP has been since the program began in 1966. This budget assumes that the FMAP will remain at this level throughout the biennium. Additional General Funds amount to \$27,468,499 in FY16 and \$32,099,018 in FY17.

Provider Rates The budget included funds equating to a general 2.00% increase in provider rates each year and an additional .25% increase per year for behavioral health, nursing facilities, assisted living, and ICF-DD providers. Additional General Funds amount to \$14,617,514 in FY16 and \$29,851,568 in FY17.

Eligibility and Utilization Increases relating to eligibility and utilization result in additional General Fund dollars of \$21.4 million in FY15-16 and \$44.2 million in FY16-17. Overall utilization is anticipated to grow 2.35% each year overall. This is a weighted average based the following projected increases in utilization based on historical utilization patterns: Aged 1.5% Disabled 3.5% Adults 1% Children 2%. The cost for drugs is projected to increase 4% and select other items were calculated at the Medicare Economic Index rate.

Hepatitis C and Other Medication Impacts Medicaid is required to cover FDA approved medications. Two new treatments of Hepatitis C were approved and additional therapies are anticipated to be approved in 2015. The therapies are oral only and shorten the treatment time. Other therapies that are expected to be approved in the near future are for cystic fibrosis. In FY 14, 900 Medicaid clients were diagnosed with Hepatitis C. The new treatment is projected to cost

\$161,000 per client. Early studies show a high cure rate. The budget includes an additional \$1.8 million General Funds each year for this issue.

Rebase New Appropriations As part of the budget review process, the FY15 base level appropriation for Medicaid was compared to an estimate of FY15 expenditures based on actual expenditures through March and estimates for the remaining three months. The estimated expenditure level of \$752 million is \$25 million below the current \$777 million base appropriation level. Allowing for a small contingency, a base reduction of \$22 million is included.

Reappropriate Unexpended Balance. In addition to the small contingency retained in the base adjustment, the budget reappropriates the unexpended FY15 balance estimated at \$25 million. This provides an additional contingency for items and issues that may arise in the upcoming biennium.

Table 23 Medicaid (General Funds)

	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	644,573,194	644,573,194	777,723,897	777,723,897
Revised program cost estimates, base adjustment	0	(11,824,644)	(22,000,000)	(22,000,000)
Federal match rate (FMAP)	14,849,840	38,335,253	27,468,499	32,099,018
Utilization	23,827,600	46,385,870	21,434,884	44,203,043
Cost Increases / Provider Rates	12,703,090	25,840,441	14,617,514	29,851,568
ACA Implementation	9,900,000	27,400,000	0	0
Behavioral Health Managed Care- 3% Savings	(1,607,500)	(1,616,788)	0	0
Move Medicaid Rehab Option (MRO) Match	6,000,000	6,000,000	0	0
Telehealth services, children behavioral health (LB556-2013)	1,336	1,384	0	0
Aging Nebraskans Task Force (LB690-2014)	0	2,629,187	0	0
Balancing Incentive Program (shifted to Prog 33)	0	0	(2,629,187)	(2,629,187)
Hepatitis C and Other Medication Impacts	0	0	1,800,000	1,800,000
Physical Health Managed Care Expansion	0	0	0	(89,576)
LB 72 Medicaid reimburse liens, inheritance tax petitions			(21,258)	(21,258)
LB 243 Create a pilot project, family finding services			9,871	16,216
LB 366 Change personal needs allowance, Medicaid			347,687	421,802
LB 500 Medicaid plan, multisystemic therapy			0	425,405
Medicaid Total General Funds	710,247,560	777,723,897	818,751,907	861,800,928
Annual \$ Change	65,674,366	67,476,337	41,028,010	43,049,021
Annual % Change	10.2%	9.5%	5.3%	5.3%

Community Health Center & Local Health Department Aid

The current budget provides \$1.8 million General Funds for aid to local public health departments. This is divided equally among the eighteen local public health departments.

The current budget also provides base funding of \$1.8 million to six federally recognized community health centers located in Omaha (2), Lincoln, Columbus, Gering, and Norfolk. These centers serve low-income individuals and a high number of uninsured. The centers receive funds through three distribution formulas: 1) each center receives a base amount of \$300,000; 2) \$50,000 is provided to each center for dental services and 3) a proportional amount is provided based on the prior year's uninsured client count as reported to the federal government. The Heartland Health Center in Grand Island opened in February, 2014 and is eligible to receive funding in a similar manner as the other FQHCs. In the first year, Heartland would be eligible to receive the base and dental amount of

\$350,000. In the second year, Heartland would also be eligible for the proportional amount, estimated at \$75,000 for a total of \$425,000.

The budget incorporates the provision of LB 82 by providing additional funding of \$1,050,000 each year to provide \$150,000 to each FQHC to expand dental services.

Health Aid

The current budget includes \$6.4 million General Funds for a variety of health aid programs. This includes programs such as Chronic Renal Disease, HIV/AIDS Prevention and Ryan White program, Breast and Cervical Cancer Screening, Every Woman Matters program, Stay in the Game Program, Immunization, Newborn Screening and Genetics, Reproductive Health, Emergency Medical Services Training, Native American health services, and Nebraska Advocacy Services and the home visitation program.

The enacted budget includes additional funds originally contained in two bills assigned to the Appropriations Committee: LB 332 statewide prescription drug disposal project (\$300,000 each year) and LB 233 Perinatal Quality Improvement Collaborative (\$100,000 each year).

The budget also includes \$160,000 in FY2015-16 for pre-hospital electrocardiogram equipment for EMS services and \$80,000 each year for initial and on-going EMS training.

Aid to Aging Services

The enacted budget includes a 2.0% per year increase in aid to aging programs reflecting the 2.0% provider rate increase.

LB 320 Aging & Disability Resource Center Demonstration Project Additional General Funds are also included in FY2015-16 (\$215,978) and FY2016-17 (\$603,912) to carry out the provisions of LB 320 Aging & Disability Resource Center Demonstration Project. The bill directs the Department of Health and Human Services to develop an RFP for three pilot projects to establish Aging and Disability Resource Centers (ADRC). Area Agencies on Aging (AAA) may apply for the grants for the pilot projects. ADRCs are community-based entities that 1) provide comprehensive information on long-term care, 2) assist in accessing and applying for public assistance, 3) provide personal counseling to assist in assessing long-term care needs, 4) provide a single point of entry for publicly supported long-term care programs 5) identify unmet needs in communities 6) develop recommendations for meeting unmet needs and 7) facilitate transition support. The pilot projects shall operate through June 30, 2018.

<i>Program 559 Care Management</i>	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	2,033,123	2,033,123	2,225,644	2,225,644
Provider rates	45,746	92,521	44,513	89,916
Increased care management aid	50,000	100,000	0	0
Total - New Appropriation	<u>2,128,869</u>	<u>2,225,644</u>	<u>2,270,157</u>	<u>2,315,560</u>
Annual \$ Change	95,746	96,775	44,513	45,403
Annual % Change	4.7%	4.5%	2.0%	2.0%

Program 571 Area Agencies on Aging	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	5,966,315	5,966,315	7,237,821	7,237,821
Provider rates	134,243	271,506	144,756	292,408
Increase community aging services aid	0	1,000,000	0	0
LB 320 Resource Center Demo Project	0	0	215,978	603,912
Total - New Appropriation	<u>6,100,558</u>	<u>7,237,821</u>	<u>7,598,555</u>	<u>8,134,141</u>
Annual \$ Change	134,243	1,137,263	360,734	535,586
Annual % Change	2.3%	18.6%	5.0%	7.0%

Higher Education Student Aid

Student aid shows a very small increase in FY15-16, an additional \$50,000 General Funds per year for the Access College Early Scholarship program.

Since FY2003-04, a portion of education related lottery receipts have been allocated to the Nebraska Opportunity Grant Fund and have supported the related student financial aid program. LB497 passed in 2013 eliminated all distribution earmarks starting in FY2016-17 allowing for an overall review of the use of the education lottery funds. LB519 enacted in the 2015 session, provided for a new distribution of the education lottery funds. The bill provides for 62% of the education related lottery funds to be allocated to the Nebraska Opportunity Grant Fund which is estimated to generate \$10 million, the same funding that they had been receiving previously. Note that the new distribution provided for in LB519 is operative through FY2020-21.

Table 24 Coordinating Commission Student Aid Programs

General and Cash Funds	Previous Biennium		Biennial Budget	
	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Nebraska Opportunity Grant Program	6,668,156	6,868,156	6,868,156	6,868,156
Access College Early Scholarship	640,000	685,000	735,000	735,000
Subtotal-General Funds	7,308,156	7,553,156	7,603,156	7,603,156
Lottery funds (Nebr Opportunity Grant)	10,000,000	10,000,000	10,000,000	10,080,146
Combined General and Cash Funds	17,308,156	17,553,156	17,603,156	17,683,302
\$ Change over Prior Year	1,315,000	245,000	50,000	80,146
% Change over Prior Year	8.2%	1.4%	0.3%	0.5%

General Fund Aid to Local Governments

State Aid to K-12 Schools

Table 25 shows the total amount of General Fund state aid to K-12 schools from the various aid programs. In terms of General Funds, the average percent change over the two year period is a positive 5.2%. This includes TEEOSA aid with proposed changes contained in LB407 (with AM1180 and AM1044), a 5% per year increase in Special Education reimbursement, and partial restoration of General funds for Early Childhood programs as contained in LB495 currently on the floor. A description of the various programs follows the table

Table 25 Total General Fund State Aid to K-12 Schools

	Approp	Approp	Approp	Biennial Budget	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
State Aid to Education (TEEOSA)	836,867,085	884,888,317	913,571,842	950,651,625	956,243,013
Special Education	193,893,842	203,588,534	213,767,961	219,112,160	224,589,964
High ability learner programs	0	0	0	0	2,342,962
Early Childhood program	0	1,915,962	5,235,164	1,820,164	3,770,164
Early Childhood Endowment	0	4,000,000	4,000,000	4,000,000	5,000,000
Nurturing Healthy Behaviors	0	0	400,000	400,000	400,000
School Lunch	392,032	392,032	392,032	392,032	392,032
Textbook loan program	465,500	465,500	465,500	465,500	465,500
School Breakfast reimbursement	453,008	453,008	453,008	542,595	561,042
Adult Education	214,664	214,664	214,664	214,664	214,664
Learning Communities Aid	882,275	725,000	725,000	500,000	500,000
Summer Food Service grants	128,000	130,000	130,000	130,000	130,000
High School Equivalency Assistance	0	750,000	750,000	750,000	750,000
Quality Child Care – Scholarships	0	0	100,000	100,000	100,000
Quality Child Care – Bonuses	0	0	26,700	69,000	69,000
Master Teacher Program (LB185)	0	0	0	470,000	470,000
Total Gen Fund Aid - K-12 Districts	1,033,296,406	1,097,523,017	1,140,231,871	1,179,617,740	1,195,998,341
General Funds:					
\$ Change over Prior Yr	41,305,998	64,226,611	42,708,854	39,385,869	16,380,601
% Change over Prior Yr	4.2%	6.2%	3.9%	3.5%	1.4%

Special Education The budget includes a 2.5% per year increase in funding for special education reimbursement amounting to \$5,344,199 in FY15-16 and \$10,822,003 in FY16-17. The maximum allowed growth is 10% per year per Section 79-1145. This growth limitation was originally enacted at 3% in 1997 increased to 5% in 2000 and then increased to 10% in 2014.

Special Education (Gen Fund Only)	Approp	Approp	Approp	Biennial Budget	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	184,893,842	193,893,842	193,893,842	213,767,961	213,767,961
Cost/Client increases	9,000,000	9,694,692	19,874,119	5,344,199	10,822,003
Total - New Appropriation	193,893,842	203,588,534	213,767,961	219,112,160	224,589,964
\$ Change over Prior Yr	9,000,000	9,694,692	10,179,427	5,344,199	5,477,804
% Change over Prior Yr	4.9%	5.0%	5.0%	2.5%	2.5%

High Ability Learner Program In the 2011 legislative session, the \$2,175,673 funding for the High Ability Learner program was shifted from General Funds to the Education Innovation Fund (lottery) for FY2011-12 and FY2012-13 as provided for in LB 333 enacted during that session. LB495 (2013) provided for a continuation of lottery funds at level of \$2,230,065 in FY13-14, \$2,285,816 in FY14-15 and \$2,342,962 in FY15-16. The budget for FY16-17 includes a \$2,342,962 increase in General Funds to replace the use of education lottery funds for this program.

High Ability Learner Program	Biennial Budget				
	Approp FY2012-13	Approp FY2013-14	Approp FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	2,175,673	0	0	0	0
Shift to lottery funds 2 yrs (LB333-2011)	(2,175,673)	0	0	0	0
Restore GF, lottery earmark expires	0	0	0	0	2,342,962
Total - New Appropriation GF	0	0	0	0	2,342,962
Education Innovation Fund (lottery)	2,175,673	2,230,065	2,285,816	2,342,962	0
Total Funding	2,175,673	2,230,065	2,285,816	2,342,962	2,342,962

Early Childhood Program In the 2011 legislative session, the \$3,365,962 funding for the Early Childhood program was shifted from General Funds to the Education Innovation Fund (lottery) for FY2011-12 and FY2012-13 as provided for in LB 333 enacted during that session. Under LB 333 funding would revert back to General Funds starting in FY2013-14. LB495 (2013) provided for a continuation of lottery funds at level of \$1.75 million in FY13-14, \$1.85 million in FY14-15 and \$1.95 million in FY15-16. The enacted budget for FY16-17 includes a \$1,950,000 increase in General Funds to replace the use of education lottery funds for this program.

In the 2014 session, a one-time appropriation of \$3,415,000 was included in FY14-15. The intent was that this amount would be spread out over FY15, FY16, and FY17. The budget includes a \$3,415,000 base reduction to eliminate the one-time appropriation but then reappropriates the unexpended amounts.

Early Childhood Program	Biennial Budget				
	Approp FY2012-13	Approp FY2013-14	Approp FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	3,365,962	0	0	5,235,164	5,235,164
Shift to lottery funds 2 yrs (LB333-2011)	(3,365,962)	3,365,962	3,365,962	0	0
Continue use of lottery (LB495-2013)	0	(1,700,000)	(1,700,000)	0	0
Increase in aid	0	250,000	250,000	0	0
One-time funds to be used over 3 yrs	0	0	3,415,000	(3,415,000)	(3,415,000)
Shift aid to tech assistance	0	0	(95,798)	0	0
Restore GF, lottery earmark expires	0	0	0	0	1,950,000
Total - New Appropriation GF	0	1,915,962	5,235,164	1,820,164	3,770,164
Education Innovation Fund (lottery)	3,365,962	1,750,000	1,850,000	1,950,000	0
Total Funding	3,365,962	3,665,962	7,085,164	3,770,164	3,770,164

Early Childhood Endowment In the 2006 legislative session, LB1256 was enacted creating the Nebraska Early Childhood Education Endowment fund and board of trustees. Income from the endowment is then used to provide grants to school districts, cooperatives of school districts, and educational service units for early childhood education programs for at-risk children from birth to age three as determined by the board of trustees. The bill provided that the Department of Education select an endowment provider for the Nebraska Early Childhood Education Endowment where such provider had (1) experience in managing public and private funds for the benefit of children and

families in multiple locations in Nebraska and (2) irrevocably commit no less than twenty million dollars in a private endowment to be used solely as part of the Nebraska Early Childhood Education Endowment.

The program known as Sixpence, is currently administrated by Nebraska Children and Families Foundation and governed by the Nebraska Early Childhood Education Endowment Fund Board of Trustees. The endowment fund consists \$40 million transferred from the State Permanent School Fund (after a successful constitutional amendment authorizing such allocation) and \$20 million from private donations.

In the 2013 session, the legislature provided the first General Funds to supplement the endowment income, \$4 million in both FY13-14 and FY14-15. An additional \$1 million was also provided from the Education Innovation Fund (lottery) for FY13-14, FY14-15, and FY15-16.

The enacted budget includes an additional \$1,000,000 General Funds in FY2016-17 to replace the expiration of the Education Innovation Fund earmark.

Early Childhood Endowment	Biennial Budget				
	Approp FY2012-13	Approp FY2013-14	Approp FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	0	0	0	4,000,000	4,000,000
Provide state GF support	0	4,000,000	4,000,000	0	0
Replace use of lottery monies	0	0	0	0	1,000,000
Total - New Appropriation GF	0	4,000,000	4,000,000	4,000,000	5,000,000
Education Innovation Fund (lottery)	0	1,000,000	1,000,000	1,000,000	0
Endowment Fund income	1,580,440	1,580,440	1,580,440	1,580,440	1,580,440
Total Funding	1,580,440	6,580,440	6,580,440	6,580,440	6,580,440

Learning Community Aid The enacted budget includes a \$225,000 (31%) reduction in the amount of aid to the Learning Community.

Master Teacher Program The Master Teacher Program Act was enacted in 2000 but funding was never provided for the act. The aid will be allocated to teachers to pay for application and registration fees associated with obtaining master teacher credentials. Half of the fees are awarded when a teacher begins the program and half are awarded when a teacher completes the program and receives the credentials. The number of teachers receiving the first half of a registration award is capped at 40 per year. The aid funds are also awarded as a salary bonus of \$5,000 per year to each teacher with master teacher status. The total for the salary bonus is capped at \$1 million per year. The funds are prorated if funding is not sufficient.

The budget includes \$500,000 each year to fund the program. This includes \$470,000 for the master teacher bonus and \$30,000 for administrative costs.

School Breakfast program State law provides for school districts to be reimbursed for school breakfasts at a rate of five cents for each breakfast served. The payment is made based upon the number of breakfasts served in the second preceding school year. Based upon information provided after the budget was submitted, actual claims for FY16, based upon breakfasts served in FY14, total \$534,326 which is a \$89,587 above the appropriation base of \$453,008. This amount was included along with an additional \$18,447 in FY17 to cover the amount estimated to reimburse for the number of breakfasts served in FY15.

Other K-12 Aid Programs The budget as enacted includes a small increase in the Step Up to Quality Child Care Bonuses (\$26,700 to \$69,000) but no change in funding for the other programs; School Lunch (\$392,032), Adult Education (\$214,664), textbook loan (\$465,500), Summer Food Service grants (\$130,000), High School Equivalency Assistance (\$750,000), and Step Up to Quality Child Care Scholarships (\$100,000)

Tax Equity and Educational Opportunities Support Act (TEEOSA)

The enacted budget includes funding for state aid to schools (TEEOSA) to fully fund the certified aid for FY2015-16 and current estimated funding needs for FY2016-17 based on the existing TEEOSA formula. There were no changes made to the TEEOSA formula in the 2015 session.

The overall net change in total TEEOSA aid is an increase of \$40.1 million (4.3%) in FY2015-16 followed by a \$7.6 million (0.8%) increase in FY16-17. The General Fund amounts (excluding the amount financed by allocated Insurance Premium Tax monies) reflect a \$37.1 million (4.1%) increase in FY15-16 followed by a \$5.6 million (0.6%) increase in FY16-17.

Table 26 provides a summary of TEEOSA aid including the allocation of the overall aid amount by funding source and the dollar and percent change in both total aid and General Fund amounts for the past two years, the current biennial budget and estimates for the following two years.. Also shown are the major assumptions used in making the estimates.

Table 26 TEEOSA Aid

	Actual FY2013-14	Actual FY2014-15	Certified FY2015-16	Estimated FY2016-17	Estimated FY2017-18	Estimated FY2018-19
Key Assumptions						
School Disbursements	-0.6%	2.7%	3.5%	3.2%	4.0%	4.0%
Gen Fund Operating Expenditures (GFOE)	1.6%	2.6%	4.2%	3.2%	4.0%	4.0%
Property Valuations (assessed)	5.8%	8.5%	11.8%	9.0%	4.0%	4.0%
Property Valuations (used in formula)	2.1%	2.8%	0.3%	5.0%	4.0%	4.0%
% of Valuation used in formula	89.5%	84.9%	75.7%	72.9%	72.9%	72.9%
Cost Growth Factor	2.00%	4.00%	5.00%	5.00%	5.00%	5.00%
Local Effort Rate	\$1.0300	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
General Funds	884,888,317	913,571,842	950,651,625	956,243,013	1,001,869,040	1,054,803,765
Insurance Premium Tax	21,693,014	19,400,000	22,385,000	24,444,625	25,055,741	25,682,134
Lottery funds, reorg incentives	0	0	0	0	--	--
Total TEEOSA state aid	906,581,331	932,971,842	973,036,625	980,687,638	1,026,924,781	1,080,485,899
General Funds - Change over Prior Year						
Dollar		28,683,524	37,079,784	5,591,388	45,626,027	52,934,725
Percent		3.2%	4.1%	0.6%	4.8%	5.3%
Two Yr Avg % Change				2.3%		5.0%
All Funds - Change over Prior Year						
Dollar		26,390,510	40,064,784	7,651,013	46,237,143	53,561,118
Percent		2.9%	4.3%	0.8%	4.7%	5.2%
Two Yr Avg % Change				2.5%		5.0%

For the FY16 and FY17 biennial budget, the two provisions of the TEEOSA formula that have the most impact on the overall dollar amount, the local effort rate and the cost growth factor, remain at the same as for the FY15 aid. This means that the change in TEEOSA aid is basically attributed to the various data elements of the formula itself which are the drivers of the level of school aid such as school spending, property valuation, and other school receipts.

For FY2015-16, the 4.3% growth reflects a below average spending growth of 3.2% but a growth in yield from local effort rate of less than 1%. Although there was an 11.8% increase in overall

valuation, there was minimal growth in residential and commercial and industrial valuation and most of this growth was in agricultural land in non-equalized districts. Because of this, very little of this valuation growth was translated into yield from local effort rate. This can be seen in the fact that the percent of valuation that can actually be “used” in the formula has declined from 85% to 75%.

For FY2016-17, a very preliminary estimate of valuation growth by state Property Tax Administrator last October showed a 9% growth in valuation. While there is still a substantial growth in agricultural land valuation, it’s estimated that there will be some growth in residential and commercial and industrial valuation. This results in a higher portion of this valuation growth translating into “useable” yield from local effort. This higher growth in yield from local effort rate (5%) coupled with low spending growth (ie... 3.2% budget to budget growth for school year FY2014-15), results in the very low growth in TEEOSA aid, less than 1%.

Table 27 provides a history of TEEOSA state aid since its’ initial implementation in FY90-91 and full implementation in FY91-92.

Table 27 Historical TEEOSA Aid

Fiscal Yr	General Funds	Insurance Premium	ARRA & EDJOBS	TEEOSA (Total Aid)	Dollar Change	Pct Change
FY1989-90	133,720,830	0	0	133,720,830	4,730	0.0%
FY1990-91	311,462,100	0	0	311,462,100	177,741,270	132.9%
FY1991-92	357,283,727	0	0	357,283,727	45,821,627	14.7%
FY1992-93	370,668,616	0	0	370,668,616	13,384,889	3.7%
FY1993-94	383,069,609	0	0	383,069,609	12,400,993	3.3%
FY1994-95	400,230,135	0	0	400,230,135	17,160,526	4.5%
FY1995-96	414,933,814	0	0	414,933,814	14,703,679	3.7%
FY1996-97	434,834,334	12,409,260	0	447,243,594	32,309,780	7.8%
FY1997-98	454,273,986	11,670,497	0	465,944,483	18,700,889	4.2%
FY1998-99	579,978,752	11,261,483	0	591,240,235	125,295,752	26.9%
FY1999-00	581,552,195	12,490,055	0	594,042,250	2,802,015	0.5%
FY2000-01	549,272,990	12,053,426	0	561,326,416	(32,715,834)	-5.5%
FY2001-02	630,212,142	14,868,591	0	645,080,733	83,754,317	14.9%
FY2002-03	647,477,820	14,450,387	0	661,928,207	16,847,474	2.6%
FY2003-04	625,337,469	15,364,409	0	640,701,878	(21,226,329)	-3.2%
FY2004-05	618,298,707	16,018,569	0	634,317,276	(6,384,602)	-1.0%
FY2005-06	683,473,181	17,121,101	0	700,594,282	66,277,006	10.4%
FY2006-07	704,377,213	14,090,116	0	718,467,329	17,873,047	2.6%
FY2007-08	753,555,548	15,058,425	0	768,613,973	50,146,644	7.0%
FY2008-09	825,056,857	14,333,724	0	839,390,581	70,776,608	9.2%
FY2009-10	824,960,159	15,247,109	93,668,750	933,876,018	94,485,437	11.3%
FY2010-11	795,941,721	13,992,839	198,897,916	1,008,832,476	74,956,458	8.0%
FY2011-12	804,689,087	17,151,812	212,958	822,053,857	(186,778,619)	-18.5%
FY2012-13	838,452,050	13,415,035	212,958	852,080,043	30,026,186	3.7%
FY2013-14	884,888,317	21,693,014	0	906,581,331	54,501,288	6.4%
FY2014-15	913,571,842	19,400,000	0	932,971,842	26,390,511	2.9%
FY2015-16	950,651,625	22,385,000	0	973,036,625	40,064,784	4.3%
FY2016-17 est	956,243,013	24,444,625	0	980,687,638	7,651,013	0.8%
FY2017-18 est	1,001,869,040	25,055,741	0	1,026,924,781	46,237,143	4.7%
FY2018-19 est	1,054,803,765	25,682,134	0	1,080,485,899	53,561,118	5.2%
<u>Avg % Change</u>						
First 12 Yrs						5.0%
Last 12 Yrs						3.5%
All 24 Years						4.3%

Aid to ESU's

The budget continues funding for aid to ESU's at the current FY15 level for the next two years.

Aid to ESU's	Approp	Approp	Approp	Biennial Budget	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year Appropriation	14,791,327	14,051,761	14,051,761	14,051,761	14,051,761
Reduce aid for core services by 5%	(552,027)	0	0	0	0
Reduce distance education aid by 5%	(15,282)	0	0	0	0
Reduce aid for tech infrastructure by 5%.	(172,257)	0	0	0	0
Total - New Appropriation	14,051,761	14,051,761	14,051,761	14,051,761	14,051,761
\$ Change over Prior Yr	0	0	0	0	0
% Change over Prior Yr	0.0%	0.0%	0.0%	0.0%	0.0%

Personal Property Tax Relief Act

LB 259 enacted in the 2015 session, adopted the Personal Property Tax Relief Act. The bill provides for an exemption from the property tax on the first \$10,000 of valuation of tangible personal property in each tax district in which a personal property tax return is required to be filed. Tax district is defined in Section 77-127 and means, "an area within a county in which all of the tangible property is subject to property taxes at the same consolidated property tax rate." In addition, the bill creates a compensating exemption factor for companies that are centrally assessed by the state to be used in determining the tax exemption for those companies.

On or before November 30 of each year, each county treasurer shall certify to the Tax Commissioner the total locally-assessed tax revenue lost to all taxing subdivisions within the county due to the exemption provided for in LB 259. The state then reimburses each county, and subsequently each subdivision, for funds lost due to the exemption for both the locally-assessed taxes and the centrally assessed companies. The reimbursement shall be made in two equal installments on the last business days of February and June.

Personal Property Tax Relief Act	Approp	Approp	Approp	Biennial Budget	
	FY2012-13	FY2013-14	FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	--	--	--	--	0
Change due to eligibility, valuation, and tax rates	--	--	--	--	0
LB 259 Adopt the Personal Property Tax Relief Act	--	--	--	--	19,600,000
Total General Funds (without deficits)	--	--	--	--	19,600,000
Deficit	--	--	--	--	0
Total General Funds (with deficits)	--	--	--	--	19,600,000

Homestead Exemption

This program provides property tax relief to special categories of homeowners through state funded reimbursements to local governments for property taxes not collected due to the granting of homestead exemptions. Although some form of homestead reimbursement has existed since 1969

the core of the existing program was created by LB 65 in 1979. It is found in Sections 77-3501 through 77-3529 of the Nebraska Revised Statutes.

The Dept. of Revenue estimates the homestead exemption amount using a linear regression model. The variables used in the model to explain Homestead reimbursement are: 1) Homestead reimbursement for the prior year; 2) capital gains reported on Nebraska resident income tax returns; 3) medical expenses reported by Homestead applicants; and 4) a time trend variable. Because most of the spending in the Homestead Exemption program is to assist low-income elderly homeowners, income is the major determining factor in the number of qualified applicants.

When compared to the FY14-15 new appropriation of \$73.5 million, the budget for FY2015-16 and FY2016-17 of \$71.0 and \$73.0 million respectively appears to be virtually flat. However, the amount required to cover actual reimbursement amounts for FY 2014-15 is \$67.4 million, or \$6.1 million less than the current appropriation of \$73.5 million. Compared to this revised FY15 number, the FY16 and FY17 proposed budgets reflect an increase of \$3.6 million (5.3%) in FY15-16 and an additional \$2.0 million (2.8%) in FY16-17. These numbers also include the annualization of two bills enacted last session, LB 1087 (2014) and LB 986 (2014).

LB 591 enacted In the 2015 session, included provisions from LB76 that would require tax payers reducing taxable income using net operating loss carry forwards to add back the net operating loss carry forward amount to their taxable income for purposes of claiming the Nebraska earned income tax credit and would also would require taxpayers to report the net operating loss carry forward amount as "household income" when claiming a homestead tax exemption. These provision are estimated to reduce homestead exemption reimbursements by approximately \$1.7 million annually.

Homestead Exemption	Biennial Budget				
	Approp FY2012-13	Approp FY2013-14	Approp FY2014-15	FY2015-16	FY2016-17
Base Year appropriation	65,000,000	72,500,000	72,500,000	73,521,000	73,521,000
Base reduction per base yr actual data	(5,200,000)	(5,062,000)	(4,605,000)	(6,121,000)	(6,121,000)
Cost/Client increases	12,700,000	4,162,000	7,005,000	2,347,000	4,204,000
Midbiennium Changes	0	0	(6,000,000)	0	0
LB 986 (2014) Change income limitations	0	0	4,621,000	847,000	980,000
LB 1087 (2014) Disabled veterans provisions	0	0	0	406,000	416,000
LB 591 (2015) Changes in income for credit purposes	0	0	0	0	(1,685,000)
Total General Funds (without deficits)	72,500,000	71,600,000	73,521,000	71,000,000	71,315,000
Deficit	(5,000,000)	(6,500,000)	(6,121,000)	?	?
Total General Funds (with deficits)	67,500,000	65,100,000	67,400,000	71,000,000	71,315,000
\$ Change (including deficits)	(600,000)	(2,400,000)	2,300,000	3,600,000	315,000
% Change (including deficits)	-0.9%	-3.56%	3.53%	5.3%	0.4%

Resources Development Fund

The Resources Development Fund is used to provide state aid to political subdivisions undertaking projects with purposes such as pollution abatement, reduction of flood damages, improvement of public irrigation facilities, preservation and development of fish and wildlife resources, providing of public outdoor recreation lands and facilities, and preservation of the waters of Nebraska for all beneficial uses.

In the 2014 legislative session, a one-time appropriation of \$10,492,793 was provided in addition to the ongoing \$3,140,325 General Fund appropriation. This included \$492,793 of excess funds from the Water Funding Task Force plus an additional \$10 million. As this was considered one-time in FY2014-15 it was deleted from the base budget going into FY16 and FY17.

The enacted budget provides that the existing General Fund appropriation of \$3,140,325 will be continued through FY18-19, and a \$3,000,000 transfer from the Water Sustainability Fund (WSF) to the Resources Development Fund would be carried out in both FY15-16 and FY16-17. The revised appropriation would allow for the completion of state funding for approved projects, as intended by the Natural Resources Commission. A summary of the enacted funding plan is shown below.

	Biennial Budget		Following Biennium		4 Yr Total
	FY15-16	FY16-17	FY17-18	FY18-19	
General Fund	3,140,325	3,140,325	3,140,325	3,140,325	12,561,300
Water Sustainability transfer	3,000,000	3,000,000	0	0	6,000,000
TOTAL	6,140,325	6,140,325	3,140,325	3,140,325	18,561,300

The budget bill also includes additional technical guidance regarding the administration of the Water Sustainability Fund and timing of a review to be carried out by the Appropriations Committee.

Community Based Juvenile Services Aid

LB561 enacted in the 2013 session, expanded the Nebraska Juvenile Service Delivery Project statewide in a three step, phase-in process. That bill also renamed the County Juvenile Services Aid Program as the Community-based Juvenile Services Aid Program, and increased funding to the program by \$1,522,425 in FY14 and \$3,522,425 in FY15 bringing the total amount of aid funding to \$3,000,000 in FY14 and \$5,000,000 in FY15. During floor debate on LB561, it was further stated that it was intended that funding for this program increase to \$7.0 million in FY16 and then \$10 million in FY17. The enacted budget includes an additional \$2 million to achieve the \$7 million level in FY15-16 but keeps it at that level for FY16-17 as well.

LB 265 passed in the 2015 session, provided that ten percent of the annual General Fund appropriation to the Community-based Juvenile Services Aid program be set aside for the development of a common data set and evaluation of the effectiveness of the Community-based Juvenile Services Aid program. It allocates the 10% between the Crime Commission and the University of Nebraska at Omaha, Juvenile Justice Institute. With this language \$700,000 of the \$7 million aid level is shifted to operations leaving \$6.3 million as the aid amount for the program.

Aid to Community Colleges

Aid to community colleges increases by 3% per year in the budget enacted for FY16 and FY17. This amounts to \$2,851,211 in FY15-16 and \$5,787,957 in FY16-17.. The aid increase is intended to assist the community college areas in meeting increases in core operating budget expenses including employee salary and health insurance costs as well as various non-personnel expenses.

General Fund Agency Operations

Court System

Juvenile Service Delivery Project The Nebraska Juvenile Service Delivery Project (Project) began in January 2009 in Judicial District #4 (Douglas County). The Office of Probation Administration (Probation) and the Department of Health and Human Services (DHHS) worked together to provide services and options to juveniles and families in Nebraska's juvenile justice system. The Project provided funding for needed rehabilitative services, allowing juveniles to stay in their home while being served in the community on probation.

In 2012, LB985 expanded the Project to include Judicial District #11 (North Platte) and Judicial District #12 (Gering/Scottsbluff), in addition to Judicial District #4 (Douglas County). The staff and service cost of \$8,408,817 in Probation was covered through a transfer of funding from DHHS. In 2013, LB194 reduced this amount by \$1.5 million.

In 2013, LB561 was enacted and expanded the Project statewide in a three step, phase-in process beginning July 1, 2013 with full implementation by July 1, 2014. The transfer of the cases and funding from the Office of Juvenile Services (OJS) to the Nebraska Juvenile Service Delivery Project (Project) will reduce costs in HHS and increase costs in Probation. In FY14, \$15,756,126 was reduced from DHHS and added to Probation. As the number and timing of the transfer of youth from the jurisdiction of DHHS to Probation was unknown, the "A" bill provided for a certification process to move appropriations from DHHS to Probation if the number of children transferred is larger or occurs sooner than the HHS projection. Additional funding of \$4,000,000 was provided to Probation to cover transition and infrastructure costs. In FY15 when all cases would be under the jurisdiction of Probation, the DHHS appropriation was reduced by \$39,131,653 and provided to Probation. Additional funding of \$4,833,670 was also provided to Probation for ongoing infrastructure costs and cost differences between DHHS and Probation.

In the 2014 session, probation estimated a shortfall of \$7.4 million for FY13-14 only. The budget included a \$7.4 million contingency appropriation made to a separate budget program and only to be used if the agency certifies to the state budget administrator that funds available in the regular probation program are insufficient. The full \$7.4 million FY13-14 deficit amount was ultimately utilized

This session, probation requested a deficit appropriation for FY15 of \$11 million including \$7.3 million to offset lack of Medicaid and Title IV-E funding, \$2.1 million for group home and foster care rate increase, \$1.1 million for rate increase in detention, and \$535,600 for unanticipated expenses for the Hastings Juvenile Chemical Dependency Program and longer terms of Probation).

When supervision of juveniles were transferred from DHHS, Probation was informed that the federal funds juveniles were receiving would be available as before the transfer. However, federal funds have not been made available to Probation in the same manner. Magellan Health Care, the company HHS uses to administer Medicaid, is approving payments for approximately 45% of those eligible.

Probation is now serving juveniles that are not only denied Medicaid access, but have high and costly service needs. This is a population of juveniles that was not under Probation during the pilot project.

Cost data on which to build projections for this population was not available when the transfer from DHHS occurred.

Also, initial funding for rates was meant to finance services at the same rates that DHHS paid, but Probation is paying higher rates for Group Home, Foster Care, and county detention facilities. The budget includes an additional \$7 million as a FY15 deficit and an additional \$7 million for FY15-16. These funds are included in a separate budget program and requires the Probation Administrator to certify to the Budget Administrator the amount of the shortfall. General Funds are then transferred to cover the shortfall. No additional funds are provided for FY16-17 subject to Probation addressing the various cost overrun issues.

Annualize LB 464-2014 Juvenile Court Jurisdiction LB464 enacted in the 2014 session, changed court jurisdiction over juveniles and arraignment procedures. The bill changed provisions regarding the exclusive original jurisdiction of the Juvenile Court for juveniles age 16 and 17. The bill phases-in this jurisdiction change (age 16 on January 1, 2015 and age 17 on January 1, 2017) with the full impact not realized until FY2016-17.

<u>Fiscal Yr</u>	<u># of Positions</u>	<u>Gen Fund Appropriations</u>	<u>Change over FY15 Base</u>
FY2014-15	15.0	5,167,942	
FY2015-16	42.0	8,138,315	2,970,373
FY2016-17	78.0	17,239,544	12,071,602

The largest areas of anticipated expenditures noted in the above-table are for Probation Officers and other probation staff, treatment for juveniles, pre-adjudication out-of-home placements, and pre-adjudicated evaluations. The Department of Health and Human Services will incur additional costs for detention and transportation estimated to be \$505,067 for a full-year.

Annualize LB 920 (2014) Public Guardianship Act. This act, operative on January 1, 2015, established the Office of Public Guardianship under the jurisdiction of the Nebraska State Court Administrator, and will employ a director, deputy public guardian and up to 12 associate guardians. The functions of the office include providing immediate response when a guardian is needed in an emergency situation; provide an option upon the resignation, removal, or discharge of a guardian so that there is no lapse in service to the ward or protected person; promote or provide public education to increase the awareness of the duties of guardians and encourage more people to serve as private guardians; recruit members of the general public or family members to serve as guardians and provide adequate training and support to enhance their success. Costs to implement this bill are shown below:

<u>Item</u>	<u># Positions</u>		<u>GF Appropriation</u>		
	<u>FY14-15</u>	<u>FY15-16</u>	<u>FY14-15</u>	<u>FY15-16</u>	<u>Annualized</u>
Public & Deputy Public Guardian	1.00	2.00	61,128	125,312	64,184
Associate Public Guardian	6.00	12.00	242,946	498,040	255,094
Education Coordinator	0.50	1.00	20,246	41,503	21,257
Support Staff	1.50	3.00	49,968	102,433	52,465
Benefits			259,187	521,209	262,022
Operating			91,060	83,020	(8,040)
Travel			67,152	133,304	66,162
Capital outlay			95,000	0	(95,000)
TOTAL	9.00	18.00	886,687	1,504,821	618,134

LB 605 Justice Reinvestment Act. In the 2015 session, the Legislature enacted LB 605 to begin addressing overcrowding in the correctional system. This bill was the result of a study conducted by the Nebraska Justice Reinvestment Working Group, an inter-branch working group established under LB 907-2014, in cooperation with the Council of State Governments Justice Center. LB 605 expands the use of probation in lieu of incarceration, ensures that more people receive supervision upon release from prison, and bolsters parole supervision practices to reduce recidivism. A more detailed discussion of the bill and funding provisions is included under the Department of Correctional Services starting on page 62

Department of Education (NDE)

Continue the pilot IT Academy. The Legislature included \$250,000 of general funds for a pilot project IT Academy in FY2014-15. The pilot project is underway through an addendum to the OCIO's state contract with En Point to provide for the purchase of the license and deployment of the IT Academy information. A total of 50 schools and community college sites will be granted licenses to implement the on-line IT Academy. Professional development is provided to teachers as well as teacher starter kits to enable educators to obtain certification. Students who successfully complete the exams will be provided certificates. The budget continues the pilot project at a \$500,000 per year level. in the next biennium.

Teacher/Principal Effectiveness Administrator An additional Teacher/Principal Effectiveness Administrator is funded at \$125,000 each year to provide leadership for educator effectiveness initiatives. Nationally, there is pressure for data and accountability provisions that connect teachers to students for purposes of determining educator effectiveness. The importance of effective preparation and continuing professional growth for educators is recognized as essential for educator certification as well. In order to meet these expectations, NDE has developed new teacher and principal standards and evaluation processes utilizing a statewide constituency of stakeholders. Currently 17 districts are piloting the process with statewide implementation in 2015. Extensive training will be needed in the majority of school districts to implement the system.

Increase funding for State Assessment System The state assessment program is responsible for testing, collecting and reporting student data for reading, mathematics, science and writing. The data is used to meet both state and federal requirements. Testing is done in grades 3 – 8 and 11 in reading and math and grades 5, 8 and 11 in science. The writing assessment is done in grades 4, 8 and 11. NDE has used state general funds and federal funds for the assessment program. The budget includes an additional \$1,000,000 General Funds each year for the program

An additional \$600,000 per year is included to revise the alternate assessment provided to students with disabilities.

Vocational Rehabilitation - Shift funding for operations from Federal to General funds NDE requested the removal of a general fund earmark for aid. In order to comply with the earmark, vocational rehabilitation (VR) must allocate general funds to aid and spend federal carryover funds on operations. The use of federal carryover funds on operations results in additional indirect cost funds for the previous grant year. Indirect costs are paid by the federal government to states for administrative functions performed by the state to implement federal grants. In years where VR is in an overmatch situation (has already matched all of the federal funds available to the state), the state share of these additional indirect costs adds to the overmatch, thus increasing the maintenance of effort. Eliminating the general fund earmark for aid will allow VR the flexibility to use federal

carryover funds for aid, rather than for operations, if needed. This will eliminate the additional state share of indirect cost and allow VR to keep the MOE as low as possible. The total amount spent on aid will remain the same, just the source of funding will change.

Department of Health and Human Services (DHHS)

The enacted budget for the operation of the HHS System has many significant items included both increases and reductions.

Inflationary Increases: The budget includes inflationary increases for food, drugs, medical and clinical services and medical supplies for the regional centers, veterans homes, youth rehabilitation and treatment centers, Norfolk Sex Offender Treatment Center, and the Beatrice State Developmental Center. Requests for these items were considered to be unique operating costs for 24 hour facilities. Medical supplies include laboratory supplies, contracts with doctors, and costs to take clients to medical appointments. The increases are based upon historical inflationary increases in these line items. Additional funds added for these operating expenses for all of the 24 facilities operated by HHS totaled \$333,323 General Funds in FY2015-16 and \$674,493 General Funds in FY2016-17.

Fund Shifts The budget includes a net increase in General Funds of \$6,426,704 in FY16 and \$6,466,704 in FY17 related to shifts to and from other fund sources.

Years ago, the federal government excluded certain training costs. In 2009 the state won a lawsuit and was awarded \$19.6 million for lost reimbursements. That fund was used as the state match for IV-E training costs and more recently for reimbursing a \$7.8 million disallowance. The fund is depleted as of this fiscal year requiring a \$3.2 million General Fund to replace the depleted funds.

The regional centers have used accumulated excess cash and federal funds for the last two bienniums to support operations. These excess funds were due in part to multiple year federal Medicaid settlements. An analysis of the projected revenues, expenditures, and cash and federal fund balances of the regional centers indicates a need to provide additional general funds to maintain services. The budget includes \$4,226,704 in FY16 and \$4,266,704 in FY17 to replace these funds.

In the veterans homes program, the department requested a \$1 million fund source shift ***from*** General funds to cash and federal funds. Current cash and federal fund balances appear to be sufficient to sustain the change during the next biennium.

Federal Medicaid Match Rate (FMAP) The regular federal Medicaid match rate is changing from 53.27% to 51.16% beginning on October 1, 2015. This budget assumes that the FMAP will remain at this level. Additional General Funds amounting to \$823,326 in FY16 and \$983,353 in FY17 are required to offset the loss of federal funds. This occurs in Prog 33 -Administration (\$237,874 FY16 and \$282,930 FY17), Prog 365-Regional Centers (\$62,774 FY16, \$65,854 FY17) and Prog 421-BSDC (\$522,678 FY16, \$634,569 FY17).

Provider Screening and Enrollment Maintenance and Operation The Affordable Care Act mandates new provider screening and enrollment requirements. The requirements cover treatment, ordering and referring providers. The request included funding for implementation of a provider web

portal for enrollment, mandatory database checks at enrollment on a monthly basis and at revalidation every five years, site visits of moderate and high risk providers and background checks and fingerprinting of providers at a certain risk level. (\$657,380 Gen and \$1,972,140 Fed in FY15-16, \$639,135 General and \$1,917,403 Fed in FY16-17)

Eligibility System Maintenance and Operation The Affordable Care Act required changes to the Medicaid eligibility system. The system changes have been implemented. Funding is needed for ongoing operational costs and maintenance and additional staff are needed to maintain the system for changes in state business rules, legislative updates and processes. Updates are also needed to keep the system synchronized with other systems such as N-FOCUS. Funds are also include an increase in the vendor contract with Wipro is for hosting, maintaining and operating the system. The match rates for each activity varies from 50/50, 75/25 and 90/10 Federal and General. (\$1,484,435 Gen and \$4,453,304 Fed in FY2016-17)

Developmental disability service coordinators The budget includes funding for two additional service coordinators to meet the assessment and waiver compliance needs for new graduates entering developmental disability services (\$73,111 General each year)

Department of Correctional Services (DCS)

Inmate Medical Costs Funds for higher inmate medical costs amounting to \$8,770,710 in FY15-16 and \$11,050,102 in FY16-17 were included in the budget. DCS is required to provide inmates with the community standard of medical care.

DCS states that health care costs have increased significantly during recent years. This is attributed to an increase in the inmate population, an aging inmate population, inflation, and the new Hepatitis C treatment.

The FDA recently approved a new treatment drug for Hepatitis C. The prescription drug Sovaldi has proven highly effective in treating those receptive to the drug therapy. The minimum course of treatment is three months, with many patients requiring extended treatments. The average length for a DCS inmate is 4.65 months. DCS estimates 72 inmates per year will receive the Hepatitis C treatment. DCS notes that prisons historically have a higher concentration of persons with the disease than in the general public, and typically more severe cases. Hepatitis C impacts approximately 10% of the inmate population.

Inmate Per Diem Costs The budget includes an additional \$1,061,343 in FY16 and \$1,552,644 in FY17 for increased inmate per diem costs. Inmate per diem costs are those expenses associated with the daily living expenses of inmates. These costs include food, institutional supplies (cleaning, cell and food service supplies), and clothing. The inmate population has increased 10.7% over the last four years. Future increases are projected at 2% a year. With the increase in the inmate population, DCS must provide meals, clothing, personal supplies, and other items based on the number of inmates.

Security Staffing Additional General Funds of \$2,589,899 in FY16 and \$2,538,978 in FY17 were provided for 59 additional security staff. These staff are needed on the housing units and during any movement of inmates. Currently, overtime is required to ensure all mandatory posts are filled when assigned staff use leave or are in training.

Behavioral Health Staffing Behavioral Health staff conduct programming for inmates with a variety of needs: Mental Health, Sex Offender, Anger and Violence issues, and Substance Abuse. DCS states that by adding staff, more opportunities for treatment will be available to the inmate population.

DCS states that another component of this request is to implement the Behavioral Health Practitioner Job Series: Upgrading Chemical Dependency Counselors and Mental Health Practitioners into a single classification series, which allows for implementation of the dually licensed reclassification. This allows for the treatment for inmates who have both needs, as they do not have to take part in two separate programs. This follows the national trend.

Item	FY16	FY17	FTE
Chemical Dependency Counselor (Dual Licensed)	339,034	339,034	0.00
Mental Health Practitioner II (Dual Licensed)	328,374	328,374	8.00
Administrative Assistant I	129,093	129,093	4.00
Mental Health Security Spec II	29,320	29,320	1.00
Psychologist/Licensed	58,928	58,928	1.00
Benefits	265,425	265,425	
Operating	65,003	20,500	
Total	1,215,177	1,170,674	14.00

Violence Reduction Program The Violence Reduction Program (VRP) is an 8-9 month program designed to provide inmates the opportunity to understand, manage, and reduce their violent offending. The purpose of the VRP is to help program participants decrease the frequency and intensity of their violent behaviors. VRP is currently only available at NSP. By expanding the VRP to Tecumseh (TSCI), more inmates will have access to this programming. A Psychologist and 2 Behavioral Health Practitioners would work specifically in that program. DCS states ensuring that high risk inmates have access to programming is important, particularly when they are beginning the re-entry process. (\$197,748 Gen FY16, \$187,827 Gen FY17)

County Jail Program In the 2014 session, in order to temporarily ease current DCS capacity issues, funding was provided for DCS to contract with willing counties to house up to 150 Nebraska inmates in county jails. The funding amounts, all General Funds, were \$723,604 in FY2013-14 (two months) and \$4,226,625 in FY2014-15 (full year). This was considered one-time funding with longer term solutions part of the prison population reform.

The budget includes a total of \$5,000,000 in FY2015-16 (and increase of \$773,375) to allow the Department of Correctional Services (DCS) to continue to contract with county jail facilities to house DCS inmates (county jail program). If DCS believes that the need still exists in FY2016-17, then they may request General Funds for the county jail program.

LB 605 Justice Reinvestment Act. In the 2015 session, the Legislature enacted LB 605 to begin addressing overcrowding in the correctional system. This bill was the result of a study conducted by the Nebraska Justice Reinvestment Working Group, an inter-branch working group established under LB 907-2014, in cooperation with the Council of State Governments Justice Center. LB 605 expands the use of probation in lieu of incarceration, ensures that more people receive supervision upon release from prison, and bolsters parole supervision practices to reduce recidivism. Specific provisions of the bill include:

- Creates a new "Class IIA" felony classification, and revises the penalties for Class IV, IIIA, and III felonies to create periods of post-release supervision
- Updates dollar thresholds for certain violations to account for inflation
- Change certain offenses from Class IIIA to IIA felonies, and from Class IV to Class IIIA felonies
- Require misdemeanor sentences of imprisonment, except those served concurrently or consecutively with a felony sentence, to be served in jail rather than prison.
- Require DCS and the Probation Administration to ensure that a post-release supervision plan is created for each committed offender who will be released from the Department to serve a term of post-release supervision as a probationer
- Require the Board of Parole to promulgate rules and regulations to reduce the number of committed offenders who are released from prison without any supervision.
- Require parole administration to adopt a risk assessment tool and provide training to parole officers in a number of areas by July 1, 2016 and for all new officers within 1 year of hire.
- Require DCS, in consultation with the State Court Administrator, to promulgate rules and regulations regarding the payment of restitution and direct DCS to collect restitution from inmate wage funds.
- Increases the maximum amount allowed for an award from the Victim Compensation Fund from \$10,000 to \$25,000.
- Creates the County Justice Reinvestment Grant Program within the Nebraska Commission on Law Enforcement and Criminal Justice to provide grants to counties to help offset increased jail costs due to provisions of the bill.

General Fund costs to implement the bill total \$1,763,046 in FY2015-16 and \$4,939,695 in FY2016-17. Costs are projected to increase over the following two years as more offenders are applicable to the bill provisions. The following table summarizes the impact by agency.

Estimated GF Costs – LB 605	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Probation (Field)	475,592	2,959,038	4,544,636	5,501,962
Probation (Reporting Centers)	769,373	1,785,628	2,521,759	2,997,807
Probation (Administration)	427,435	1,053,813	1,531,990	1,735,210
Probation (Offender Program Expenses)	664,500	3,721,740	5,162,351	6,411,390
Court Administration	308,328	422,651	718,870	1,146,806
Subtotal - Courts	2,645,228	9,942,870	14,479,606	17,793,175
Corrections (net)*	(882,182)	(5,603,284)	(5,603,284)	(5,603,284)
Crime Commission	0	600,109	600,109	600,109
Total General Funds	1,763,046	4,939,695	9,476,431	12,790,000
Employee FTE	30.0	72.0	106.0	123.0

* The Department of Correctional Services (DCS) estimates that changes in LB605 would reduce the prison population by 216 in FY15-16 and 864 in FY16-17.

LB 598 Inspector General, mentally ill inmates, parole administration. The legislature also enacted LB 598 which implements several of the recommendations made by the Department of Correctional Services Special Investigative Committee (the LR424 Committee) and the Performance

Audit Committee from its audit of the Department of Correctional Services (DCS). Specific provisions of the bill include

- Create the Office of Inspector General of the Nebraska Correctional System within the Office of Public Counsel (Ombudsman's office)
- Move primary responsibility for the administration of parole out of the DCS to the Board of Parole beginning June 1, 2016 and directs that Board of Parole staff includes, at a minimum, administrative staff to assist the board with parole reviews, revocations, and hearings; at least one legal counsel; at least one fiscal analyst, policy analyst, or data analyst; and at least one staff member to assist with the daily supervision and training of employees. The bill would also require compensation for parole officers to be substantially equal to other state employees who have similar responsibilities.
- Require the department to maintain electronic records for committed offenders, which include information about programming recommendations, completion of programming, time spent in housing other than general population, and medical records
- Amend law regarding the development of a personalized program plan and a reentry plan to require the department to include a committed offender in the development of his or her personalized program plan, and provide any committed offender who has a mental illness with the community standard of mental health care. The department would also be required to initiate a commitment proceeding prior to release, if needed.
- require the Department to adopt rules and regulations for the use of segregation and the creation of individualized transition plans back to general population or to society for each committed offender held in segregation. DCS is also to establish a working group to advise the department on policies and procedures related to the proper treatment and care of offenders in long-term segregation or isolation.
- change the re-entry pilot program into a permanent program

GF Only	FY16 FTE	FY17 FTE	FY2015-16	FY16-17
<u>Move Parole Admin to Parole Board</u>				
Parole Board	0.0	63.0	0	5,398,845
Corrections	0.0	(63.0)	0	(5,398,845)
<u>Additional Staff:</u>				
Parole Board	4.0	8.0	463,522	558,003
Corrections	4.0	4.0	482,565	471,165
Ombudsman	1.0	1.0	86,468	85,831
Total General Funds	9.0	13.0	1,032,555	1,114,999

State Colleges

The enacted budget provides increased General Fund appropriations for the Nebraska State College System amounting to a 3.0% increase for both 2015-16 and 2016-17 amounting to \$1.4 million in FY2015-16 and \$3.0 million in FY2016-17. These increases in General Funds are intended to provide support for anticipated increases in Nebraska State College System operating expenses including increases in faculty and staff salaries and benefits and increases in various non-personnel operating expenses.

University of Nebraska

The budget provides for a general 3% per year increase in General Fund appropriations for the University of Nebraska totaling \$16.3 million in FY2015-16 and \$33.1 million in FY2016-17. In addition to the 3% general increase, the budget also includes funding for several specific items.

Pediatric Cancer Last session, \$1.8 million was included in FY14-15 for pediatric cancer research dollars. This was considered to be one-time funding. However, the committee proposed budget continues the \$1.8 million of which \$1,500,000 per year is for pediatric cancer research (LB471) and \$300,000 is for pediatric cancer specialists (LB110).

Health Science Education Center. The health center is a collaboration between the University of Nebraska Medical Center (UNMC) and the University of Nebraska at Kearney (UNK) that will expand UNMC nursing and allied health programs at UNK. Funds are provided for the operating and maintenance costs associated with the new building and academic program costs associated with the expansion.. (\$1,424,000 FY16 and \$2,424,000 FY17)

Global Center for Advanced Interprofessional Learning (LB533) Funds are provided for the academic program costs and the operating and maintenance cost associated with the Global Center for Advanced Interprofessional Learning. A \$25 million appropriation from the Nebraska Capital Construction Fund is included for the construction of the project. The Center will utilize next-generation virtual technology to provide hands-on competency-based training. Simulated real-life clinics and hospital space will allow students and practicing health care professionals to hone their skills before treating actual patients. The ability to practice real-life scenarios in a virtual environment before treating patients is critical to this project.

Yeutter Institute for International Trade and Finance (LB496) Funds are appropriated to support the Yeutter Institute for International Trade and Finance to expand the international component for teaching and research programs by supporting endowed chairs at the University of Nebraska. Funds are to be matched by at least \$2,500,000 of private funds. The funds appropriated for the Yeutter Institute are to be used, administered, and invested in such a manner as the Board of Regents determines, provided such funds are invested as authorized by section 72-1246 with only the income expended for endowed chairs. (\$1,250,000 FY16 and \$1,250,000 FY17)

Nebraska Business Development Initiatives Funds are provided for increased State support for the Nebraska Business Development Center (NBDC) at UNO. The NBDC provides consulting and educational services to small and mid-sized businesses across the State. UNO would be in a position to qualify for additional federal funds when state support is increased.. (\$100,000 FY16 and \$100,000 FY17)

Biomedical Institute. Funds are provided for the Nebraska Advanced Biomedical Technology Innovation and Discovery Institute (NABID). NABID is a joint project led by UNMC and UNO to expand partnerships with public institutions and private businesses in biomedical technology. NABID will help ensure that innovation by Nebraskans are developed and manufactured by Nebraska businesses. Funds would be used for dedicated space for collaboration; seed funding for new research projects; matching funding to attract Federal, foundation and industry support: recruitment of key faculty; industry participation through membership and advisory committees; and research, education and community engagement. (\$750,000 FY16 and \$1,000,000 FY17)

NCTA Veterinarian Funds are provided for a staff veterinarian. The Nebraska College of Technical Agriculture (NCTA) has established a new program within the Veterinary Technology Systems Division called Comparative Medicine. The staff veterinarian will head the program, as well as oversee herd health for the cow-calf and horse herds, and other large animals in the NCTA teaching program. (\$100,000 FY16 and \$100,000 FY17)

NCTA Talent Enhancement Funds are provided for faculty salary enhancement. Faculty salaries at the Nebraska College of Technical Agriculture (NTCA) are low compared to peers as outlined in 2013 IPEDS report. Additional funding is required in order to recruit and retain quality full-time and part-time faculty as well as adjunct or contract instructors, and to align salaries with peer institutions. (\$160,150 FY16 and \$320,300 FY17)

Defined Benefit / Cash Balance Retirement Plans

The Public Employees Retirement Board (PERB) is the entity through which the state contributes funding for the three defined benefit plans for K-12 school employees, judges, and State Patrol. Financing for the benefits provided by these three defined benefit plans comes from employee and matching employer contributions as set in statute, court fees (for the judges plan), the investment return on those contributions, and state contributions as required by statute. There also are two cash balance plans which are what could be termed “defined return” plans where the state in essence guarantees an annual return on the investment not a guaranteed benefit amount. In both cases, when revenue from these sources is not actuarially sufficient, state appropriations are required. For all these programs, the state General Fund is responsible for financing any actuarial shortfalls in these programs at statutory employee and employer contribution rates.

Each fall, actuaries provide an assessment as to the status of the defined benefit plans as of the preceding July 1. The fall 2014 report showed investment returns (market value) for the prior plan year of 18%. Even adjusted from a market value to an actuarial value basis, this return was 13%. On a cautionary note, the year to date returns for this year are significantly lower which would indicate that the financial condition of the plans could decline in the fall 2015 report.

For the school plan, with the changes made in 2013 and the 2013-2014 investment return, there was no actuarial shortfall in the school plan. Additional state funds are budgeted only to cover the required 2% of salary for both the state and Omaha plan.

The State Patrol plan still had an actuarial shortfall but the amount was not significantly different than the prior year amount which was included in the base budget.

The Judges retirement plan had an increase of \$655,849 in the actuarial shortfall. This was covered through enactment of LB468 which reallocated a portion of court fees to help supplement the retirement fund. This negates the increase in the actuarial shortfall.

Table 28 shows the projected actuarial shortfalls by plan, the additional funds included in the budget bill and the net change between the two. Following is a summary

Table 28 State Costs - Defined Benefit / Cash Balance Plan

Retirement Plans	Base Yr	Biennial Budget		Following Biennium	
	FY2014-15	FY2015-16	FY2016-17	FY2017-18	FY2018-19
Components					
School - 2% Salary State	34,703,519	35,493,591	35,800,000	36,300,000	36,800,000
School - 2% Salary Omaha	6,285,320	6,540,870	6,490,362	6,590,362	6,690,362
School - Omaha Service Annuity	909,638	909,638	909,638	909,638	909,638
School - Additional State Contribution	0	0	0	0	0
Judges - Additional State Contribution	94,000	749,849	624,000	676,000	590,000
Judges - Additional court fees (LB468)	0	(655,849)	(624,000)	(624,000)	(624,000)
Patrol - Military Service Credit	0	(213,719)	0	0	0
Patrol - Additional State Contribution	4,652,774	4,653,058	3,200,000	3,000,000	2,500,000
Total	46,645,251	47,477,438	46,400,000	46,852,000	46,866,000
By Plan					
School	41,898,477	42,944,099	43,200,000	43,800,000	44,400,000
Judges	94,000	749,849	624,000	676,000	590,000
Patrol	4,652,774	4,439,339	3,200,000	3,000,000	2,500,000
Total	46,645,251	48,133,287	47,024,000	47,476,000	47,490,000

State Employee Salary Increases

Collective bargaining agreements have been negotiated with the various bargaining units and are described in the following narrative. All percent increases shown are to be implemented July 1. Table 29 shows the General Fund amount funded.

Table 30 shows the historical salary increases over the past 10 years based on the NAPE master contract. Also shown is how these pay increases would be reflected as an annual percent change on a fiscal year basis for an average state employee (base FY85 salary of \$18,000). Note this table does not reflect salary increases for higher education or other bargaining units such as SLEBEC. Also not reflected is the impact of specific reclassifications or pay grade changes that may have occurred over the years. Over the 10-year period FY07 to FY17, employee salary increases averaged 2.2% per year.

Table 29 Funded Salary Increases

General Funds Only	FY2015-16	FY2016-17
State Agencies	10,442,336	21,791,731
State Colleges	na	na
University of Nebraska	na	na
Subtotal: July 1 ATB	10,442,336	21,791,731
Other adjustments	0	0
Total General Fund Salaries	10,442,336	21,791,731

Nebraska Association of Public

Employees (NAPE-AFSCME) Collective

bargaining agreements have been reached with NAPE-AFSCME on a labor contract for FY2015-16 and FY2016-17. The contract calls for a 2.25% salary increase on July 1, 2015 (FY2015-16) and a 2.40% increase on July 1, 2016 (FY2016-17).

Non-Bargaining Employees This category covers employees who are not eligible for bargaining. This includes certain supervisory and management positions, and employees under constitutional agencies such as the Legislative Council, Governor, Secretary of State, Attorney General, etc... The

budget includes funding for the same increase as the NAPE/AFSCME Master Contract as noted above, 2.25% salary increase in FY15-16 and 2.4% in FY2016-17.

Table 30 Historical NAPE Master Contracts

Fiscal Year	General Salary Policy	FY basis % Chnge
FY2003-04	1.5% on July 1	2.75%
FY2004-05	2.0% on July 1	2.00%
FY2005-06	3.0% on July 1	3.00%
FY2006-07	3.25% on July 1	3.25%
FY2007-08 *	3.0% on July 1	3.00%
FY2008-09*	2.5% on July 1	2.50%
FY2009-10	2.9% on July 1	2.90%
FY2010-11	2.5% on July 1	2.50%
FY2011-12	No Salary Increase	0.00%
FY2012-13	2.0% on July 1	2.00%
FY2013-14	2.25% on July 1	2.00%
FY2014-15	2.25% on July 1	2.00%
FY2015-16	2.25% on July 1	2.25%
FY2016-17	2.40% on July 1	2.40%
Ten Year Average (FY07 to FY17)		2.20%

*additional amounts for specific units

State Employee Health Insurance

State Employees In the previous biennial budget, no additional funds were budgeted for employee health insurance costs as a that time, fund balances and existing rates plus plan and enrollment changes were adequate for the next two fiscal years. Furthermore, in November and December 2012, the Department of Administrative Services implemented a moratorium on health insurance premium payments.

Table 31 Health Insurance Cost Increases

General Funds Only	FY2015-16	FY2016-17
State Employees	8,307,595	12,044,710
State Colleges	na	na
University of Nebraska	na	na
Total General Fund costs	8,307,595	12,044,710

For the upcoming biennium, with fund balances drawn down and plan and enrollment changes already incorporated into the base budgets, there is estimated to be a significant increase in health insurance rates. Although final rates have not yet been set, the Governors' budget was based on a 12.7% increase in FY15-16 and an additional 5% in FY16-17. The budget also includes these projected increases.

Table 32 shows the historical trends in health insurance rates. The comparison uses United Health Care (UHC) Regular Plan which historically most closely matches the UHC and Blue Cross/Blue Shield (BC/BS) Choice family coverage insurance plan most consistently offered over the years. The Choice plan was not offered after FY13. The ten-year average annual increase is 6.9% including projected rates for FY14 and FY15.

Table 32 Historical Health Insurance Rates – Choice / Regular Plan, Family Coverage

(Family Coverage)	Dollar Cost Per Employee - FY Basis				Percent of Total		
	Employee	Employer	Total	% Change	Employee	Employer	Trust
FY2000-01 (Choice Plan)	2,207.58	8,304.60	10,512.18	7.1%	21.0%	79.0%	100.0%
FY2001-02 (Choice Plan)	2,360.94	8,881.62	11,242.56	6.9%	21.0%	79.0%	100.0%
FY2002-03 (Choice Plan)	2,503.20	9,416.76	11,919.96	6.0%	21.0%	79.0%	100.0%
FY2003-04 (Choice Plan)	2,686.26	10,105.50	12,791.76	7.3%	21.0%	79.0%	100.0%
FY2004-05 (Choice Plan)	2,859.60	10,758.00	13,617.60	6.5%	21.0%	79.0%	100.0%
FY2005-06 (Choice Plan)	3,313.56	12,465.96	15,779.52	15.9%	21.0%	79.0%	100.0%
FY2006-07 (Choice Plan)	3,776.28	14,206.56	17,982.84	14.0%	21.0%	79.0%	100.0%
FY2007-08 (Choice Plan)	4,206.72	15,825.48	20,032.20	11.4%	21.0%	79.0%	100.0%
FY2008-09 (Choice Plan)	4,647.48	17,483.28	22,130.76	10.5%	21.0%	79.0%	100.0%
FY2009-10 (Choice Plan)	5,181.36	19,491.36	24,672.72	11.5%	21.0%	79.0%	100.0%
FY2010-11 (Choice Plan)	5,682.24	21,376.08	27,058.32	9.7%	21.0%	79.0%	100.0%
FY2011-12 (Choice Plan)	5,696.40	21,429.12	27,125.52	0.2%	21.0%	79.0%	100.0%
FY2012-13 (Choice Plan)	5,559.60	20,914.80	26,474.40	-2.4%	21.0%	79.0%	100.0%
FY2013-14 (Regular Plan)	5,837.76	21,960.48	27,798.24	5.0%	21.0%	79.0%	100.0%
FY2014-15 (Regular Plan)	4,950.72	18,624.96	23,575.68	-15.2%	21.0%	79.0%	100.0%
FY2015-16 (Regular Plan) est	5,727.98	21,549.08	27,277.06	15.7%	21.0%	79.0%	100.0%
FY2016-17 (Regular Plan) est	6,014.38	22,626.53	28,640.91	5.0%	21.0%	79.0%	100.0%
<u>Average Annual Change</u>							
FY05 to FY15 (10 Yr)	4.8%	4.8%	4.8%				

The table above shows the historical trends in health insurance rates for a specific coverage. For most of that time, the Choice Plan was the most chosen plan. However, starting in FY13-14 the Wellness PPO plan is now the most chosen plan. The rates in the Wellness plan are significantly less than the Choice or Regular plans in the past. For example the FY15 family coverage rates for the Wellness PPO are \$4,128 employee and \$15,523 employer which is about 17% less than the family coverage Regular plan.

General Fund Appropriations By Agency

FY16 / FY17 Biennial Budget as Enacted in the 2015 Legislative Session

		Type	w/o deficits FY2014-15	Enacted FY2015-16	Enacted FY2016-17	FY16 vs Prior Yr		FY17 vs Prior Yr	
						\$ Chnge	% Chnge	\$ Chnge	% Chnge
#03	Legislative Council	Oper	19,095,539	20,288,117	20,855,311	1,192,578	6.2%	567,194	2.8%
#03	Legislative Council	Total	19,095,539	20,288,117	20,855,311	1,192,578	6.2%	567,194	2.8%
#05	Supreme Court	Aid	200,000	300,000	300,000	100,000	50.0%	0	0.0%
#05	Supreme Court	Oper	149,427,839	166,968,022	179,080,632	17,540,183	11.7%	12,112,610	7.3%
#05	Supreme Court	Total	149,627,839	167,268,022	179,380,632	17,640,183	11.8%	12,112,610	7.2%
#07	Governor	Oper	1,879,549	2,238,705	2,280,286	359,156	19.1%	41,581	1.9%
#07	Governor	Total	1,879,549	2,238,705	2,280,286	359,156	19.1%	41,581	1.9%
#08	Lt. Governor	Oper	144,051	147,735	149,486	3,684	2.6%	1,751	1.2%
#08	Lt. Governor	Total	144,051	147,735	149,486	3,684	2.6%	1,751	1.2%
#09	Secretary of State	Oper	1,496,302	1,533,199	1,943,347	36,897	2.5%	410,148	26.8%
#09	Secretary of State	Total	1,496,302	1,533,199	1,943,347	36,897	2.5%	410,148	26.8%
#10	State Auditor	Oper	2,295,617	2,540,804	2,609,327	245,187	10.7%	68,523	2.7%
#10	State Auditor	Total	2,295,617	2,540,804	2,609,327	245,187	10.7%	68,523	2.7%
#11	Attorney General	Oper	5,638,473	6,420,860	6,344,957	782,387	13.9%	(75,903)	-1.2%
#11	Attorney General	Total	5,638,473	6,420,860	6,344,957	782,387	13.9%	(75,903)	-1.2%
#12	State Treasurer	Oper	1,301,283	1,284,247	1,303,949	(17,036)	-1.3%	19,702	1.5%
#12	State Treasurer	Total	1,301,283	1,284,247	1,303,949	(17,036)	-1.3%	19,702	1.5%
#13	Education	Aid	1,156,384,882	1,193,669,501	1,210,050,102	37,284,619	3.2%	16,380,601	1.4%
#13	Education	Oper	20,643,004	25,054,407	25,498,938	4,411,403	21.4%	444,531	1.8%
#13	Education	Total	1,177,027,886	1,218,723,908	1,235,549,040	41,696,022	3.5%	16,825,132	1.4%
#14	Public Service Comm	Oper	2,429,539	2,498,741	2,540,808	69,202	2.8%	42,067	1.7%
#14	Public Service Comm	Total	2,429,539	2,498,741	2,540,808	69,202	2.8%	42,067	1.7%
#15	Parole Board	Oper	850,640	1,339,778	6,398,862	489,138	57.5%	5,059,084	377.6%
#15	Parole Board	Total	850,640	1,339,778	6,398,862	489,138	57.5%	5,059,084	377.6%
#16	Revenue	Aid	73,521,000	71,000,000	90,915,000	(2,521,000)	-3.4%	19,915,000	28.0%
#16	Revenue	Oper	26,428,021	26,805,142	27,256,828	377,121	1.4%	451,686	1.7%
#16	Revenue	Total	99,949,021	97,805,142	118,171,828	(2,143,879)	-2.1%	20,366,686	20.8%
#18	Agriculture	Oper	5,922,021	6,162,817	6,217,820	240,796	4.1%	55,003	0.9%
#18	Agriculture	Total	5,922,021	6,162,817	6,217,820	240,796	4.1%	55,003	0.9%
#21	Fire Marshal	Oper	4,093,785	4,238,438	4,356,727	144,653	3.5%	118,289	2.8%
#21	Fire Marshal	Total	4,093,785	4,238,438	4,356,727	144,653	3.5%	118,289	2.8%
#23	Labor	Oper	663,563	679,089	690,814	15,526	2.3%	11,725	1.7%
#23	Labor	Total	663,563	679,089	690,814	15,526	2.3%	11,725	1.7%
#25	HHS System	Aid	1,278,863,443	1,324,037,956	1,375,433,321	45,174,513	3.5%	51,395,365	3.9%
#25	HHS System	Oper	235,054,760	250,901,024	256,756,287	15,846,264	6.7%	5,855,263	2.3%
#25	HHS System	Total	1,513,918,203	1,574,938,980	1,632,189,608	61,020,777	4.0%	57,250,628	3.6%
#28	Veterans Affairs	Oper	1,228,082	1,248,920	1,280,986	20,838	1.7%	32,066	2.6%
#28	Veterans Affairs	Total	1,228,082	1,248,920	1,280,986	20,838	1.7%	32,066	2.6%
#29	Natural Resources	Aid	16,301,154	5,458,361	5,458,361	(10,842,793)	-66.5%	0	0.0%
#29	Natural Resources	Oper	10,849,418	11,086,574	11,286,789	237,156	2.2%	200,215	1.8%
#29	Natural Resources	Total	27,150,572	16,544,935	16,745,150	(10,605,637)	-39.1%	200,215	1.2%

	Type	w/o deficits FY2014-15	Enacted FY2015-16	Enacted FY2016-17	FY16 vs Prior Yr		FY17 vs Prior Yr	
					\$ Chnge	% Chnge	\$ Chnge	% Chnge
#31 Military Dept	Aid	988,775	858,775	858,775	(130,000)	-13.1%	0	0.0%
#31 Military Dept	Oper	4,276,279	4,406,319	4,485,933	130,040	3.0%	79,614	1.8%
#31 Military Dept	Total	5,265,054	5,265,094	5,344,708	40	0.0%	79,614	1.5%
#32 Ed Lands & Funds	Oper	321,217	328,604	335,359	7,387	2.3%	6,755	2.1%
#32 Ed Lands & Funds	Total	321,217	328,604	335,359	7,387	2.3%	6,755	2.1%
#33 Game & Parks	Aid	42,011	42,011	42,011	0	0.0%	0	0.0%
#33 Game & Parks	Oper	11,148,845	11,841,970	12,031,872	693,125	6.2%	189,902	1.6%
#33 Game & Parks	Total	11,190,856	11,883,981	12,073,883	693,125	6.2%	189,902	1.6%
#34 Library Commission	Aid	1,209,240	1,271,970	1,295,085	62,730	5.2%	23,115	1.8%
#34 Library Commission	Oper	2,569,572	2,691,538	2,790,888	121,966	4.7%	99,350	3.7%
#34 Library Commission	Total	3,778,812	3,963,508	4,085,973	184,696	4.9%	122,465	3.1%
#35 Liquor Control	Oper	1,046,759	1,285,358	1,298,648	238,599	22.8%	13,290	1.0%
#35 Liquor Control	Total	1,046,759	1,285,358	1,298,648	238,599	22.8%	13,290	1.0%
#46 Correctional Services	Aid	3,500,000	3,500,000	3,500,000	0	0.0%	0	0.0%
#46 Correctional Services	Oper	181,813,346	201,754,397	192,864,541	19,941,051	11.0%	(8,889,856)	-4.4%
#46 Correctional Services	Total	185,313,346	205,254,397	196,364,541	19,941,051	10.8%	(8,889,856)	-4.3%
#47 NETC	Oper	9,840,715	10,173,789	10,329,068	333,074	3.4%	155,279	1.5%
#47 NETC	Total	9,840,715	10,173,789	10,329,068	333,074	3.4%	155,279	1.5%
#48 Coordinating Comm	Aid	7,553,156	7,603,156	7,603,156	50,000	0.7%	0	0.0%
#48 Coordinating Comm	Oper	1,321,637	1,384,210	1,403,607	62,573	4.7%	19,397	1.4%
#48 Coordinating Comm	Total	8,874,793	8,987,366	9,006,763	112,573	1.3%	19,397	0.2%
#50 State Colleges	Oper	49,396,030	50,877,911	52,404,248	1,481,881	3.0%	1,526,337	3.0%
#50 State Colleges	Total	49,396,030	50,877,911	52,404,248	1,481,881	3.0%	1,526,337	3.0%
#51 University of Nebraska	Oper	542,816,884	563,885,541	583,068,732	21,068,657	3.9%	19,183,191	3.4%
#51 University of Nebraska	Total	542,816,884	563,885,541	583,068,732	21,068,657	3.9%	19,183,191	3.4%
#54 Historical Society	Oper	4,932,223	5,110,695	4,652,409	178,472	3.6%	(458,286)	-9.0%
#54 Historical Society	Total	4,932,223	5,110,695	4,652,409	178,472	3.6%	(458,286)	-9.0%
#64 State Patrol	Oper	56,576,821	58,537,010	60,095,811	1,960,189	3.5%	1,558,801	2.7%
#64 State Patrol	Total	56,576,821	58,537,010	60,095,811	1,960,189	3.5%	1,558,801	2.7%
#65 Admin Services (DAS)	Oper	7,821,743	8,580,996	8,880,092	759,253	9.7%	299,096	3.5%
#65 Admin Services (DAS)	Total	7,821,743	8,580,996	8,880,092	759,253	9.7%	299,096	3.5%
#67 Equal Opportunity	Oper	1,186,439	1,186,572	1,262,802	133	0.0%	76,230	6.4%
#67 Equal Opportunity	Total	1,186,439	1,186,572	1,262,802	133	0.0%	76,230	6.4%
#68 Latino American Comm.	Oper	190,981	202,917	207,834	11,936	6.2%	4,917	2.4%
#68 Latino American Comm.	Total	190,981	202,917	207,834	11,936	6.2%	4,917	2.4%
#69 Arts Council	Aid	903,069	940,069	943,069	37,000	4.1%	3,000	0.3%
#69 Arts Council	Oper	604,088	600,001	618,415	(4,087)	-0.7%	18,414	3.1%
#69 Arts Council	Total	1,507,157	1,540,070	1,561,484	32,913	2.2%	21,414	1.4%
#70 Foster Care Review	Oper	1,616,119	2,020,653	1,865,446	404,534	25.0%	(155,207)	-7.7%
#70 Foster Care Review	Total	1,616,119	2,020,653	1,865,446	404,534	25.0%	(155,207)	-7.7%
#71 State Energy Office	Oper	0	411,750	218,472	411,750	na	(193,278)	-46.9%
#71 State Energy Office	Total	0	411,750	218,472	411,750	na	(193,278)	-46.9%
#72 Economic Development	Aid	6,860,000	7,360,000	7,360,000	500,000	7.3%	0	0.0%
#72 Economic Development	Oper	4,899,875	5,272,259	5,351,328	372,384	7.6%	79,069	1.5%
#72 Economic Development	Total	11,759,875	12,632,259	12,711,328	872,384	7.4%	79,069	0.6%

		Type	w/o deficits FY2014-15	Enacted FY2015-16	Enacted FY2016-17	FY16 vs Prior Yr		FY17 vs Prior Yr	
						\$ Chnge	% Chnge	\$ Chnge	% Chnge
#74	Power Review Board	Oper	200,000	0	0	(200,000)	-100.0%	0	na
#74	Power Review Board	Total	200,000	0	0	(200,000)	-100.0%	0	na
#76	Indian Commission	Oper	208,175	215,260	220,673	7,085	3.4%	5,413	2.5%
#76	Indian Commission	Total	208,175	215,260	220,673	7,085	3.4%	5,413	2.5%
#77	Industrial Relations	Oper	313,047	320,351	325,660	7,304	2.3%	5,309	1.7%
#77	Industrial Relations	Total	313,047	320,351	325,660	7,304	2.3%	5,309	1.7%
#78	Crime Commission	Aid	5,973,828	7,323,828	7,823,828	1,350,000	22.6%	500,000	6.8%
#78	Crime Commission	Oper	3,706,000	4,632,365	4,827,995	926,365	25.0%	195,630	4.2%
#78	Crime Commission	Total	9,679,828	11,956,193	12,651,823	2,276,365	23.5%	695,630	5.8%
#81	Blind & Visually Impaired	Aid	176,890	176,890	176,890	0	0.0%	0	0.0%
#81	Blind & Visually Impaired	Oper	869,100	953,655	971,637	84,555	9.7%	17,982	1.9%
#81	Blind & Visually Impaired	Total	1,045,990	1,130,545	1,148,527	84,555	8.1%	17,982	1.6%
#82	Deaf & Hard of Hearing	Oper	874,808	1,011,990	1,016,914	137,182	15.7%	4,924	0.5%
#82	Deaf & Hard of Hearing	Total	874,808	1,011,990	1,016,914	137,182	15.7%	4,924	0.5%
#83	Community Colleges	Aid	95,040,351	97,891,562	100,828,308	2,851,211	3.0%	2,936,746	3.0%
#83	Community Colleges	Total	95,040,351	97,891,562	100,828,308	2,851,211	3.0%	2,936,746	3.0%
#84	Environmental Quality	Aid	2,141,196	2,141,196	2,141,196	0	0.0%	0	0.0%
#84	Environmental Quality	Oper	3,393,198	3,694,600	3,922,413	301,402	8.9%	227,813	6.2%
#84	Environmental Quality	Total	5,534,394	5,835,796	6,063,609	301,402	5.4%	227,813	3.9%
#85	Retirement Board	Oper	46,645,251	47,477,438	46,400,000	832,187	1.8%	(1,077,438)	-2.3%
#85	Retirement Board	Total	46,645,251	47,477,438	46,400,000	832,187	1.8%	(1,077,438)	-2.3%
#87	Account/Disclosure	Oper	468,402	484,947	497,268	16,545	3.5%	12,321	2.5%
#87	Account/Disclosure	Total	468,402	484,947	497,268	16,545	3.5%	12,321	2.5%
#91	Tourism Commission	Aid	250,000	250,000	250,000	0	0.0%	0	0.0%
#91	Tourism Commission	Oper	250,000	0	0	(250,000)	-100.0%	0	na
#91	Tourism Commission	Total	500,000	250,000	250,000	(250,000)	-50.0%	0	0.0%
#93	Tax Equal/Review Comm	Oper	730,051	816,079	837,359	86,028	11.8%	21,280	2.6%
#93	Tax Equal/Review Comm	Total	730,051	816,079	837,359	86,028	11.8%	21,280	2.6%
Capital Construction		Total	26,437,444	26,382,800	22,239,000	(54,644)	-0.2%	(4,143,800)	-15.7%
OPERATIONS			1,429,479,091	1,521,595,794	1,560,037,578	92,116,703	6.4%	38,441,784	2.5%
STATE AID			2,649,908,995	2,723,825,275	2,814,979,102	73,916,280	2.8%	91,153,827	3.3%
CONSTRUCTION			26,437,444	26,382,800	22,239,000	(54,644)	-0.2%	(4,143,800)	-15.7%
TOTAL GENERAL FUNDS			4,105,825,530	4,271,803,869	4,397,255,680	165,978,339	4.0%	125,451,811	2.9%

General Fund State Aid by Aid Program

FY16 / FY17 Biennial Budget as Enacted in the 2015 Legislative Session

Agency	Aid Program	w/o Deficits FY2014-15	Enacted FY2015-16	Enacted FY2016-17	\$ Change over FY15		
					FY15-16	FY16-17	
#05	Courts	Court Appointed Special Advocate	200,000	300,000	300,000	100,000	100,000
#13	Education	TEEOSA State Aid to Education	913,571,842	950,651,625	956,243,013	37,079,783	42,671,171
#13	Education	Special Education	213,767,961	219,112,160	224,589,964	5,344,199	10,822,003
#13	Education	Aid to ESU's	14,051,761	14,051,761	14,051,761	0	0
#13	Education	High ability learner programs	0	0	2,342,962	0	2,342,962
#13	Education	Early Childhood grant program	5,235,164	1,820,164	3,770,164	(3,415,000)	(1,465,000)
#13	Education	Early Childhood Endowment	4,000,000	4,000,000	5,000,000	0	1,000,000
#13	Education	Nurturing Healthy Behaviors	400,000	400,000	400,000	0	0
#13	Education	School Lunch	392,032	392,032	392,032	0	0
#13	Education	Textbook loan program	465,500	465,500	465,500	0	0
#13	Education	School Breakfast reimbursement	453,008	542,595	561,042	89,587	108,034
#13	Education	Adult Education	214,664	214,664	214,664	0	0
#13	Education	Learning Communities Aid	725,000	500,000	500,000	(225,000)	(225,000)
#13	Education	Summer Food Service grants	130,000	130,000	130,000	0	0
#13	Education	High School Equivalency Assistance	750,000	750,000	750,000	0	0
#13	Education	Step Up Quality Child Care Scholarship	100,000	100,000	100,000	0	0
#13	Education	Step Up Quality Child Care Bonuses	26,700	69,000	69,000	42,300	42,300
#13	Education	Master Teacher Program Act (LB185)	0	470,000	470,000	470,000	470,000
#13	Education	Vocational Rehabilitation	2,101,250	0	0	(2,101,250)	(2,101,250)
#16	Revenue	Homestead Exemption	73,521,000	71,000,000	71,315,000	(2,521,000)	(2,206,000)
#16	Revenue	Personal Property Tax Relief Act	0	0	19,600,000	0	19,600,000
#25	DHHS	Behavioral Health Aid	67,444,214	69,421,172	74,044,769	1,976,958	6,600,555
#25	DHHS	ACA Contingency	0	0	0	0	0
#25	DHHS	Medical student assistance/RHOP	787,086	787,086	787,086	0	0
#25	DHHS	Children's Health Insurance	27,560,027	12,408,257	6,646,762	(15,151,770)	(20,913,265)
#25	DHHS	Public Assistance	110,319,888	111,909,169	113,094,067	1,589,281	2,774,179
#25	DHHS	Medicaid	777,723,897	818,751,907	861,800,928	41,028,010	84,077,031
#25	DHHS	Child Welfare aid	137,778,999	142,549,735	145,248,431	4,770,736	7,469,432
#25	DHHS	Developmental disabilities aid	137,040,195	145,556,246	150,660,905	8,516,051	13,620,710
#25	DHHS	Community health centers	4,308,060	5,708,060	5,783,060	1,400,000	1,475,000
#25	DHHS	Health Aid	6,437,612	7,077,612	6,917,612	640,000	480,000
#25	DHHS	Care Management	2,225,644	2,270,157	2,315,560	44,513	89,916
#25	DHHS	Area agencies on aging	7,237,821	7,598,555	8,134,141	360,734	896,320
#29	Nat Resources	Nebr Water Conservation Fund	2,318,036	2,318,036	2,318,036	0	0
#29	Nat Resources	Resources Development Fund	13,633,118	3,140,325	3,140,325	(10,492,793)	(10,492,793)
#29	Nat Resources	NRD Water Management grants	350,000	0	0	(350,000)	(350,000)
#31	Military Dept	Governors Emergency Program	500,000	250,000	250,000	(250,000)	(250,000)
#31	Military Dept	Guard tuition assistance	488,775	608,775	608,775	120,000	120,000
#33	Game & Parks	Niobrara Council	42,011	42,011	42,011	0	0
#34	Library Comm	Local libraries	1,209,240	1,271,970	1,295,085	62,730	85,845
#46	Corrections	Vocational and Life Skills Program	3,500,000	3,500,000	3,500,000	0	0
#48	Coord. Comm	Nebr Opportunity Grant Program	6,868,156	6,868,156	6,868,156	0	0
#48	Coord. Comm	Access College Early Scholarship	685,000	735,000	735,000	50,000	50,000

Agency	Aid Program	w/o Deficits FY2014-15	Enacted FY2015-16	Enacted FY2016-17	\$ Change over FY15		
					FY15-16	FY16-17	
#69	Arts Council	Aid to arts programs	903,069	940,069	943,069	37,000	40,000
#72	Econ Develop	State aid to development districts	0	500,000	500,000	500,000	500,000
#72	Econ Develop	Business Innovation Act	6,760,000	6,760,000	6,760,000	0	0
#72	Econ Develop	Grow Nebraska	100,000	100,000	100,000	0	0
#78	Crime Comm	Juvenile services grants	587,812	587,812	587,812	0	0
#78	Crime Comm	Community Based Juvenile Services	4,950,000	6,300,000	6,300,000	1,350,000	1,350,000
#78	Crime Comm	Crimestoppers program	13,457	13,457	13,457	0	0
#78	Crime Comm	County Justice Reinvestment Grants	0	0	500,000	0	500,000
#78	Crime Comm	Victim Witness assistance	52,559	52,559	52,559	0	0
#78	Crime Comm	Crime Victims reparations	20,000	20,000	20,000	0	0
#78	Crime Comm	Violence Prevention Grants	350,000	350,000	350,000	0	0
#81	Blind & Vis Imp	Blind rehabilitation	176,890	176,890	176,890	0	0
#83	Comm Colleges	Aid to Community Colleges	95,040,351	97,891,562	100,828,308	2,851,211	5,787,957
#84	Environ Qlty	Superfund cleanup	316,200	316,200	316,200	0	0
#84	Environ Qlty	Storm Water Management grants	1,824,996	1,824,996	1,824,996	0	0
#91	Tourism Comm	Tourism grant program	250,000	250,000	250,000	0	0
Individuals/Other			1,304,901,886	1,348,844,879	1,400,266,359	43,942,993	95,364,473
Local Government			1,345,007,109	1,374,980,396	1,414,712,743	29,973,287	69,705,634
Total General Fund State Aid			2,649,908,995	2,723,825,275	2,814,979,102	73,916,280	165,070,107

General Fund Appropriations by Bill

Description	FY2014-15	FY2015-16	FY2016-17
LB 72 Medicaid reimburse liens, inheritance tax petitions	0	(21,258)	(21,258)
LB 81 Changes, eligibility for child care assistance	0	678,472	814,167
LB 106 Livestock Operation Siting and Expansion Act	0	24,000	0
LB 199 Provide for stipends for social work students	0	91,622	84,700
LB 200 Marketplace Fairness Act sales tax, Property Tax Credit	0	41,202	0
LB 243 Create a pilot project, family finding services	0	902,143	908,488
LB 259 Adopt the Personal Property Tax Relief Act	0	36,120	19,600,000
LB 265 Out of home data pilot project, placements, trial home visits	0	263,732	259,232
LB 292 Changes, central registry of child protection cases	0	27,272	32,751
LB 315 Changes, Medicaid recovery audit contractors	0	42,767	42,767
LB 317 Repeal the Midwest Interstate Passenger Rail Compact	0	0	0
LB 320 Aging & Disability Resource Center Demonstration Project	0	606,865	925,094
LB 330 Change provisions relating to alcoholic liquor	0	133,956	125,445
LB 347 Expand jurisdiction, Inspector General Child Welfare	0	71,000	71,000
LB 366 Change personal needs allowance, Medicaid	0	405,224	491,076
LB 414 Property tax exemption, fraternal benefit societies	0	0	FY18
LB 469 Study, state plan for regulating carbon dioxide emissions	0	411,750	218,472
LB 500 Medicaid plan, multisystemic therapy	0	11,750	304,921
LB 504 Changes, presentence reports and examinations	0	129,000	129,000
LB 538 Require legislative audits, tax incentive programs	0	127,833	91,749
LB 566 Change provisions of the Indian Child Welfare Act	0	65,889	71,666
LB 591 ABLE accounts for disabled, & carryforward losses	0	47,708	(1,685,000)
LB 598 Inspector General, mentally ill inmates, move parole admin.	0	1,032,555	1,114,999
LB 605 Justice Reinvestment Act	0	1,763,046	4,939,695
LB 663 Change the salaries of Supreme Court judges	0	723,236	1,471,786
LB 57 Appropriate funds, demolish buildings Norfolk Regional center	0	*	*
LB 82 Appropriate funds, community health center dental services	0	*	*
LB 98 Intent, Health Care Cash funds for tobacco use prevention control	0	*	*
LB 110 Appropriate funds, pediatric cancer specialists	0	*	*
LB 125 Create a fund, health care homes for the medically underserved	0	*	*
LB 185 Appropriate funds, Master Teacher Program Act	0	*	*
LB 229 Appropriate funds, court appointed special advocate aid	0	*	*
LB 233 Appropriate funds, Perinatal Quality Improvement Collaborative	0	*	*
LB 263 Appropriate funds, Nebraska Main Street Program	0	*	*
LB 318 State intent to fund planning and development regions	0	*	*
LB 332 Appropriate funds, statewide prescription drug disposal project	0	*	*
LB 374 Direct transfers from the State Recreation Road Fund	0	*	*
LB 397 Intent, funding for a lead-based paint hazard reduction grant	0	*	*
LB 417 Appropriate funds, pediatric cancer research	0	*	*
LB 418 Change distribution of cigarette tax, to Health Care Cash Fund	0	*	*
LB 449 Change provisions relating to funding for microloans	0	*	*
LB 450 Authorize grants to aid tourism, create a fund, and change funding	0	*	*
LB 485 Appropriate, child welfare satellite offices, outreach coordinator	0	*	*
LB 496 Funding, Yeutter Institute for International Trade and Finance	0	*	*
LB 532 Global Center Advanced Interprofessional Learning (construction)	0	*	*
LB 533 Global Center Advanced Interprofessional Learning (operations)	0	*	*
LB 537 Appropriate funds, Resources Development Fund	0	*	*
LB 569 Change the Business Innovation Act, adjust category caps	0	*	*
LB 584 Dental clinic and oral health training facility	0	*	*
LB 593 Appropriate funds, study current health data systems	0	*	*
Subtotal - "A" Bills	0	7,615,884	29,990,750

Description	FY2014-15	FY2015-16	FY2016-17
LB 657 Mainline Budget Bill	0	4,211,173,749	4,318,253,890
LB 658 Legislator Salaries	0	632,982	632,982
LB 659 Constitutional Officers Salaries	0	25,998,454	26,139,058
LB 660 Capital Construction	0	26,382,800	22,239,000
LB 656 Deficits	9,014,224	0	0
LB 554 State Claims	2,210,995	0	0
<i>Subtotal - Mainline Bills</i>	11,225,219	4,264,187,985	4,367,264,930
Total General Fund Appropriations	11,225,219	4,271,803,869	4,397,255,680

* Impact of these bills (or some portion of the bill) was incorporated into the mainline budget bills

General Fund Vetoes and Overrides

The Governor signed the mainline budget bills (LB657, LB658, LB659, LB660, LB656 and LB554) with no vetoes

APPROPRIATIONS ALL FUND SOURCES

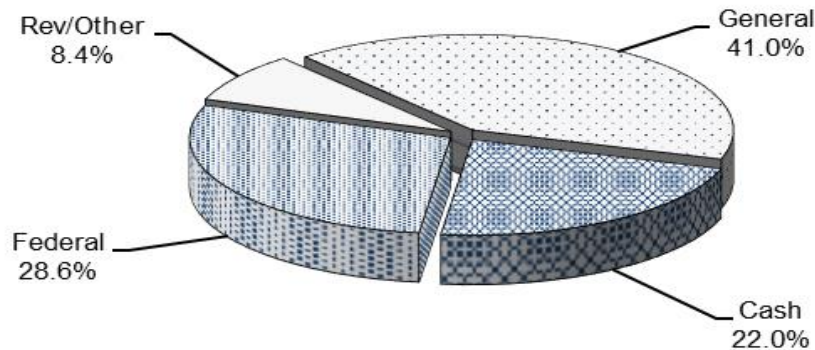
Appropriations - All Fund Sources

This section of the report reflects the enacted budget for all funds sources, not just General Funds. Table 33 contains the overall total appropriations by fund source broken down by operations, state aid and capital construction. Following the table is a description of each type of fund source and highlights of major increases inside of each fund category. For a more detailed explanation of the changes in appropriations from other fund sources, please refer to the specific agency pages later on in this report.

Table 33 Biennial Budget as Enacted - All Fund Sources

	General	Cash	Federal	Rev/Other	Total
<u>FY2014-15 (without deficits)</u>					
Agency Operations	1,429,479,091	1,573,179,113	918,297,974	823,739,068	4,744,695,246
State Aid	2,649,908,995	507,093,538	2,002,351,469	1,705,344	5,161,059,346
Capital Construction	26,437,444	65,959,313	0	20,220,900	112,617,657
FY2014-15 Total	4,105,825,530	2,146,231,964	2,920,649,443	845,665,312	10,018,372,249
<u>FY2015-16</u>					
Agency Operations	1,521,595,794	1,636,750,731	914,418,594	839,903,847	4,912,668,966
State Aid	2,723,825,275	574,289,803	2,059,457,018	1,705,344	5,359,277,440
Capital Construction	26,382,800	82,085,430	870,000	30,160,898	139,499,128
FY2015-16 Total	4,271,803,869	2,293,125,964	2,974,745,612	871,770,089	10,411,445,534
Change over prior year					
Dollar	165,978,339	146,894,000	54,096,169	26,104,777	393,073,285
Percent	4.0%	6.8%	1.9%	3.1%	3.9%
<u>FY2016-17</u>					
Agency Operations	1,560,037,578	1,650,622,615	921,786,152	847,387,098	4,979,833,443
State Aid	2,814,979,102	561,437,236	2,107,774,067	1,705,344	5,485,895,749
Capital Construction	22,239,000	44,893,930	0	11,965,190	79,098,120
FY2016-17 Total	4,397,255,680	2,256,953,781	3,029,560,219	861,057,632	10,544,827,312
Change over prior year					
Dollar	125,451,811	(36,172,183)	54,814,607	(10,712,457)	133,381,778
Percent	2.9%	-1.6%	1.8%	-1.2%	1.3%

FY2015-16 Total Appropriations by Fund



Cash Funds

These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there are more than 200 individual cash funds contained in 70 different agencies. Only 7 agencies do not have some cash funds although many are very small amounts. In many instances, an agency has multiple cash funds. For example, the Dept. of Agriculture has over 20 different cash funds. Monies held in these funds generally can only be used for the specific purpose for which the fund was created. Cash funds are used to account for revenues such as University and State College tuition and fees, hunting/fishing permits, highway revenues (gas tax and sales tax on motor vehicles), and agricultural commodity check-off fees. In addition, most inspection, regulatory, and license fees and charges, are dedicated to and accounted for through the use of cash funds.

An increasingly large portion of cash funds is now the Property Tax Credit Fund where the source of monies for the cash fund are actually General Fund transfers. This now amounts to \$204 million and moves the Dept. of Revenue to the third highest in cash fund appropriations.

CASH FUNDS	FY2014-15	FY2015-16	FY2016-17	% of Total
Roads	814,236,239	844,897,959	863,397,959	36.8%
University of Nebraska	403,816,887	404,066,887	404,066,887	17.6%
Revenue	168,882,746	233,159,917	233,586,700	10.2%
HHS System	176,996,553	177,702,801	179,344,232	7.7%
Public Service Comm	86,602,500	87,686,773	87,645,377	3.8%
Construction	65,959,313	82,085,430	44,893,930	3.6%
Game and Parks	71,819,577	76,134,003	77,070,161	3.3%
Environmental Quality	32,008,973	34,222,371	36,431,350	1.5%
State Colleges	33,199,918	33,199,918	33,199,918	1.4%
Motor Vehicles	21,882,120	30,844,135	26,012,212	1.3%
All Other	270,827,138	289,125,770	271,305,055	12.6%
Total - Cash Funds	2,146,231,964	2,293,125,964	2,256,953,781	100.0%
\$ Change	91,602,300	146,894,000	(36,172,183)	
% Change	4.5%	6.8%	-1.6%	

The Dept of Roads accounts for 37% of cash fund revenues and expenditures while the University of Nebraska accounts for 18%. The Dept of Revenue accounts for 10.2% of the total as the \$204 million property tax credits are expended as cash funds.

The budget enacted for FY15-16 reflects a 6.8% growth in cash fund appropriations. About 44% of the increase is from the \$64 million increase in the Property Tax Credit. Excluding this item cash funds increased about 3.7%. Another 17% of the increase in cash fund appropriations (\$25 million) is for the Dept of Roads. Other significant increases include \$30 million in capital construction for the Venture Park development at Game and Parks, \$8.1 million for license plates, and \$8 million (from a Cash Reserve Fund transfer) for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using telehealth (original LB584).

Property Tax Credit Fund

The Property Tax Credit Fund was created in 2007. Under this program transfers are made to the Property Tax Credit Cash Fund at the discretion of the Legislature and then based on the amount of

funds available, monies are then allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as credit to each tax payer again based on their proportionate value. Technically the property tax credit amounts do not change property taxes *LEVIED* but changes *WHO PAYS* the amount levied, the property owner or the state on their behalf.

The amount of credit originally included was \$105 million in FY07-08, and \$115 million in FY08-09 through FY13-14. During the 2014 session, the FY14-15 amount was increased to \$140 million. The enacted budget increased the credit dollar amount to \$204 million, a 46% or \$64 million increase. This allows for a credit estimated at \$95.20 per \$100,000 of valuation. At the FY15 level of \$140 million the credit was estimated at \$65.33 per \$100,000 of valuation.

Table 34 shows the allocation amounts, real valuations, amount of credit per \$100,000 of valuations and the property tax credit amount as a percent of property taxes levied.

Table 34 Property Tax Credit Allocations

Tax Year	State Total	Real Valuations (with TIFF excess)	Credit Per \$100,000 Value	Credit as % of Property Taxes
2007	\$105,000,000	126,173,249,573	\$83.22	4.1%
2008	\$115,000,000	133,526,060,086	\$86.13	4.2%
2009	\$115,000,000	139,872,647,990	\$82.22	4.0%
2010	\$115,000,000	145,728,785,008	\$78.91	3.8%
2011	\$115,000,000	152,707,187,248	\$75.31	3.7%
2012	\$115,000,000	160,846,501,888	\$71.50	3.6%
2013	\$115,000,000	174,325,264,970	\$65.97	3.4%
2014	\$140,000,000	195,702,533,235	\$71.54	3.9%
2015 Est	\$204,000,000	214,282,381,016	\$95.20	5.5% est

Table 35 shows the distribution of the property tax credits by sector ie... agriculture, residential, commercial and industrial and public service and railroad companies. Since the property tax credit is distributed solely based on valuation, the high growth in agricultural land values and flat valuation in residential has resulted in a shift in the credit distribution from residential to agricultural.

Table 35 Property Tax Credit by Sector

Tax Year	% of Total Property Tax Credit			
	Agricultural	Residential	Comm/Indust	PS/RR
2007	24.1%	55.7%	18.7%	1.5%
2008	25.1%	54.5%	18.8%	1.6%
2009	26.8%	52.7%	18.7%	1.7%
2010	28.7%	51.2%	18.1%	1.9%
2011	30.6%	49.4%	17.8%	2.1%
2012	32.1%	46.9%	18.8%	2.1%
2013	36.2%	43.9%	17.8%	2.0%
2014	41.5%	40.3%	16.3%	1.9%
2015 Est	44.8%	37.9%	15.5%	1.8%

Department of Roads

Fuel Tax and Build Nebraska Act - Every year since FY09-10 the Legislature has used revenue projections prepared by the Department of Roads to target a fuel tax of 26.4 cents. The mainline budget continued this trend and used the latest projections (March 26, 2015) to set the Highway Cash Fund (HCF) appropriation at a level that will attempt to set the fuel tax at 26.4¢ each year of the next biennium. Based on these recent projections the mainline HCF appropriation was set at \$410 million in both FY2015-16 and FY2016-17. The agency's request and the Governor's recommendation also targeted a tax rate of 26.4¢, but using projections available at the time their HCF appropriation was \$400 million each year.

Also under the Build Nebraska Act, starting July 1, 2013 the revenue from a .25% general sales tax rate is redirected from the General Fund to the State Highway Capital Improvement Fund and the Highway Allocation Fund. This is estimated to provide an additional \$63,000,000 of revenue each year to the Department of Roads to fund expressway and other high priority road projects. This revenue is in addition to the HCF appropriation. The cities and counties will receive an estimated \$11,117,000 from their 15% share of the sales tax.

The following table is a five year history of the targeted and actual average fuel tax, the HCF appropriation, revenue from the State Highway Capital Improvement Fund, and the Construction Program size in comparison to the amount funded in the mainline budget for the next biennium.

	Targeted Average Fuel Tax (cents)	Actual Average Fuel Tax (cents)	Highway Cash Fund Appropriation (HCF)	State Highway Capital Improvement Fund	Construction Program Size (State & Fed. \$)
2010-11	26.4	26.8	370,000,000	N/A	316,000,000
2011-12	26.4	26.5	390,000,000	N/A	343,000,000
2012-13	26.4	25.4	375,000,000	N/A	372,000,000
2013-14	26.4	26.4	398,000,000	51,004,45	431,000,000
2014-15	26.4	26.0	389,000,000	62,861,000 est.	457,000,000
2015-16 Budget	26.4	N/A	410,000,000	63,000,000 est.	484,000,000 est.
2016-17 Budget	26.4	N/A	410,000,000	63,000,000 est.	480,000,000 est.

LB 610 Change Motor Fuel Excise Taxes In addition to the projected 26.4¢ rate and Build Nebraska Act funding contained in the mainline budget bill, the Legislature enacted LB 610 which increases the fuel tax by 1.5¢ per gallon in each of the next four years. This 1.5¢ incremental increase starts on January 1, 2016 and culminates when a 6¢ increase is reached on January 1, 2019. The additional revenue once the full 6¢ is reached is projected to total over \$76 million per year. All of the additional revenue from LB 610 is split equally among the Department of Roads, and cities and counties for use on road and bridge construction and maintenance.

	Increase in tax (cents)			Increased Revenues (millions)		
	State	Cities+Counties	Total	State	Cities+Counties	Total
FY2014-15	0	0	0.0	0.0	0.0	0.0
FY2015-16	0.5	1.0	1.5	2.5	4.2	6.7
FY2016-17	1.0	2.0	3.0	8.5	16.9	25.4
FY2017-18	1.5	3.0	4.5	14.8	29.6	44.4
FY2018-19	2.0	4.0	6.0	21.2	42.3	63.5
FY2019-20	2.0	4.0	6.0	25.4	50.8	76.2

Transit Aid - There are two separate transit aid programs funded in the Dept. of Road's budget.

The first public transportation assistance program was established in 1975 to provide subsidies to support public transit with emphasis on meeting the needs of the elderly and handicapped. Because the program is focused on the elderly and handicapped the policy has been to fully fund eligible aid requests from the rural systems first and then prorate the remaining funding between Omaha Metro Transit and Lincoln (Star Tran). This funding distribution method has resulted in Omaha and Lincoln receiving a smaller and smaller portion of the money appropriated for transit aid as the costs of funding the smaller systems increase and the funding available remains constant. To reverse this trend of Omaha and Lincoln receiving less and less transit aid each year the budget increases funding by \$1,000,000 in FY2015-16 and FY2016-17, up to a total of \$5,777,705 each year.

The second transit assistance program provides aid to intercity transit operators. The appropriation for this aid program is increased from the current amount of \$95,179 to \$520,000 in FY2015-16 and \$535,000 in FY2016-17. Federal rules state that a minimum of 15% of the federal grant program for operating assistance must be spent on intercity bus purposes OR the state must certify that all intercity bus needs are met. Funding the request for state intercity aid will allow Nebraska to certify that intercity needs are being adequately met. Not funding the request could jeopardize the entire \$7.7 million of federal aid Nebraska receives for transit.

Health Care Cash Fund

The Health Care Cash Fund receives funding from the Medicaid Intergovernmental Trust Fund and the Tobacco Settlement Trust Fund. The revenue source for the Medicaid Intergovernmental Trust Fund was a previously allowable intergovernmental transfer of extra Medicaid reimbursements to the state from publicly-owned nursing facilities. The source of the Tobacco Settlement Trust Fund is payments from tobacco companies pursuant to a nationwide settlement entered into several years ago. Each year the state investment officer determines the amount of the transfer from each of these respective funds totaling the amount required by statute.

The enacted budget includes two changes, both in LB661: First, the allowed transfers to the Health Care Cash Fund are increased from \$61,100,000 to \$61,300,000. This additional \$200,000 is allocated for tobacco prevention.

The second change is a reallocation of \$1,250,000 from the cigarette tax to the Health Care Cash Fund. The additional funds would go to Biomedical research (\$1 million per year), aid to Public Health Departments (\$200,000 per year) and UNMC Public Health Workforce Training (\$50,000 per year). Prior law provided that from FY2001-02 through FY2015-16 a total of \$2.5 million per year of cigarette tax was earmarked for the Primary Class and Metropolitan Class Development Funds. When this earmark expires in FY2016-17, the \$2.5 million was to be reallocated for the Public Safety Communication System increasing the earmark for that purpose from \$2,570,000 to \$5,070,000. The change in LB661 amends that by taking the available \$2.5 million and splitting it equally, \$1.25 million to the Public Safety Communication System and \$1.25 million to the Health Care Cash Fund.

Table 36 on the following page provides a detailed breakdown of the allocation of funds from the Health Care Cash Fund.

Table 36 Health Care Cash Fund

	Agency Program	Current Yr FY2014-15	Enacted FY2015-16	Enacted FY2016-17
<u>Behavioral Health Provider Increases</u>				
Regions	25-38	2,599,660	2,599,660	2,599,660
Child Welfare	25-347	2,734,444	2,734,444	2,734,444
Medicaid	25-348	2,165,896	2,165,896	2,165,896
Medicaid managed care / inpatient and RTC	25-348	2,600,000	2,600,000	2,600,000
<u>Service Capacity</u>				
Mental Health / Substance Abuse Regions	25-38	6,500,000	6,500,000	6,500,000
Juvenile Services	25-250	1,000,000	1,000,000	1,000,000
<u>Emergency Protective Custody</u>				
	25-38	1,500,000	1,500,000	1,500,000
<u>Respite Care</u>				
Respite regions and personnel	25-33	404,643	404,643	404,643
Respite aid	25-347	810,000	810,000	810,000
<u>Developmental Disability Waiting List</u>				
	25-424	5,000,000	5,000,000	5,000,000
<u>Public Health</u>				
Public Health Staff	25-179	100,000	100,000	100,000
County Public Health county aid	25-502	5,405,000	5,404,190	5,404,190
<u>Minority Health</u>				
Qualified health clinics	25-502	2,099,000	2,099,000	2,099,000
Minority health aid	25-502	1,526,000	1,526,000	1,526,000
Minority health satellites	25-179	220,000	220,000	220,000
<u>Children's Health Insurance (CHIP)</u>				
	25-344	6,835,700	6,835,700	6,835,700
<u>Biomedical Research</u>				
	25-623	14,000,000	14,000,000	14,000,000
<u>Human Service Studies</u>				
	3-122	75,000	75,000	75,000
<u>Attorney General</u>				
	11-507	395,807	395,807	395,807
<u>EMS Technicians</u>				
	25-33	13,688	13,688	13,688
<u>Revenue Auditor Specialist</u>				
	16-102	308,762	316,482	316,482
<u>Compulsive Gamblers</u>				
	25-33/38	250,000	250,000	250,000
<u>Nebraska Regional Poison Control Center</u>				
	51-515	200,000	200,000	200,000
<u>Parkinson's Disease Registry</u>				
	25-33	26,000	26,000	26,000
<u>Tobacco Prevention</u>				
Tobacco Prevention	25-30	2,370,000	2,570,000	2,570,000
Medicaid coverage, smoking cessation	25-348	456,000	450,000	450,000
<u>Stem Cell Research</u>				
	25-623	437,000	450,000	450,000
FROM ALLOCATION		60,032,600	60,253,320	60,253,320
Biomedical research	25-623	0	0	1,000,000
Public Health Departments	25-502	0	0	200,000
UNMC Public Health Workforce Training	51-515	0	0	50,000
FROM CIGARETTE TAX EARMARK		0	0	1,250,000
TOTAL USE OF HEALTH CARE CASH FUND		60,032,600	60,253,320	60,253,320

Oral Health Training and Services Fund

The enacted budget provides for the Coordinating Commission for Postsecondary Education (CCPE) to contract for reduced-fee and charitable oral health services, oral health workforce development, and oral health services using telehealth. LB662 provides for an \$8,000,000 transfer from the Cash Reserve Fund to the Oral Health Training and Services Fund which is created in LB661. The newly created fund is to be administered by the CCPE to contract for reduced-fee and charitable oral

health services, oral health workforce development, and oral health services using telehealth as defined in section 71-8503. To be eligible to enter into a related contract, an applicant would be required to be a 501(c)(3) corporation and submit a plan to CCPE to provide oral health training, including assistance for the graduation of dental students at a Nebraska dental college, to provide discounted or charitable oral health services focusing on lower-income and at-risk populations in the state, and to target unmet oral health care needs of Nebraskans. The contract applicant is also to submit at least five letters of intent with school districts or federally qualified health centers in at least five different Nebraska counties to provide discounted or charitable oral health services for at least ten years. The plan to be submitted to CCPE is to include (a) a proposal to provide oral health training at a reduced fee to students in dental education programs who agree to practice dentistry for at least five years after graduation in a dental health profession shortage area designated by the Nebraska Rural Health Advisory Commission, (b) a proposal to provide discounted or charitable oral health services for a minimum of ten years to residents of Nebraska, and (c) a proposal to provide oral health services to residents of Nebraska using telehealth. Any party entering into a related contract is to agree that any funds disbursed pursuant to the contract are only to be used for services and equipment related to the proposals in the plan. The contract is to require matching funds from other sources in a four-to-one ratio with the funds to be disbursed under the contract. LB657 includes the actual appropriation of the \$8,000,000 from the Oral Health and Training Services Fund to CCPE for 2015-16 to enter into such contract or contracts. LB657 appropriates amounts to CCPE (\$16,875 for 2015-16 and \$17,375 for 2016-17) derived from interest on the invested balance of the Oral Health and Training Services Fund to meet CCPE administrative costs.

Federal Funds

Federal funds account for monies received from the federal government either as grants, contracts, or matching funds. Unlike other fund sources, federal fund appropriations are an estimate and agencies are not limited to the amount shown in the appropriation bills though receipts must meet expenditures. Similar to cash funds, there are numerous individual federal funds contained in the accounting system and they are generally limited to specific uses as authorized by the federal program from which the funds came from. Of the 77 state agencies, 34 receive some level of federal funds.

FEDERAL FUNDS	FY2014-15	FY2015-16	FY2016-17	% of Total
DHHS System	1,801,648,328	1,821,797,463	1,883,601,499	61.2%
University of Nebraska	543,597,650	543,597,650	543,597,650	18.3%
Education	346,746,310	370,193,577	370,715,043	12.4%
Labor	48,333,662	51,983,996	50,007,176	1.7%
State Colleges	46,739,698	46,739,698	46,739,698	1.6%
Environmental Quality	30,247,375	34,554,795	32,054,944	1.2%
Economic Development	26,234,366	26,277,578	26,309,615	0.9%
Military Dept	23,555,268	23,985,828	24,175,183	0.8%
Crime Commission	10,489,043	10,505,633	10,518,371	0.4%
Energy Office	7,780,992	7,818,973	7,849,234	0.3%
All Other	35,276,751	37,290,421	33,991,806	1.3%
Total - Federal Funds	2,920,649,443	2,974,745,612	3,029,560,219	100.0%
\$ Change		54,096,169	54,814,607	
% Change		1.9%	1.8%	

Almost all federal funds are in three agencies; Health and Human Services System (61%) where a large portion is for programs such as Medicaid, AFDC and other public assistance program, University of Nebraska (18.0%), and the Dept. of Education (12%) which is mostly flow through monies to local K-12 schools for programs such as Title 1, School Lunch, and Special Education.

Estimated federal funds increase by 1.9% in FY15-16. In DHHS, a \$47 million increase in federal funds for provider rates and eligibility and utilization was more than offset by a \$35 reduction due to a lower regular FMAP. The largest increase was \$17.6 million related to the enhanced SCHIP FMAP under the Affordable Care Act (ACA).

Revolving / Other Funds

Revolving funds account for transactions where one agency provides goods or services to another agency. For example, the Dept. of Education pays DAS-Building Division rent for the State Office Building. The expenditure is charged against the Departments budget (be it General, Cash, or Federal). DAS then receives these funds which are credited to a revolving fund from which DAS pays staff salaries, utilities, cleaning costs, etc... This in essence double-counts expenditures; once when an agency pays another agency for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. Excluding the University and State Colleges, DAS accounts for 89% of all revolving funds. The Dept. of Correctional Services (through Cornhusker State Industries) accounts for another 7.7%.

About 68% of all revolving fund appropriations are contained within the University and State Colleges. However, unlike the revolving fund definition noted above, revolving funds used by the University and State Colleges account for revenues from dormitories, student unions, agricultural experiment stations, other "enterprise" operations. This separates these revenues from those generated from student tuition and fees that are accounted for as cash funds.

Appropriations from the Nebraska Capital Construction Fund (NCCF) are also accounted for in this category as "Other Funds" but are noted separately in the table below. The source of funds for the NCCF has recently been transfers from the Cash Reserve Fund or General Fund for major projects. In past years this included projects such as Innovation Campus, UNMC cancer research towers, and the new Central Nebraska Veterans Home. In FY15-16 there is \$25 million for construction of the Global Center for Advanced Interprofessional Learning at the University of Nebraska Medical Center.

REVOLVING / OTHER	FY2014-15	FY2015-16	FY2016-17	% of Total
University of Nebraska	592,115,506	592,115,506	592,115,506	67.9%
Admin Services	201,538,835	217,261,471	224,474,926	24.9%
Corrections	18,580,670	18,780,835	18,935,977	2.2%
State Colleges	9,112,985	9,112,985	9,112,985	1.0%
All Other	16,714,401	16,612,277	24,531,223	1.9%
Total - Revolving Funds	828,949,412	844,770,089	860,057,632	96.9%
Nebr Capital Const Fund (NCCF)	16,715,900	27,000,000	1,000,000	3.1%
Total - Revolving/Other Funds	845,665,312	871,770,089	861,057,632	100.0%
\$ Change	28,934,870	26,104,777	(10,712,457)	
% Change	3.5%	3.1%	-1.2%	

Appropriations by Bill – All Funds

Table 37 Breakdown by Mainline Bills and A Bills

	General	Cash	Federal	Rev/Other	Total
<u>FY2015-16 All Funds by Bill</u>					
LB 657 Mainline Budget Bill	4,211,173,749	2,205,055,357	2,967,470,865	841,449,727	10,225,149,698
LB 658 Legislator Salaries	632,982	0	0	0	632,982
LB 659 Constitutional Officers Salaries	25,998,454	1,273,888	0	0	27,272,342
LB 660 Capital Construction	26,382,800	82,085,430	870,000	30,160,898	139,499,128
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Mainline Bills	4,264,187,985	2,288,414,675	2,968,340,865	871,610,625	10,392,554,150
"A" Bills	7,615,884	4,711,289	6,404,747	159,464	18,891,384
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total per 2015 Session	4,271,803,869	2,293,125,964	2,974,745,612	871,770,089	10,411,445,534
<u>FY2016-17 All Funds by Bill</u>					
LB 657 Mainline Budget Bill	4,318,253,890	2,184,235,624	3,020,977,561	848,675,605	10,372,142,680
LB 658 Legislator Salaries	632,982	0	0	0	632,982
LB 659 Constitutional Officers Salaries	26,139,058	1,279,046	0	0	27,418,104
LB 660 Capital Construction	22,239,000	44,893,930	0	11,965,190	79,098,120
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Mainline Bills	4,367,264,930	2,230,408,600	3,020,977,561	860,640,795	10,479,291,886
"A" Bills	29,990,750	26,545,181	8,582,658	416,837	65,535,426
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total per 2015 Session	4,397,255,680	2,256,953,781	3,029,560,219	861,057,632	10,544,827,312

Table 38 "A" Bills Enacted – 2015 Session

Description	Fund	FY2011-15	FY2015-16	FY2016-17
LB 72 Medicaid reimburse liens, inheritance tax petitions	Federal	0	(22,744)	(22,744)
LB 81 Changes, eligibility for child care assistance	General	0	678,472	814,167
LB 106 Livestock Operation Siting and Expansion Act	General	0	24,000	0
LB 139 Changes, Real Property Appraiser Act	Cash	0	18,290	18,290
LB 142 Aquatic Invasive Species Program	Cash	0	330,000	330,000
LB 199 Provide for stipends for social work students	General	0	91,622	84,700
LB 199 Provide for stipends for social work students	Federal	0	91,622	84,700
LB 200 Marketplace Fairness Act sales tax, Property Tax Credit	General	0	41,202	0
LB 220 Nebraska 150 Sesquicentennial license plates	Cash	0	9,344	90,000
LB 242 Change provisions of the Dry Bean Resources Act	Cash	0	40,000	40,000
LB 243 Create a pilot project, family finding services	General	0	902,143	908,488
LB 243 Create a pilot project, family finding services	Federal	0	76,513	82,938
LB 259 Adopt the Personal Property Tax Relief Act	General	0	36,120	19,600,000
LB 265 Out of home data pilot project, placements, trial home visits	General	0	263,732	259,232
LB 265 Out of home data pilot project, placements, trial home visits	Federal	0	87,911	86,411
LB 292 Changes, central registry of child protection cases	General	0	27,272	32,751
LB 315 Changes, Medicaid recovery audit contractors	General	0	42,767	42,767
LB 315 Changes, Medicaid recovery audit contractors	Federal	0	42,767	42,767
LB 317 Repeal the Midwest Interstate Passenger Rail Compact	General	0	0	0
LB 320 Aging & Disability Resource Center Demonstration Project	General	0	606,865	925,094
LB 330 Change provisions relating to alcoholic liquor	General	0	133,956	125,445
LB 347 Expand jurisdiction, Inspector General Child Welfare	General	0	71,000	71,000
LB 360 Changes, Commercial Dog & Cat Operator Inspection Act	Cash	0	34,683	43,180
LB 366 Change personal needs allowance, Medicaid	General	0	405,224	491,076
LB 366 Change personal needs allowance, Medicaid	Federal	0	390,776	464,124
LB 382 Changes, Diploma of High School Equivalency Assistance	Cash	0	50,000	50,000
LB 390 Medical Cannabidiol Pilot Study	Cash	0	250,000	250,000
LB 413 DEQ evaluate water quality permits, political subdivisions	Cash	0	79,181	75,556
LB 414 Property tax exemption, fraternal benefit societies	General	0	0	0
LB 430 DHHS fund shifts	General	0	0	0
LB 468 Changes, judges retirement provisions	Cash	0	43,549	0
LB 469 Study, state plan for regulating carbon dioxide emissions	General	0	411,750	218,472
LB 500 Medicaid plan, multisystemic therapy	General	0	11,750	304,921
LB 500 Medicaid plan, multisystemic therapy	Federal	0	11,750	702,926

Description	Fund	FY2011-15	FY2015-16	FY2016-17
LB 504 Changes, presentence reports and examinations	General	0	129,000	129,000
LB 519 Education lottery distribution, school /student aid, grants	Cash	0	0	16,258,300
LB 538 Require legislative audits, tax incentive programs	General	0	127,833	91,749
LB 547 Change provisions of the Quality Child Care Act	Federal	0	1,306,152	1,741,536
LB 566 Change provisions of the Indian Child Welfare Act	General	0	65,889	71,666
LB 581 Clean-burning Motor Fuel Development Act	Cash	0	500,000	0
LB 591 ABLE accounts for disabled, & carryforward losses	General	0	47,708	(1,685,000)
LB 591 ABLE accounts for disabled, & carryforward losses	Cash	0	476,785	206,785
LB 598 Inspector General, mentally ill inmates, move parole admin.	General	0	1,032,555	1,114,999
LB 598 Inspector General, mentally ill inmates, move parole admin.	Cash	0	0	0
LB 605 Justice Reinvestment Act	General	0	1,763,046	4,939,695
LB 605 Justice Reinvestment Act	Cash	0	298,778	561,814
LB 605 Justice Reinvestment Act	Revolving	0	159,464	416,837
LB 607 Change payment levels, aid to dependent children	Federal	0	4,420,000	5,400,000
LB 610 Change motor fuel excise taxes	Cash	0	2,500,000	8,500,000
LB 629 Regulation of transportation network companies	Cash	0	41,425	41,197
LB 663 Change the salaries of Supreme Court judges	General	0	723,236	1,471,786
LB 663 Change the salaries of Supreme Court judges	Cash	0	39,254	80,059
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General		0	7,615,884	29,990,750
Cash		0	4,711,289	26,545,181
Federal		0	6,404,747	8,582,658
Revolving		0	159,464	416,837
NCCF		0	0	0
Total		0	18,891,384	65,535,426

Historical Appropriations-All Funds

Table 39 contains historical appropriations from all fund sources for the past 20 years. All years exclude deficit appropriations. Also shown are average growth figures for the past 20 years as well as historical growth in biennial budgets.

Table 39 Historical Appropriations-All Funds

	General Funds	Cash Funds	Federal Funds	Revolving/Other	Total Funds
FY1993-94 Approp	1,628,020,298	908,707,645	934,011,649	313,568,194	3,784,307,786
FY1994-95 Approp	1,718,957,079	970,926,826	1,004,037,357	330,821,777	4,024,743,039
FY1995-96 Approp	1,810,178,260	1,016,908,962	1,187,791,863	346,310,774	4,361,189,859
FY1996-97 Approp	1,885,810,146	1,073,119,105	1,148,329,975	370,061,527	4,477,320,753
FY1997-98 Approp	1,979,767,634	1,121,968,313	1,179,866,825	393,815,064	4,675,417,836
FY1998-99 Approp	2,228,579,121	937,301,414	1,288,860,855	445,357,561	4,900,098,951
FY1999-00 Approp	2,323,943,947	1,100,726,077	1,390,725,054	470,160,784	5,285,555,862
FY2000-01 Approp	2,458,789,233	1,130,234,910	1,528,364,447	472,171,086	5,589,559,676
FY2001-02 Approp	2,606,951,336	1,210,661,243	1,602,142,264	492,780,254	5,912,535,097
FY2002-03 Approp	2,621,296,239	1,252,852,263	1,750,158,602	516,844,018	6,141,151,122
FY2003-04 Approp	2,655,289,608	1,285,728,367	1,814,045,740	509,307,018	6,264,370,733
FY2004-05 Approp	2,758,082,724	1,348,606,437	2,150,399,990	538,811,896	6,795,901,047
FY2005-06 Approp	2,972,439,069	1,599,561,441	2,183,758,870	546,381,840	7,302,141,220
FY2006-07 Approp	3,180,850,777	1,515,042,477	2,293,382,276	600,297,850	7,589,573,380
FY2007-08 Approp	3,305,700,963	1,637,701,761	2,215,900,086	643,850,466	7,803,153,276
FY2008-09 Approp	3,481,660,742	1,737,598,483	2,294,400,979	712,318,113	8,225,978,317
FY2009-10 Approp	3,380,864,343	1,762,003,199	2,554,199,664	716,159,796	8,413,227,002
FY2010-11 Approp	3,405,101,292	1,786,208,029	2,783,940,522	733,611,968	8,708,861,811
FY2011-12 Approp	3,470,531,929	1,848,428,337	2,636,058,658	740,656,170	8,695,675,094
FY2012-13 Approp	3,632,423,755	1,854,087,842	2,676,111,718	843,560,595	9,006,183,910
FY2013-14 Approp	3,838,168,907	2,054,629,664	2,875,826,694	816,730,442	9,585,355,707
FY2014-15 Approp	4,105,825,530	2,146,231,964	2,920,649,443	845,665,312	10,018,372,249
FY2015-16 Biennial Budget	4,271,803,869	2,293,125,964	2,974,745,612	871,770,089	10,411,445,534
FY2016-17 Biennial Budget	4,397,255,680	2,256,953,781	3,029,560,219	861,057,632	10,544,827,312
Average Annual Growth					
FY04 / FY05 Biennium	2.6%	3.8%	10.8%	2.1%	5.2%
FY06 / FY07 Biennium	7.4%	6.0%	3.3%	5.6%	5.7%
FY08 / FY09 Biennium	4.6%	7.1%	0.0%	8.9%	4.1%
FY10 / FY11 Biennium	-1.1%	1.4%	10.2%	1.5%	2.9%
FY12 / FY13 Biennium	3.3%	1.9%	-2.0%	7.2%	1.7%
FY14 / FY15 Biennium	6.3%	7.6%	4.5%	0.1%	5.5%
FY16 / FY17 Biennium	3.5%	2.5%	1.8%	0.9%	2.6%
Avg FY97 to FY07 (10 yr)	5.4%	3.5%	7.2%	5.0%	5.4%
Avg FY07 to FY17 (10 yr)	3.3%	4.1%	2.8%	3.7%	3.3%
Avg FY07 to FY17 (20 yr)	4.3%	3.8%	5.0%	4.3%	4.4%

Appropriations By Agency - All Funds

FY16 / FY17 Biennial Budget as Enacted in the 2015 Legislative Session

	Fund	w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year		
					\$ Chnge	% Chnge	\$ Chnge	% Chnge	
3	Legislative Council	Gen	19,095,539	20,288,117	20,855,311	1,192,578	6.2%	567,194	2.8%
		Cash	171,227	239,835	242,675	68,608	40.1%	2,840	1.2%
		Fed	39,270	39,270	39,270	0	0.0%	0	0.0%
		Rev	0	0	0	0	na	0	na
	Total	19,306,036	20,567,222	21,137,256	1,261,186	6.5%	570,034	2.8%	
5	Supreme Court	Gen	149,627,839	167,268,022	179,380,632	17,640,183	11.8%	12,112,610	7.2%
		Cash	13,891,001	16,099,516	15,847,562	2,208,515	15.9%	(251,954)	-1.6%
		Fed	1,544,913	693,472	697,777	(851,441)	-55.1%	4,305	0.6%
		Rev	0	0	0	0	na	0	na
	Total	165,063,753	184,061,010	195,925,971	18,997,257	11.5%	11,864,961	6.4%	
7	Governor	Gen	1,879,549	2,238,705	2,280,286	359,156	19.1%	41,581	1.9%
		Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
	Total	1,879,549	2,238,705	2,280,286	359,156	19.1%	41,581	1.9%	
8	Lt. Governor	Gen	144,051	147,735	149,486	3,684	2.6%	1,751	1.2%
		Cash	0	0	0	0	na	0	na
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
	Total	144,051	147,735	149,486	3,684	2.6%	1,751	1.2%	
9	Secretary of State	Gen	1,496,302	1,533,199	1,943,347	36,897	2.5%	410,148	26.8%
		Cash	5,319,505	5,765,073	6,106,950	445,568	8.4%	341,877	5.9%
		Fed	98,300	98,300	98,300	0	0.0%	0	0.0%
		Rev	1,083,934	1,105,976	1,149,378	22,042	2.0%	43,402	3.9%
	Total	7,998,041	8,502,548	9,297,975	504,507	6.3%	795,427	9.4%	
10	Auditor	Gen	2,295,617	2,540,804	2,609,327	245,187	10.7%	68,523	2.7%
		Cash	1,392,105	1,844,853	1,882,440	452,748	32.5%	37,587	2.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
	Total	3,687,722	4,385,657	4,491,767	697,935	18.9%	106,110	2.4%	
11	Attorney General	Gen	5,638,473	6,420,860	6,344,957	782,387	13.9%	(75,903)	-1.2%
		Cash	1,744,546	2,283,478	2,245,511	538,932	30.9%	(37,967)	-1.7%
		Fed	1,617,568	1,650,096	1,675,232	32,528	2.0%	25,136	1.5%
		Rev	1,260,377	1,313,141	1,348,876	52,764	4.2%	35,735	2.7%
	Total	10,260,964	11,667,575	11,614,576	1,406,611	13.7%	(52,999)	-0.5%	

	Fund	w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year	
					\$ Chnge	% Chnge	\$ Chnge	% Chnge
12 Treasurer	Gen	1,301,283	1,284,247	1,303,949	(17,036)	-1.3%	19,702	1.5%
	Cash	6,383,734	12,565,024	12,428,259	6,181,290	96.8%	(136,765)	-1.1%
	Fed	1,679,541	1,675,968	1,702,956	(3,573)	-0.2%	26,988	1.6%
	Rev	0	0	0	0	na	0	na
	Total	9,364,558	15,525,239	15,435,164	6,160,681	65.8%	(90,075)	-0.6%
13 Education	Gen	1,177,027,886	1,218,723,908	1,235,549,040	41,696,022	3.5%	16,825,132	1.4%
	Cash	15,653,571	16,043,328	10,167,053	389,757	2.5%	(5,876,275)	-36.6%
	Fed	346,746,310	370,193,577	370,715,043	23,447,267	6.8%	521,466	0.1%
	Rev	204,728	204,728	204,728	0	0.0%	0	0.0%
	Total	1,539,632,495	1,605,165,541	1,616,635,864	65,533,046	4.3%	11,470,323	0.7%
14 Public Service Commission	Gen	2,429,539	2,498,741	2,540,808	69,202	2.8%	42,067	1.7%
	Cash	86,602,500	87,686,773	87,645,377	1,084,273	1.3%	(41,396)	0.0%
	Fed	473,954	277	277	(473,677)	-99.9%	0	0.0%
	Rev	0	0	0	0	na	0	na
	Total	89,505,993	90,185,791	90,186,462	679,798	0.8%	671	0.0%
15 Parole Board	Gen	850,640	1,339,778	6,398,862	489,138	57.5%	5,059,084	377.6%
	Cash	0	0	455,873	0	na	455,873	na
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	850,640	1,339,778	6,854,735	489,138	57.5%	5,514,957	411.6%
16 Revenue	Gen	99,949,021	97,805,142	118,171,828	(2,143,879)	-2.1%	20,366,686	20.8%
	Cash	168,882,746	233,159,917	233,586,700	64,277,171	38.1%	426,783	0.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	268,831,767	330,965,059	351,758,528	62,133,292	23.1%	20,793,469	6.3%
17 Aeronautics	Gen	0	0	0	0	na	0	na
	Cash	30,226,778	25,355,883	22,472,813	(4,870,895)	-16.1%	(2,883,070)	-11.4%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	30,226,778	25,355,883	22,472,813	(4,870,895)	-16.1%	(2,883,070)	-11.4%
18 Agriculture	Gen	5,922,021	6,162,817	6,217,820	240,796	4.1%	55,003	0.9%
	Cash	7,265,774	7,744,538	7,785,477	478,764	6.6%	40,939	0.5%
	Fed	3,682,787	4,093,078	4,135,994	410,291	11.1%	42,916	1.0%
	Rev	548,191	644,112	655,536	95,921	17.5%	11,424	1.8%
	Total	17,418,773	18,644,545	18,794,827	1,225,772	7.0%	150,282	0.8%
19 Banking	Gen	0	0	0	0	na	0	na
	Cash	7,320,746	7,510,818	7,667,396	190,072	2.6%	156,578	2.1%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	7,320,746	7,510,818	7,667,396	190,072	2.6%	156,578	2.1%

	Fund	w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year	
					\$ Chnge	% Chnge	\$ Chnge	% Chnge
21 Fire Marshal	Gen	4,093,785	4,238,438	4,356,727	144,653	3.5%	118,289	2.8%
	Cash	1,787,484	1,849,152	1,898,956	61,668	3.4%	49,804	2.7%
	Fed	415,476	426,290	434,371	10,814	2.6%	8,081	1.9%
	Rev	0	0	0	0	na	0	na
	Total	6,296,745	6,513,880	6,690,054	217,135	3.4%	176,174	2.7%
22 Insurance	Gen	0	0	0	0	na	0	na
	Cash	12,618,961	13,499,620	13,324,052	880,659	7.0%	(175,568)	-1.3%
	Fed	2,211,075	2,224,921	2,235,599	13,846	0.6%	10,678	0.5%
	Rev	0	0	0	0	na	0	na
	Total	14,830,036	15,724,541	15,559,651	894,505	6.0%	(164,890)	-1.0%
23 Labor	Gen	663,563	679,089	690,814	15,526	2.3%	11,725	1.7%
	Cash	2,245,931	4,034,621	4,064,457	1,788,690	79.6%	29,836	0.7%
	Fed	48,333,662	51,983,996	50,007,176	3,650,334	7.6%	(1,976,820)	-3.8%
	Rev	0	0	0	0	na	0	na
	Total	51,243,156	56,697,706	54,762,447	5,454,550	10.6%	(1,935,259)	-3.4%
24 Motor Vehicles	Gen	0	0	0	0	na	0	na
	Cash	21,882,120	30,844,135	26,012,212	8,962,015	41.0%	(4,831,923)	-15.7%
	Fed	183,791	1,406,008	94,600	1,222,217	665.0%	(1,311,408)	-93.3%
	Rev	0	0	0	0	na	0	na
	Total	22,065,911	32,250,143	26,106,812	10,184,232	46.2%	(6,143,331)	-19.0%
25 HHS System	Gen	1,513,918,203	1,574,938,980	1,632,189,608	61,020,777	4.0%	57,250,628	3.6%
	Cash	176,996,553	177,702,801	179,344,232	706,248	0.4%	1,641,431	0.9%
	Fed	1,801,648,328	1,821,797,463	1,883,601,499	20,149,135	1.1%	61,804,036	3.4%
	Rev	0	0	0	0	na	0	na
	Total	3,492,563,084	3,574,439,244	3,695,135,339	81,876,160	2.3%	120,696,095	3.4%
27 Roads	Gen	0	0	0	0	na	0	na
	Cash	814,236,239	844,897,959	863,397,959	30,661,720	3.8%	18,500,000	2.2%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	814,236,239	844,897,959	863,397,959	30,661,720	3.8%	18,500,000	2.2%
28 Veterans Affairs	Gen	1,228,082	1,248,920	1,280,986	20,838	1.7%	32,066	2.6%
	Cash	10,000	45,557	45,557	35,557	355.6%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
	Total	1,238,082	1,294,477	1,326,543	56,395	4.6%	32,066	2.5%
29 Natural Resources	Gen	27,150,572	16,544,935	16,745,150	(10,605,637)	-39.1%	200,215	1.2%
	Cash	30,103,497	20,124,980	20,141,763	(9,978,517)	-33.1%	16,783	0.1%
	Fed	746,491	757,803	766,697	11,312	1.5%	8,894	1.2%
	Rev	0	0	0	0	na	0	na
	Total	58,000,560	37,427,718	37,653,610	(20,572,842)	-35.5%	225,892	0.6%

	Fund		w/o Deficits	Total	Total	FY16 vs Prior Year		FY17 vs Prior Year	
			FY2014-15	FY2015-16	FY2016-17	\$ Chnge	% Chnge	\$ Chnge	% Chnge
30 Electrical Board	Gen		0	0	0	0	na	0	na
	Cash		1,633,246	1,749,168	1,736,213	115,922	7.1%	(12,955)	-0.7%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		1,633,246	1,749,168	1,736,213	115,922	7.1%	(12,955)	-0.7%
31 Military Dept	Gen		5,265,054	5,265,094	5,344,708	40	0.0%	79,614	1.5%
	Cash		930,623	942,789	952,437	12,166	1.3%	9,648	1.0%
	Fed		23,555,268	23,985,828	24,175,183	430,560	1.8%	189,355	0.8%
	Rev		0	0	0	0	na	0	na
	Total		29,750,945	30,193,711	30,472,328	442,766	1.5%	278,617	0.9%
32 Ed Lands & Funds	Gen		321,217	328,604	335,359	7,387	2.3%	6,755	2.1%
	Cash		14,859,919	15,812,024	15,947,069	952,105	6.4%	135,045	0.9%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		15,181,136	16,140,628	16,282,428	959,492	6.3%	141,800	0.9%
33 Game and Parks	Gen		11,190,856	11,883,981	12,073,883	693,125	6.2%	189,902	1.6%
	Cash		71,819,577	76,134,003	77,070,161	4,314,426	6.0%	936,158	1.2%
	Fed		7,745,549	7,806,698	7,856,053	61,149	0.8%	49,355	0.6%
	Rev		0	0	0	0	na	0	na
	Total		90,755,982	95,824,682	97,000,097	5,068,700	5.6%	1,175,415	1.2%
34 Library Commission	Gen		3,778,812	3,963,508	4,085,973	184,696	4.9%	122,465	3.1%
	Cash		94,085	94,085	94,085	0	0.0%	0	0.0%
	Fed		1,511,770	1,512,216	1,512,225	446	0.0%	9	0.0%
	Rev		0	0	0	0	na	0	na
	Total		5,384,667	5,569,809	5,692,283	185,142	3.4%	122,474	2.2%
35 Liquor Commission	Gen		1,046,759	1,285,358	1,298,648	238,599	22.8%	13,290	1.0%
	Cash		70,719	70,719	70,719	0	0.0%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		1,117,478	1,356,077	1,369,367	238,599	21.4%	13,290	1.0%
36 Racing Commission	Gen		0	0	0	0	na	0	na
	Cash		1,118,625	935,432	950,165	(183,193)	-16.4%	14,733	1.6%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		1,118,625	935,432	950,165	(183,193)	-16.4%	14,733	1.6%
37 Workers Compensation Court	Gen		0	0	0	0	na	0	na
	Cash		5,823,471	5,998,343	6,139,482	174,872	3.0%	141,139	2.4%
	Fed		50,590	51,748	52,674	1,158	2.3%	926	1.8%
	Rev		0	0	0	0	na	0	na
	Total		5,874,061	6,050,091	6,192,156	176,030	3.0%	142,065	2.3%

	Fund		w/o Deficits	Total	Total	FY16 vs Prior Year		FY17 vs Prior Year	
			FY2014-15	FY2015-16	FY2016-17	\$ Chnge	% Chnge	\$ Chnge	% Chnge
39	Brand Committee	Gen	0	0	0	0	na	0	na
		Cash	4,459,610	4,599,176	4,703,997	139,566	3.1%	104,821	2.3%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	4,459,610	4,599,176	4,703,997	139,566	3.1%	104,821	2.3%
40	Motor Vehicle Dealers	Gen	0	0	0	0	na	0	na
		Cash	733,076	728,166	745,639	(4,910)	-0.7%	17,473	2.4%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	733,076	728,166	745,639	(4,910)	-0.7%	17,473	2.4%
41	Real Estate Commission	Gen	0	0	0	0	na	0	na
		Cash	1,183,817	1,761,263	1,232,247	577,446	48.8%	(529,016)	-30.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,183,817	1,761,263	1,232,247	577,446	48.8%	(529,016)	-30.0%
45	Barber Examiners	Gen	0	0	0	0	na	0	na
		Cash	159,934	168,160	168,121	8,226	5.1%	(39)	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	159,934	168,160	168,121	8,226	5.1%	(39)	0.0%
46	Correctional Services	Gen	185,313,346	205,254,397	196,364,541	19,941,051	10.8%	(8,889,856)	-4.3%
		Cash	2,197,373	2,581,873	2,126,000	384,500	17.5%	(455,873)	-17.7%
		Fed	1,751,929	1,758,021	1,762,858	6,092	0.3%	4,837	0.3%
		Rev	18,580,670	18,780,835	18,935,977	200,165	1.1%	155,142	0.8%
		Total	207,843,318	228,375,126	219,189,376	20,531,808	9.9%	(9,185,750)	-4.0%
47	Educational Telecomm.	Gen	9,840,715	10,173,789	10,329,068	333,074	3.4%	155,279	1.5%
		Cash	337,755	337,755	337,755	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	10,178,470	10,511,544	10,666,823	333,074	3.3%	155,279	1.5%
48	Postsecondary Coord Comm	Gen	8,874,793	8,987,366	9,006,763	112,573	1.3%	19,397	0.2%
		Cash	10,025,000	18,051,875	11,595,768	8,026,875	80.1%	(6,456,107)	-35.8%
		Fed	2,209,757	1,008,127	407,556	(1,201,630)	-54.4%	(600,571)	-59.6%
		Rev	0	0	0	0	na	0	na
		Total	21,109,550	28,047,368	21,010,087	6,937,818	32.9%	(7,037,281)	-25.1%
50	Nebraska State Colleges	Gen	49,396,030	50,877,911	52,404,248	1,481,881	3.0%	1,526,337	3.0%
		Cash	33,199,918	33,199,918	33,199,918	0	0.0%	0	0.0%
		Fed	46,739,698	46,739,698	46,739,698	0	0.0%	0	0.0%
		Rev	9,112,985	9,112,985	9,112,985	0	0.0%	0	0.0%
		Total	138,448,631	139,930,512	141,456,849	1,481,881	1.1%	1,526,337	1.1%

	Fund		w/o Deficits	Total	Total	FY16 vs Prior Year		FY17 vs Prior Year	
			FY2014-15	FY2015-16	FY2016-17	\$ Chnge	% Chnge	\$ Chnge	% Chnge
51 University of Nebraska	Gen		542,816,884	563,885,541	583,068,732	21,068,657	3.9%	19,183,191	3.4%
	Cash		403,816,887	404,066,887	404,066,887	250,000	0.1%	0	0.0%
	Fed		543,597,650	543,597,650	543,597,650	0	0.0%	0	0.0%
	Rev		592,115,506	592,115,506	592,115,506	0	0.0%	0	0.0%
	Total		2,082,346,927	2,103,665,584	2,122,848,775	21,318,657	1.0%	19,183,191	0.9%
52 Board of Agriculture	Gen		0	0	0	0	na	0	na
	Cash		3,500,000	4,250,000	4,250,000	750,000	21.4%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		3,500,000	4,250,000	4,250,000	750,000	21.4%	0	0.0%
53 Real Property Appraiser Brd	Gen		0	0	0	0	na	0	na
	Cash		319,433	462,584	388,173	143,151	44.8%	(74,411)	-16.1%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		319,433	462,584	388,173	143,151	44.8%	(74,411)	-16.1%
54 Historical Society	Gen		4,932,223	5,110,695	4,652,409	178,472	3.6%	(458,286)	-9.0%
	Cash		2,302,695	2,512,562	2,645,542	209,867	9.1%	132,980	5.3%
	Fed		829,274	845,966	858,731	16,692	2.0%	12,765	1.5%
	Rev		0	0	0	0	na	0	na
	Total		8,064,192	8,469,223	8,156,682	405,031	5.0%	(312,541)	-3.7%
56 Nebraska Wheat Board	Gen		0	0	0	0	na	0	na
	Cash		1,957,503	2,186,574	2,192,322	229,071	11.7%	5,748	0.3%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		1,957,503	2,186,574	2,192,322	229,071	11.7%	5,748	0.3%
57 Oil & Gas Commission	Gen		0	0	0	0	na	0	na
	Cash		811,365	843,251	863,344	31,886	3.9%	20,093	2.4%
	Fed		89,235	80,000	79,000	(9,235)	-10.3%	(1,000)	-1.3%
	Rev		0	0	0	0	na	0	na
	Total		900,600	923,251	942,344	22,651	2.5%	19,093	2.1%
58 Engineers Architects	Gen		0	0	0	0	na	0	na
	Cash		700,036	772,667	750,868	72,631	10.4%	(21,799)	-2.8%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		700,036	772,667	750,868	72,631	10.4%	(21,799)	-2.8%
59 Geologists Board	Gen		0	0	0	0	na	0	na
	Cash		28,406	29,095	29,529	689	2.4%	434	1.5%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		28,406	29,095	29,529	689	2.4%	434	1.5%

	Fund		w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year	
						\$ Chnge	% Chnge	\$ Chnge	% Chnge
60	Ethanol Board	Gen	0	0	0	0	na	0	na
		Cash	644,967	658,653	694,715	13,686	2.1%	36,062	5.5%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	644,967	658,653	694,715	13,686	2.1%	36,062	5.5%
61	Dairy Board	Gen	0	0	0	0	na	0	na
		Cash	1,399,957	1,399,957	1,399,957	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	1,399,957	1,399,957	1,399,957	0	0.0%	0	0.0%
62	Land Surveyors	Gen	0	0	0	0	na	0	na
		Cash	28,374	28,374	28,374	0	0.0%	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	28,374	28,374	28,374	0	0.0%	0	0.0%
63	Public Accountancy	Gen	0	0	0	0	na	0	na
		Cash	423,865	431,852	438,085	7,987	1.9%	6,233	1.4%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	423,865	431,852	438,085	7,987	1.9%	6,233	1.4%
64	State Patrol	Gen	56,576,821	58,537,010	60,095,811	1,960,189	3.5%	1,558,801	2.7%
		Cash	16,238,289	18,023,597	19,564,452	1,785,308	11.0%	1,540,855	8.5%
		Fed	2,431,542	2,610,203	2,766,303	178,661	7.3%	156,100	6.0%
		Rev	999,186	1,070,437	1,094,530	71,251	7.1%	24,093	2.3%
		Total	76,245,838	80,241,247	83,521,096	3,995,409	5.2%	3,279,849	4.1%
65	Admin Services (DAS)	Gen	7,821,743	8,580,996	8,880,092	759,253	9.7%	299,096	3.5%
		Cash	4,262,726	4,519,779	2,015,555	257,053	6.0%	(2,504,224)	-55.4%
		Fed	0	1,087,514	0	1,087,514	na	(1,087,514)	-100.0%
		Rev	201,538,835	217,261,471	224,474,926	15,722,636	7.8%	7,213,455	3.3%
		Total	213,623,304	231,449,760	235,370,573	17,826,456	8.3%	3,920,813	1.7%
66	Abstracter's Board	Gen	0	0	0	0	na	0	na
		Cash	53,694	57,590	58,182	3,896	7.3%	592	1.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	53,694	57,590	58,182	3,896	7.3%	592	1.0%
67	Equal Opportunity Commission	Gen	1,186,439	1,186,572	1,262,802	133	0.0%	76,230	6.4%
		Cash	0	0	0	0	na	0	na
		Fed	698,586	783,888	810,622	85,302	12.2%	26,734	3.4%
		Rev	0	0	0	0	na	0	na
		Total	1,885,025	1,970,460	2,073,424	85,435	4.5%	102,964	5.2%

	Fund		w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year	
						\$ Chnge	% Chnge	\$ Chnge	% Chnge
68	Latino American Commission	Gen	190,981	202,917	207,834	11,936	6.2%	4,917	2.4%
		Cash	0	5,000	5,000	5,000	na	0	0.0%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	190,981	207,917	212,834	16,936	8.9%	4,917	2.4%
69	Arts Council	Gen	1,507,157	1,540,070	1,561,484	32,913	2.2%	21,414	1.4%
		Cash	1,435,000	1,435,000	1,435,000	0	0.0%	0	0.0%
		Fed	883,955	739,042	739,047	(144,913)	-16.4%	5	0.0%
		Rev	0	0	0	0	na	0	na
		Total	3,826,112	3,714,112	3,735,531	(112,000)	-2.9%	21,419	0.6%
70	Foster Care Review Board	Gen	1,616,119	2,020,653	1,865,446	404,534	25.0%	(155,207)	-7.7%
		Cash	5,700	5,700	5,700	0	0.0%	0	0.0%
		Fed	499,812	600,843	609,592	101,031	20.2%	8,749	1.5%
		Rev	0	0	0	0	na	0	na
		Total	2,121,631	2,627,196	2,480,738	505,565	23.8%	(146,458)	-5.6%
71	Energy Office	Gen	0	411,750	218,472	411,750	na	(193,278)	-46.9%
		Cash	1,415,745	1,926,653	1,435,438	510,908	36.1%	(491,215)	-25.5%
		Fed	7,780,992	7,818,973	7,849,234	37,981	0.5%	30,261	0.4%
		Rev	0	0	0	0	na	0	na
		Total	9,196,737	10,157,376	9,503,144	960,639	10.4%	(654,232)	-6.4%
72	Economic Development	Gen	11,759,875	12,632,259	12,711,328	872,384	7.4%	79,069	0.6%
		Cash	27,763,524	29,186,816	28,904,199	1,423,292	5.1%	(282,617)	-1.0%
		Fed	26,234,366	26,277,578	26,309,615	43,212	0.2%	32,037	0.1%
		Rev	0	0	0	0	na	0	na
		Total	65,757,765	68,096,653	67,925,142	2,338,888	3.6%	(171,511)	-0.3%
73	Landscape Architects	Gen	0	0	0	0	na	0	na
		Cash	22,586	24,735	25,170	2,149	9.5%	435	1.8%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	22,586	24,735	25,170	2,149	9.5%	435	1.8%
74	Power Review Board	Gen	200,000	0	0	(200,000)	-100.0%	0	na
		Cash	577,640	628,337	637,346	50,697	8.8%	9,009	1.4%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	777,640	628,337	637,346	(149,303)	-19.2%	9,009	1.4%
75	Investment Council	Gen	0	0	0	0	na	0	na
		Cash	2,525,955	2,614,346	2,845,950	88,391	3.5%	231,604	8.9%
		Fed	0	0	0	0	na	0	na
		Rev	0	0	0	0	na	0	na
		Total	2,525,955	2,614,346	2,845,950	88,391	3.5%	231,604	8.9%

	Fund		w/o Deficits	Total	Total	FY16 vs Prior Year		FY17 vs Prior Year	
			FY2014-15	FY2015-16	FY2016-17	\$ Chnge	% Chnge	\$ Chnge	% Chnge
76 Indian Affairs	Gen		208,175	215,260	220,673	7,085	3.4%	5,413	2.5%
	Cash		20,000	20,000	20,000	0	0.0%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Rev		0	0	0	0	na	0	na
	Total		228,175	235,260	240,673	7,085	3.1%	5,413	2.3%
77 Industrial Relations	Gen		313,047	320,351	325,660	7,304	2.3%	5,309	1.7%
	Cash		0	0	0	0	na	0	na
	Fed		0	0	0	0	na	0	na
	Total		313,047	320,351	325,660	7,304	2.3%	5,309	1.7%
78 Crime Commission	Gen		9,679,828	11,956,193	12,651,823	2,276,365	23.5%	695,630	5.8%
	Cash		1,526,588	1,653,560	1,666,757	126,972	8.3%	13,197	0.8%
	Fed		10,489,043	10,505,633	10,518,371	16,590	0.2%	12,738	0.1%
	Total		21,695,459	24,115,386	24,836,951	2,419,927	11.2%	721,565	3.0%
81 Blind and Visually Impaired	Gen		1,045,990	1,130,545	1,148,527	84,555	8.1%	17,982	1.6%
	Cash		98,746	98,746	98,746	0	0.0%	0	0.0%
	Fed		3,881,586	4,470,672	4,656,072	589,086	15.2%	185,400	4.1%
	Total		5,026,322	5,699,963	5,903,345	673,641	13.4%	203,382	3.6%
82 Deaf and Hard of Hearing	Gen		874,808	1,011,990	1,016,914	137,182	15.7%	4,924	0.5%
	Cash		14,836	16,600	16,600	1,764	11.9%	0	0.0%
	Fed		0	0	0	0	na	0	na
	Total		889,644	1,028,590	1,033,514	138,946	15.6%	4,924	0.5%
83 Community Colleges	Gen		95,040,351	97,891,562	100,828,308	2,851,211	3.0%	2,936,746	3.0%
	Cash		0	0	0	0	na	0	na
	Fed		0	0	0	0	na	0	na
	Total		95,040,351	97,891,562	100,828,308	2,851,211	3.0%	2,936,746	3.0%
84 Environmental Quality (DEQ)	Gen		5,534,394	5,835,796	6,063,609	301,402	5.4%	227,813	3.9%
	Cash		32,008,973	34,222,371	36,431,350	2,213,398	6.9%	2,208,979	6.5%
	Fed		30,247,375	34,554,795	32,054,944	4,307,420	14.2%	(2,499,851)	-7.2%
	Rev		0	0	0	0	na	0	na
	Total		67,790,742	74,612,962	74,549,903	6,822,220	10.1%	(63,059)	-0.1%
85 Retirement Board	Gen		46,645,251	47,477,438	46,400,000	832,187	1.8%	(1,077,438)	-2.3%
	Cash		5,256,251	6,712,767	5,492,278	1,456,516	27.7%	(1,220,489)	-18.2%
	Fed		0	0	0	0	na	0	na
	Total		51,901,502	54,190,205	51,892,278	2,288,703	4.4%	(2,297,927)	-4.2%
86 Dry Bean Board	Gen		0	0	0	0	na	0	na
	Cash		381,879	441,477	467,741	59,598	15.6%	26,264	5.9%
	Fed		0	0	0	0	na	0	na
	Total		381,879	441,477	467,741	59,598	15.6%	26,264	5.9%

	Fund	w/o Deficits FY2014-15	Total FY2015-16	Total FY2016-17	FY16 vs Prior Year		FY17 vs Prior Year	
					\$ Chnge	% Chnge	\$ Chnge	% Chnge
87 Accountability & Disclosure	Gen	468,402	484,947	497,268	16,545	3.5%	12,321	2.5%
	Cash	225,816	233,266	238,871	7,450	3.3%	5,605	2.4%
	Fed	0	0	0	0	na	0	na
	Total	694,218	718,213	736,139	23,995	3.5%	17,926	2.5%
88 Nebraska Corn Board	Gen	0	0	0	0	na	0	na
	Cash	7,226,712	8,200,000	8,200,000	973,288	13.5%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Total	7,226,712	8,200,000	8,200,000	973,288	13.5%	0	0.0%
91 Nebraska Tourism Commission	Gen	500,000	250,000	250,000	(250,000)	-50.0%	0	0.0%
	Cash	4,760,471	5,737,890	5,762,007	977,419	20.5%	24,117	0.4%
	Fed	0	0	0	0	na	0	na
	Total	5,260,471	5,987,890	6,012,007	727,419	13.8%	24,117	0.4%
92 Grain Sorghum Board	Gen	0	0	0	0	na	0	na
	Cash	293,732	295,269	296,890	1,537	0.5%	1,621	0.5%
	Fed	0	0	0	0	na	0	na
	Total	293,732	295,269	296,890	1,537	0.5%	1,621	0.5%
93 Tax Equalization & Review (TERC)	Gen	730,051	816,079	837,359	86,028	11.8%	21,280	2.6%
	Cash	115,000	70,000	70,000	(45,000)	-39.1%	0	0.0%
	Fed	0	0	0	0	na	0	na
	Rev	0	0	0	0	na	0	na
Total	845,051	886,079	907,359	41,028	4.9%	21,280	2.4%	
94 Public Advocacy	Gen	0	0	0	0	na	0	na
	Cash	4,727,534	4,805,969	4,785,773	78,435	1.7%	(20,196)	-0.4%
	Fed	0	0	0	0	na	0	na
	Total	4,727,534	4,805,969	4,785,773	78,435	1.7%	(20,196)	-0.4%
99 Capital Construction	Gen	26,437,444	26,382,800	22,239,000	(54,644)	-0.2%	(4,143,800)	-15.7%
	Cash	65,959,313	82,085,430	44,893,930	16,126,117	24.4%	(37,191,500)	-45.3%
	Fed	0	870,000	0	870,000	na	(870,000)	-100.0%
	Rev	20,220,900	30,160,898	11,965,190	9,939,998	49.2%	(18,195,708)	-60.3%
Total	112,617,657	139,499,128	79,098,120	26,881,471	23.9%	(60,401,008)	-43.3%	
STATE	Gen	4,105,825,530	4,271,803,869	4,397,255,680	165,978,339	4.0%	125,451,811	2.9%
TOTALS	Cash	2,146,231,964	2,293,125,964	2,256,953,781	146,894,000	6.8%	(36,172,183)	-1.6%
	Fed	2,920,649,443	2,974,745,612	3,029,560,219	54,096,169	1.9%	54,814,607	1.8%
	Rev	845,665,312	871,770,089	861,057,632	26,104,777	3.1%	(10,712,457)	-1.2%
	Total	10,018,372,249	10,411,445,534	10,544,827,312	393,073,285	3.9%	133,381,778	1.3%

*Also includes NCCF and other funds along with Revolving

CAPITAL CONSTRUCTION

Capital Construction Summary

	Reaffirmations	New Projects	Total
FY2015-16			
General Funds	25,021,000	1,361,800	26,382,800
Cash Funds	32,603,930	49,481,500	82,085,430
Federal Funds	0	870,000	870,000
Revolving/Other Funds	2,115,000	1,045,898	3,160,898
Nebr Capital Const Fund (NCCF)	1,000,000	26,000,000	27,000,000
	<hr/>	<hr/>	<hr/>
FY2015-16 Total	60,739,930	78,759,198	139,499,128
FY2016-17			
General Funds	22,239,000	0	22,239,000
Cash Funds	32,573,930	12,320,000	44,893,930
Federal Funds	0	0	0
Revolving/Other Funds	2,115,000	1,045,898	3,160,898
Nebr Capital Const Fund (NCCF)	8,804,292	0	8,804,292
	<hr/>	<hr/>	<hr/>
FY2016-17 Total	65,732,222	13,365,898	79,098,120
FY2017-18			
General Funds	31,768,333	0	31,768,333
Cash Funds	32,573,930	0	32,573,930
Federal Funds	0	0	0
Revolving/Other Funds	2,115,000	1,045,898	3,160,898
Nebr Capital Const Fund (NCCF)	0	0	0
	<hr/>	<hr/>	<hr/>
FY2017-18 Total	66,457,263	1,045,898	67,503,161
FY2018-19			
General Funds	30,966,526	0	30,966,526
Cash Funds	32,573,930	0	32,573,930
Federal Funds	0	0	0
Revolving/Other Funds	2,115,000	1,045,897	3,160,897
Nebr Capital Const Fund (NCCF)	0	0	0
	<hr/>	<hr/>	<hr/>
FY2018-19 Total	65,655,456	1,045,897	66,701,353

New Construction refers to projects initiated in the 2013 Session while **Reaffirmations** refers to funding needed to complete projects authorized and initial funding provided in prior legislative sessions.

The Nebraska Capital Construction Fund (NCCF) was originally created in the early 70's to account for a five cent cigarette tax earmark to build the Devaney Sports Center. Over time, the cigarette tax that had originally flowed to the NCCF has been basically reallocated and earmarked for other items. Amounts appropriated from the NCCF for the FY16/FY17 biennium are derived from excess from completed projects, and investment income generated on the invested NCCF balance.

About 63% of the budgeted General Funds and NCCF funds for capital construction are reaffirmations of projects initiated in prior sessions. This includes \$12.1 million in each year for the

state's share of deferred maintenance and repair projects at the University of Nebraska and State Colleges as authorized under LB605 (2006), and \$5.1 million per year for the IANR Veterinary Diagnostic Center project as authorized in LB968 (2012).

Table 40 contains a complete listing of General Fund and NCCF projects. A narrative description of the major new construction items and a complete list of all reaffirmations and new construction projects, including all fund sources, follow.

Table 40 General Fund and NCCF Listing-Capital Construction Projects

	Fund	2015-16	2016-17	2017-18	2018-19	Future Yrs
REAFFIRMATIONS						
#25-DHHS	Chemical dependency unit, HRC	General	4,883,000	0	0	0
#46-Corrections	Infrastructure and maintenance projects	NCCF	1,000,000	1,000,000	0	0
#50-Colleges	Deferred maintenance/repair (LB605-2006)	General	1,125,000	1,125,000	1,125,000	1,125,000
#50-State Colleges	WSC Conn Library & CSC Rangeland Center (bond payment)	General	2,216,000	2,216,000	2,216,000	4,432,000
#51-University	UNMC College of Nursing Lincoln Facility (bond payment)	General	1,477,000	1,477,000	1,477,000	5,886,300
#51-University	Deferred maintenance/repair (LB605-2006)	General	11,000,000	11,000,000	11,000,000	11,000,000
#51-University	NCTA Education Center	General	820,000	820,000	820,000	5,466,135
#51-University	IANR Veterinary Diagnostic Center (bond payment)	General	0	5,101,000	5,101,000	25,474,700
#54-Hist Society	Renovate Nebraska History Museum (Lincoln)	General	3,000,000	0	0	0
#65-DAS	State Capitol HVAC system replacement	General	0	0	9,529,333	47,808,341
#65-DAS	State Capitol HVAC system replacement	NCCF	0	7,804,292	0	20,436,714
#65-DAS	State Capitol improvements	General	500,000	500,000	500,000	3,000,000
NEW CONSTRUCTION						
#25-DHHS	Renovation, convert beds - Western Neb Vets Home	General	1,361,800	0	0	0
#51-University	Global Center for Advanced Interprofessional Learning (LB 532)	NCCF	25,000,000	0	0	0
#65-DAS	Demolish buildings at Norfolk Regional Center (LB 57)	NCCF	1,000,000	0	0	0
Reaffirmation						
General Fund		25,021,000	22,239,000	31,768,333	30,966,526	104,192,476
NCCF		1,000,000	8,804,292	0	0	20,436,714
Total - Reaffirmation		26,021,000	31,043,292	31,768,333	30,966,526	124,629,190
New Construction						
General Fund		1,361,800	0	0	0	0
NCCF		26,000,000	0	0	0	0
Total - New Construction		27,361,800	0	0	0	0
Total General Fund		26,382,800	22,239,000	31,768,333	30,966,526	104,192,476
Total NCCF		27,000,000	8,804,292	0	0	20,436,714

Convert Nursing Care Beds at Western Neb. Vets Home

The budget includes \$1,361,800 General Funds in FY2015-16 to allow for renovations at the Western Nebraska Veterans' Home in Scottsbluff. The facility will be renovated to convert 12 Assisted Living beds to Skilled Nursing Care beds. The Skilled Nursing Unit at WMVH has been at capacity with a waiting list (31 in November) for several years while the Assisted Living Unit has had several open beds with no waiting list. Although there are additional operating costs of about \$800,000 to staff the higher acuity level of residents being served, DHHS projects increased annual cash and federal fund revenue of about \$679,000 once the beds are converted. This project is funded through a \$1,361,800 lapse of unused reappropriations in the Veterans Home operations program in the enacted deficit adjustments.

Outdoor Venture Parks – Game and Parks Commission

Included in the capital construction recommendation is the creation of a complex of outdoor venture parks comprising Mahoney SP, Platte River SP, Louisville SRA and Schramm SRA. This is a public-private partnership at this four park complex that will expand on the outdoor experiences offered to visitors. Development at each park will include a Discovery Zone (naturalist program, nature trails, dig for fossils, etc.), an Explore Zone (geocaching, rope swing, kayaking, etc.), an Excitement Zone (zip line, raging river, zorbing, etc.), a Serenity Zone (lazy river, glamping, picnicking facilities, etc.), and an Imagination Zone (pirate raft ride, build a sandcastle, create a fort, etc.). Total expenditures are estimated to be \$35,151,500, with donations funding about 80% of the cost (\$27,851,500). The state contribution will be capped at \$7,300,000 and will be financed using the Commission's park related cash fund (State Park Cash Revolving Fund). It is expected that the venture parks will be economically self-sufficient and will generate sufficient revenue to cover operating costs as well as future maintenance and replacement costs, with surplus revenue funding expenses at other park areas.

Global Center for Advanced Interprofessional Learning

The budget includes \$25,000,000 for the University of Nebraska to design and construct a 125,000 square foot Global Center for Advanced Interprofessional Learning at the University of Nebraska Medical Center. The total project cost is estimated at \$102,000,000 of which \$77,000,000 is to be private or other funds. Prior to receiving \$20,000,000 of the \$25,000,000 provided by the State, the University must provide evidence that \$40,000,000 in private or other funds have been received by the Board.

The Center will utilize next-generation virtual technology to provide hands-on competency-based training. Simulated real-life clinics and hospital space will allow students and practicing health care professionals to hone their skills before treating actual patients. The ability to practice real-life scenarios in a virtual environment before treating patients is critical. The Center is to be a resource for the entire State with satellite virtual simulation centers in Scottsbluff, Kearney, Norfolk and Lincoln for continuing education and statewide training opportunities.

Demolish buildings at Norfolk Regional Center

The budget appropriates \$1,000,000 from the Nebraska Capital Construction Fund (NCCF) to abate and remove hazardous materials; and, demolish and remove buildings and infrastructure at the Norfolk Regional Center.

This \$1 million NCCF becomes available from slightly lower costs for the Central Nebraska Veterans Home. LB198 [2013] appropriated \$47,015,459 from the Nebraska Capital Construction Fund and \$74,004,854 federal funds for construction of a new Central Nebraska Veterans Home. The final application was \$5 million under the appropriated amount but leaving only a \$1 million excess after providing for an allowed 10% contingency. The enacted budget reduces the reappropriation of the unexpended Nebraska Capital Construction Fund appropriation balance for the project by \$1,000,000.

Capitol Fountains

LB905 [2014] appropriated \$2,500,000 from the Nebraska Capital Construction Fund to install fountains in the four courtyards of the Capitol consistent with the original design of the building and to complete infrastructural improvements to support operation and maintenance of the fountains.

Current updated cost projections for completion of the fountains project estimate related costs at \$3,092,200.

LB314 [2009] appropriated \$1,892,479 from the Nebraska Capital Construction Fund to modernize and upgrade the four passenger elevators in the Capitol tower with new elevator systems. The project was completed during the current fiscal year. The unexpended balance of the related appropriation is \$608,754. The enacted budget reappropriates this unexpended appropriation balance for the Capitol courtyard fountains installation project

Project Listing - Reaffirmations

Reaffirmations		Fiscal Yr	Dollar Amt	Fund
#17-Aeronautics	Reallocate prior funds, demolish residence - Scribner Airfield	2015-16	30,000	Cash
#25-DHHS	Chemical dependency unit, HRC	2015-16	4,883,000	Gen
#46-Corrections	Infrastructure and Maintenance Infrastructure and Maintenance	2015-16	1,000,000	NCCF
		2016-17	1,000,000	NCCF
#50-State Colleges	Deferred repair/renovation/replacement (LB605)	2015-16	1,125,000	Gen
	Deferred repair/renovation/replacement (LB605)	2015-16	1,200,000	Rev
	Deferred repair/renovation/replacement (LB605)	2016-17	1,125,000	Gen
	Deferred repair/renovation/replacement (LB605)	2016-17	1,200,000	Rev
	Deferred repair/renovation/replacement (LB605)	2017-18	1,125,000	Gen
	Deferred repair/renovation/replacement (LB605)	2017-18	1,200,000	Rev
	Deferred repair/renovation/replacement (LB605)	2018-19	1,125,000	Gen
	Deferred repair/renovation/replacement (LB605)	2018-19	1,200,000	Rev
	Deferred repair/renovation/replacement (LB605)	Future	1,125,000	Gen
	Deferred repair/renovation/replacement (LB605)	Future	1,200,000	Rev
#50-Colleges	Board facilities fee fund projects	2015-16	915,000	Rev
	Board facilities fee fund projects	2016-17	915,000	Rev
	Board facilities fee fund projects	2017-18	915,000	Rev
	Board facilities fee fund projects	2018-19	915,000	Rev
	Board facilities fee fund projects	Future	1,830,000	Rev
#50-State Colleges	State Colleges Sport Facilities Cash Fund	2015-16	300,000	Cash
	State Colleges Sport Facilities Cash Fund	2016-17	300,000	Cash
	State Colleges Sport Facilities Cash Fund	2017-18	300,000	Cash
	State Colleges Sport Facilities Cash Fund	2018-19	300,000	Cash
	State Colleges Sport Facilities Cash Fund	Future	no limit	Cash
#50-State Colleges	WSC Conn Library and CSC Rangeland Center (bond payment)	2015-16	2,216,000	Gen
	WSC Conn Library and CSC Rangeland Center (bond payment)	2016-17	2,216,000	Gen
	WSC Conn Library and CSC Rangeland Center (bond payment)	2017-18	2,216,000	Gen
	WSC Conn Library and CSC Rangeland Center (bond payment)	2018-19	2,216,000	Gen
	WSC Conn Library and CSC Rangeland Center (bond payment)	Future	4,432,000	Gen
#51-University	UNMC College of Nursing Lincoln Facility (bond payment)	2015-16	1,477,000	Gen
	UNMC College of Nursing Lincoln Facility (bond payment)	2016-17	1,477,000	Gen
	UNMC College of Nursing Lincoln Facility (bond payment)	2017-18	1,477,000	Gen
	UNMC College of Nursing Lincoln Facility (bond payment)	2018-19	1,477,000	Gen
	UNMC College of Nursing Lincoln Facility (bond payment)	Future	5,886,300	Gen
#51-University	Deferred repair/renovation/replacement (LB605)	2015-16	11,000,000	Gen
	Deferred repair/renovation/replacement (LB605)	2015-16	11,000,000	Cash
	Deferred repair/renovation/replacement (LB605)	2016-17	11,000,000	Gen
	Deferred repair/renovation/replacement (LB605)	2016-17	11,000,000	Cash
	Deferred repair/renovation/replacement (LB605)	2017-18	11,000,000	Gen
	Deferred repair/renovation/replacement (LB605)	2017-18	11,000,000	Cash
	Deferred repair/renovation/replacement (LB605)	2018-19	11,000,000	Gen
	Deferred repair/renovation/replacement (LB605)	2018-19	11,000,000	Cash
	Deferred repair/renovation/replacement (LB605)	Future	11,000,000	Gen
	Deferred repair/renovation/replacement (LB605)	Future	6,632,546	Cash
#51-University	NCTA Education Center	2015-16	820,000	Gen
	NCTA Education Center	2016-17	820,000	Gen
	NCTA Education Center	2017-18	820,000	Gen
	NCTA Education Center	2018-19	820,000	Gen
	NCTA Education Center	Future	5,466,135	Gen
#51-University	IANR Veterinary Diagnostic Center (bond payment)	2015-16	0	Gen
	IANR Veterinary Diagnostic Center (bond payment)	2016-17	5,101,000	Gen
	IANR Veterinary Diagnostic Center (bond payment)	2017-18	5,101,000	Gen
	IANR Veterinary Diagnostic Center (bond payment)	2018-19	5,101,000	Gen
	IANR Veterinary Diagnostic Center (bond payment)	Future	25,474,700	Gen

Reaffirmations (continued)		Fiscal Yr	Dollar Amt	Fund
#54-Hist Society	Renovate Nebraska History Museum (Lincoln)	2015-16	3,000,000	Gen
#65-DAS	State Capitol HVAC system replacement	2015-16	0	Gen
	State Capitol HVAC system replacement	2016-17	7,804,292	NCCF
	State Capitol HVAC system replacement	2017-18	9,529,333	Gen
	State Capitol HVAC system replacement	2018-19	8,727,526	Gen
	State Capitol HVAC system replacement	Future	47,808,341	Gen
	State Capitol HVAC system replacement	Future	20,436,714	NCCF
#65-DAS	LB309 Task Force, deferred repair/maint (cig tax)	2015-16	21,273,930	Cash
	LB309 Task Force, deferred repair/maint (cig tax)	2016-17	21,273,930	Cash
	LB309 Task Force, deferred repair/maint (cig tax)	2017-18	21,273,930	Cash
	LB309 Task Force, deferred repair/maint (cig tax)	2018-19	21,273,930	Cash
	LB309 Task Force, deferred repair/maint (cig tax)	Future	no limit	Cash
#65-DAS	State Capitol Improvements	2015-16	500,000	Gen
	State Capitol Improvements	2016-17	500,000	Gen
	State Capitol Improvements	2017-18	500,000	Gen
	State Capitol Improvements	2018-19	500,000	Gen
	State Capitol Improvements	Future	3,000,000	Gen

Project Listing – New Construction Projects

New Construction		Fiscal Yr	Dollar Amt	Fund
#25-DHHS	Renovation, convert beds - Western Neb Vets Home	2015-16	1,361,800	Gen
#27-Roads	Facility improvements - Statewide	2015-16	5,000,000	Cash
	Facility improvements - Statewide	2016-17	5,000,000	Cash
#31-Military Dept	Facilities Maintenance Building - Camp Ashland	2015-16	870,000	Fed
#33-Game & Parks	State Parks Facilities - Deferred Maintenance	2015-16	1,730,000	Cash
	State Parks Facilities - Deferred Maintenance	2016-17	2,550,000	Cash
#33-Game & Parks	Emergency repairs, fish and wildlife facilities	2015-16	75,000	Cash
#33-Game & Parks	Aquatic habitat enhancement and restoration.	2015-16	3,175,000	Cash
	Aquatic habitat enhancement and restoration.	2016-17	3,000,000	Cash
#33-Game & Parks	State Park System Facility Improvements	2015-16	1,000,000	Cash
	State Park System Facility Improvements	2016-17	1,000,000	Cash
#33-Game & Parks	District Offices - General Improvements and Repairs	2015-16	250,000	Cash
#33-Game & Parks	Upgrade and repair of cabins - Mahoney State Park.	2015-16	180,000	Cash
	Upgrade and repair of cabins - Mahoney State Park.	2016-17	180,000	Cash
#33-Game & Parks	Upgrade and repair of cabins - Platte River State Park.	2016-17	150,000	Cash
#33-Game & Parks	Visitors Center addition - Lake McConaughy SRA	2015-16	550,000	Cash
#33-Game & Parks	Shower/Latrine Facility - Mormon Island SRA	2015-16	200,000	Cash
#33-Game & Parks	Wildlife Management Areas - Misc. improvements	2015-16	150,000	Cash
#33-Game & Parks	Fisheries facilities repairs and improvements – Statewide	2015-16	75,000	Cash
	Fisheries facilities repairs and improvements – Statewide	2016-17	75,000	Cash
#33-Game & Parks	New Camping Area for Boaters - Fremont SRA	2015-16	200,000	Cash
#33-Game & Parks	Visitor center addition & remodeling - Indian Cave State Park	2016-17	165,000	Cash
#33-Game & Parks	Shower/Latrine Facility - Butte View campground	2016-17	200,000	Cash
#33-Game & Parks	Visitor center renovation - Fort Kearney SHP	2015-16	195,000	Cash
#33-Game & Parks	ATV Trails, parking, restroom - Lake McConaughy SRA	2015-16	750,000	Cash
#33-Game & Parks	Convert unused residence into rental cabin - Chadron State Park	2015-16	50,000	Cash
#33-Game & Parks	New Operations & Construction shop facility, Lincoln	2015-16	750,000	Cash
#33-Game & Parks	Venture Park Development	2015-16	35,151,000	Cash
	Venture Park Development	2015-16	0	Other
#51-University	Global Center for Advanced Interprofessional Learning (LB 532)	2015-16	25,000,000	NCCF
#65-DAS	Data Center risk mitigation	2015-16	1,045,898	Rev
	Data Center risk mitigation	2016-17	1,045,898	Rev
	Data Center risk mitigation	2017-18	1,045,898	Rev
	Data Center risk mitigation	2018-19	1,045,897	Rev
#65-DAS	Demolish buildings at Norfolk Regional Center (LB 57)	2015-16	1,000,000	NCCF

**ADJUSTMENT OF
CURRENT YEAR
(FY2014-15)
APPROPRIATIONS**

Narrative Description of Major Deficits

When the new appropriation amount for the current fiscal year is revised, this is commonly referred to as a “deficit”. The General Fund total for FY14-15 amounts to \$7,229,154. This total is the net result of various adjustments including a \$6 million savings in Homestead Exemption reimbursement and \$32.4 million in excess appropriations in DHHS, but additional funding for the Department of Correctional Services for inmate health care and overall population related issues (\$14.75 million) and the Department of Health and Human Services (DHHS) to cover the cost of IV-E disallowances (\$17.2 million) and foster care reimbursement rates (\$7.5 million)

Juvenile probation costs under LB561 In the 2014 session, probation estimated a shortfall of \$7.4 million for FY13-14 only. The budget included a \$7.4 million contingency appropriation made to a separate budget program and only to be used if the agency certifies to the state budget administrator that funds available in the regular probation program are insufficient. The full \$7.4 million FY13-14 deficit amount was ultimately utilized. This deficit was considered one-time and not annualized into FY14-15.

This session, probation requested a deficit appropriation for FY15 of \$11 million including \$7.3 million to offset lack of Medicaid and Title IV-E funding, \$2.1 million for group home and foster care rate increase, \$1.1 million for rate increase in detention, and \$535,600 for unanticipated expenses for the Hastings Juvenile Chemical Dependency Program and longer terms of Probation. The budget includes an additional \$7 million as a FY15 deficit and an additional \$7 million for FY15-16. These funds are included in a separate budget program and requires the Probation Administrator to certify to the Budget Administrator the amount of the shortfall. General Funds are then transferred to cover the shortfall. No additional funds are provided for FY16-17 subject to Probation addressing the various cost overrun issues.

Homestead Exemption: The actual 2014 homestead exemption reimbursement claims filed by counties total \$67,357,398. Leaving \$42,602 for a small allowance for revisions provides a total of \$67,400,000 which is \$6,121,000 below the current appropriation of \$73,521,000. As the \$67.4 million amount would fully fund all claims under current law, this \$6 million is excess appropriation authority that can be lapsed.

Federal IV-E Disallowance The Department received a disallowance of \$7,772,308 for failing to implement changes to the Cost Allocation Plan. The changes relate to the administrative claiming of Title IV-E Foster Care funds. The agency began making quarterly payments of \$647,692 using money from a settlement with the federal government. Those funds have been exhausted and General Funds are needed to pay the last two quarterly payments. (\$3,886,152 General Fund)

In January 2014, the Department received two disallowances totaling \$21.9 million for all Title IV-E foster care maintenance claims for federal fiscal year (FFY) 10 to FFY12. The Department appealed the disallowances and submitted \$7.4 in information on claims; reducing the disallowance to \$14,589,973. The agency made a final settlement in November 2014 for \$11,731,248. The interest rate is 10.125%. If a lump sum payment is made by July 30, 2015, the total payment would be \$13,414,605.94 (\$13,314,960 General Fund)

Foster care reimbursement rate, NFC Contract and Tribe The Department of Health and Human Services was required to increase foster care rates beginning on July 1, 2014 based on the recommendations of the Foster Care Reimbursement Rate Committee. The committee did not

complete their work until after the 2014 Legislative Session was over. Prior to the recommendations, the Legislature appropriated \$2.5 million for the rates statewide. The Department stated that this was the amount NFC and the tribes needed for the increased rates. NFC provided information that their increase is about \$5.7 million while the tribal estimate provided by the Department was \$1 million. (\$7,584,150 General Fund)

Lapse Excess Funds, DHHS Programs As part of the budget review process, current year spending of the various DHHS operations and aid programs was evaluated based on actual expenditures through March and estimates for the remaining three months. Based on these estimated spending levels, and an allowance for encumbrances, there will be an excess of General Fund appropriations which is comprised of both FY15 new appropriations and reappropriations from prior years. Rather than allowing the unused funds to “lapse” at the end of the fiscal year, the enacted budget reduces the current year appropriation to recapture these funds. The amount included is \$9 million from Program 347-Public Assistance, \$22 million from Program 348-Medicaid, and \$1.4 million from Program 519-Veterans Homes.

Dept. of Corrections, Population Related Overall the deficit bill includes a \$14,729,044 net increase in General Funds for the Department of Corrections Services (DCS).

County Jail Agreement staffing	263,315
Cover FY14 expenses carried forward to FY15	5,732,666
Increased available cash funds	(384,500)
Increased Utilities & Maintenance costs	1,262,875
Inmate Medical Costs	7,872,460
Inmate Per Diem	361,639
PSL Shortage & Overtime (also \$1,887,152 PSL)	1,392,647
Security Staffing (also \$472,425 PSL)	454,454
Vocational and Life Skills, startup timing	(476,512)
Vocational and Life Skills, startup timing	(1,750,000)
Total	14,729,044

Due to a shortage of funds in FY13-14, \$5.7 million of obligations were carried forward into FY15 and then paid using FY15 funds. The higher than anticipated FY14 expenditures were due to the new treatment for Hepatitis C (Sovaldi), costs for outside medical providers (increasing and aging inmate population), inmate per diem (food, clothing, and supplies), and utility rates. This portion of the deficit replaces those FY15 funds.

Health care costs have increased significantly recently. An increased and aging inmate population and inflation have all contributed to the rise in medical expenses. The inmate medical cost deficit is for the new Hepatitis C treatment (Sovaldi). DCS noted that prisons historically have a higher concentration of persons with the disease than in the general public, and they typically are more severe cases. Hepatitis C impacts approximately 10% of the inmate population. DCS is required to provide inmates with the community standard of medical care. Section 83-4,154 defines this term as "medical care of the type, quality, and amount that any individual residing within the community in question could expect to receive in that community".

With respect to the Vocational and Life Skills program, a slower-than-anticipated start-up of this program allows for a reduction in the amount originally budgeted last session.

The table below highlights all the General Fund deficit appropriation changes as enacted followed by a table that lists lapses of reappropriated balances. A complete listing of all FY2014-15 items starts on page 114,

Adjustment of FY2014-15 General Fund Appropriations

5	Courts	436	Shortfall, juvenile probation costs under LB561	Oper	7,000,000
7	Governor	21	Leave payouts (also \$98,890 PSL)	Oper	9,300
7	Governor	21	Operational excellence and performance management	Oper	45,000
10	Auditor	506	Early funding, new Audit team funded in FY16 (also \$11,022 PSL)	Oper	14,922
12	Treasurer	659	Reduce excess FY2014-15 appropriation	Oper	(20,000)
13	Education	158	TEEOSA Aid; revised Insurance Premium tax	Aid	(1,181,754)
13	Education	158	School Breakfast Program	Aid	52,380
16	Revenue	108	Homestead exemption deficit	Aid	(6,121,000)
25	DHHS	33	IV-E Disallowance	Oper	3,886,152
25	DHHS	347	Lapse excess funds, Public Assistance	Aid	(9,000,000)
25	DHHS	347	Redirect FY14 reappropriation to Child Welfare Aid (\$7M GF)	Aid	YES
25	DHHS	348	Lapse excess funds, Medicaid	Aid	(22,000,000)
25	DHHS	353	Transfer LB530A funds, DHHS to Foster Care (also \$43,098 PSL)	Oper	LB 430
25	DHHS	354	Foster care reimbursement rate, NFC Contract and Tribe	Aid	7,584,150
25	DHHS	354	IV-E Disallowance	Aid	13,314,960
25	DHHS	354	Redirect FY14 reappropriation to Child Welfare Aid (\$7M GF)	Aid	YES
25	DHHS	519	Lapse excess funds, Veterans Homes	Aid	(1,400,000)
31	Military Dept	548	Tuition credit program	Aid	175,000
46	Corrections	200	County Jail Agreement staffing (also \$277,214 PSL)	Oper	263,315
46	Corrections	200	Funding, FY14 expenses carried forward to FY15	Oper	5,732,666
46	Corrections	200	Increased available cash funds	Oper	(384,500)
46	Corrections	200	Increased Utilities & Maintenance costs	Oper	1,262,875
46	Corrections	200	Inmate Medical costs	Oper	7,872,460
46	Corrections	200	Inmate Per Diem costs	Oper	361,639
46	Corrections	200	Employee Overtime	Oper	1,392,647
46	Corrections	200	Security Staffing	Oper	454,454
46	Corrections	214	Vocational and Life Skills program, startup timing	Oper	(476,512)
46	Corrections	214	Vocational and Life Skills program, startup timing	Aid	(1,750,000)
47	NETC	533	Replace NETC tower antenna (KTNE Alliance)	Oper	385,000
54	Hist Society	648	Payout, accumulated vacation and sick leave (also \$21,000 PSL)	Oper	16,000
65	DAS	592	State Patrol officers retirement lawsuit	Oper	125,000
65	DAS	536	State Claims (LB554)	Oper	2,210,995
70	Foster Care	353	Transfer LB530A funds, DHHS to Foster Care (also \$43,098 PSL)	Oper	LB 430
					30,151,413
Operations					
State Aid					(18,926,264)
Construction					0
Total General Fund Deficits					11,225,149

Lapse of Prior Year Reappropriations

	Fund	Amount
12 Treasurer-Excess FY14 reappropriation, Long Term Care Savings	Oper	(150,000)
25 DHHS-Reduce reapprop to offset WNVH assisted living renovation	Oper	(2,761,800)
Total Lapsed Appropriations	Gen	(2,911,800)

FY2014-15 Budget Adjustments - All Funds

Agency / Issue	Fund	Enacted
#05 Supreme Court		
Shortfall, juvenile probation costs under LB561	Gen	7,000,000
#07-Governor		
Leave payouts (also \$98,890 PSL)	Gen	9,300
Operational excellence and performance management	Gen	45,000
#10-State Auditor		
Early funding, new Audit team funded in FY16 (also \$11,022 PSL)	Gen	14,992
Early funding, additional auditors funded in FY16 (also \$25,717 PSL)	Cash	34,281
#12 State Treasurer		
Reduce excess FY2014-15 appropriation	Gen	(20,000)
Convention Center Support Fund	Cash	4,021,225
Transfer \$806,146 from Sports Arena Support to Civic & Community Center	--	0
#13 Dept of Education		
TEEOSA Aid; revised Insurance Premium tax	Gen	(1,181,754)
School Breakfast Program	Gen	52,380
Retirement payouts (also \$30,438 PSL)	Cash	36,539
Salary increase for contract employee (also \$1,608 PSL)	Cash	1,608
#15 Pardons & Parole		
Increase PSL, \$15,002	PSL	0
#16 Dept of Revenue		
Homestead exemption deficit	Gen	(6,121,000)
#25 Health & Human Services		
IV-E Disallowance	Gen	3,886,152
Redirect FY14 reappropriation to Child Welfare Aid (\$7M GF)	Gen	0
Lapse excess funds, Public Assistance	Gen	(9,000,000)
Transfer LB530A funds, DHHS to Foster Care (also \$43,098 PSL)	Gen	0
Redirect FY14 reappropriation to Child Welfare Aid (\$7M GF)	Gen	0
Lapse excess funds, Medicaid	Gen	(22,000,000)
Lapse excess funds, Medicaid	Fed	(25,000,000)
Foster care reimbursement rate, NFC Contract and Tribe	Gen	7,584,150
IV-E Disallowance	Gen	13,314,960
#31 Military Dept		
Tuition credit program	Gen	175,000
#41 Real Estate Commission		
Leave payouts (also \$25,103 PSL)	Cash	28,906
#46 Correctional Services		
County Jail Agreement staffing (also \$277,214 PSL)	Gen	263,315
Funding, FY14 expenses carried forward to FY15	Gen	5,732,666
Increased available cash funds	Gen	(384,500)
Increased available cash funds	Cash	384,500
Increased Utilities & Maintenance costs	Gen	1,262,875
Inmate Medical Per Diem	Gen	7,872,460
Inmate Per Diem	Gen	361,639
PSL Shortage & Overtime (also \$1,887,152 PSL)	Gen	1,392,647
Security Staffing (also \$472,425 PSL)	Gen	454,454
Adjust Vocational and Life Skills appropriation for startup timing	Gen	(476,512)
Adjust Vocational and Life Skills appropriation for startup timing	Gen	(1,750,000)

<u>Agency / Issue</u>	<u>Fund</u>	<u>Enacted</u>
#47 Nebr Educational Telecommunications		
Replace NETC tower antenna (KTNE Alliance)	Gen	385,000
#53 Real Property Appraiser		
Higher than anticipated credentialing and investigation costs	Cash	25,000
#54 Historical Society		
Payout, accumulated vacation and sick leave (also \$21,000 PSL)	Gen	16,000
#65 Administrative Services		
Purchase of land, Capitol Environs parking	Rev	180,000
State Claims	Gen	2,210,995
State Claims	Cash	190,000
State Claims	Rev	303,750
State Patrol officers retirement lawsuit	Gen	125,000
Republican River Compact litigation judgment	Cash	5,500,000
<hr/>		
General Funds		11,225,219
Cash Funds		10,222,059
Federal Funds		(25,000,000)
Revolving Funds		483,750
Total		(3,068,972)
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Chronology of FY2014-15 Appropriations

GENERAL FUNDS	Operations	State Aid	Construction	Total
Total Per 2013 Session	1,395,116,374	2,617,466,291	28,310,000	4,040,892,665
2014 Session-Committee Proposed	12,722,518	(11,644,140)	1,024,444	2,102,822
2014 Session-Floor Actions	0	110,322	0	110,322
2014 Session-Mainline Governor Vetoes	(3,020,764)	(14,180,048)	0	(17,200,812)
2014 Session-Mainline Veto Overrides	2,982,428	14,180,048	0	17,162,476
2014 Session "A" bills	21,678,535	43,976,522	(2,897,000)	62,758,057
Post 2014 Session	0	0	0	0
2014 Session - Midbiennium Adjustments	34,362,717	32,442,704	(1,872,556)	64,932,865
Total Per 2014 Session	1,429,479,091	2,649,908,995	26,437,444	4,105,825,530
2015 Session Deficits	27,940,418	(18,926,264)	0	9,014,154
2015 Session State Claims	2,210,995	0	0	2,210,995
2015 Session "A" bills	0	0	0	0
2015 Session - Deficits	30,151,413	(18,926,264)	0	11,225,149
Final Appropriation per 2015 Session	1,459,630,504	2,630,982,731	26,437,444	4,117,050,679

ALL FUNDS	General	Cash	Federal	Rev/Other	Total
Total Per 2013 Session	4,040,892,665	2,044,309,317	2,892,865,676	764,788,062	9,742,855,720
2014 Session Mainline Changes	2,213,144	64,957,520	3,295,456	22,351,900	92,818,020
2014 Session Vetoes	(17,200,812)	(18,257,520)	(4,321,240)	(14,201,900)	(53,981,472)
2014 Session Overrides	17,162,476	17,696,556	4,321,240	14,201,900	53,382,172
2014 Session "A" bills	62,758,057	28,664,313	17,357,217	180,594	108,960,181
Post 2014 Session	0	150,000	0	0	150,000
2014 Session Midbiennium	64,932,865	93,210,869	20,652,673	22,532,494	201,328,901
Total Per 2014 Session	4,105,825,530	2,137,520,186	2,913,518,349	787,320,556	9,944,184,621
Update cash/federal estimates	0	8,711,778	7,131,094	58,344,756	74,187,628
Adjusted Per 2014 Session	4,105,825,530	2,146,231,964	2,920,649,443	845,665,312	10,018,372,249
2015 Session Deficits	9,014,224	10,032,059	(25,000,000)	180,000	(5,773,717)
2015 Session State Claims	2,210,995	190,000	0	303,750	2,704,745
2015 Session "A" bills	0	0	0	0	0
Final per 2015 Session	4,117,050,749	2,156,454,023	2,895,649,443	846,149,062	10,015,303,277

DEFINITION OF TERMS

State Biennial Budget

A biennium is the time period for which the same Legislature exists. For example, the 104th Legislature will exist for two years, with the first session held in 2015, the second session in 2016. Although the State Constitution prohibits one Legislature from enacting appropriations that are binding on a future Legislature, the first session of the 104th Legislature can bind the second session of the same 104th Legislature. Therefore the 104th Legislature, meeting in 2015, can enact appropriations for FY2015-16 and FY2016-17 without binding the 105th Legislature. The biennial budget then is the sum of all appropriations made by the Legislature (both the first and second sessions) for these two succeeding fiscal years. These budgets as initially set in the 2015 session, can be revised and amended in subsequent legislative sessions, up until the end of a fiscal year.

The biennial budget can't be found in any single legislative bill. The phrase "the sum of all appropriations" was appropriately used as appropriations are contained in many different bills. What's referred to as the "mainline" budget bills are basically the appropriations to carry out the functions of state government as they exist at the beginning of a legislative session, and are normally contained in several different bills; legislator salaries, constitutional officer salaries, a main budget, and capital construction. New legislation enacted during a legislative session carries a companion appropriation bill if an appropriation is necessary to carry out the new law. This companion bill, referred to as an "A" bill, is a separate bill using the original bill number with the letter "A" following. In this manner, the appropriation to carry out the provisions of this legislation is only enacted if in fact the new legislation is enacted.

Fiscal Year

The time period for which appropriations are made is the states' fiscal year that runs from July 1st through June 30th of the following year. The fiscal year covering the period July 1, 2015 through June 30, 2016 is referred to as FY2015-16, FY15-16, or simply FY16. Within this 12-month period, agencies are limited to only those appropriations made for FY2015-16. The fiscal year covering the period July 1, 2016 through June 30, 2017 is referred to as FY2016-17, FY16-17, or simply FY17.

Fund Types

The State of Nebraska utilizes several different types of funds for appropriating and accounting for revenue sources. This structure is somewhat similar to a bank that has several general categories of accounts such as commercial, individual, and trust accounts while under these general types of accounts are many separate and distinct individual accounts. In the state system, the broad types of funds are listed below:

General Fund - This fund accounts for all the receipts not specified by statute to be credited to another fund. There is only a single General Fund. The majority of General Fund revenues come from sales and use taxes, and individual and corporate income taxes. Because appropriations from this fund determine the level of sales and income tax rates, most discussion on "balancing the budget" relates to the General Fund. Also deposited into the General Fund are liquor taxes, and approximately half of the cigarette tax and insurance premium taxes.

Cash Funds - These funds are used to account for the revenues and expenditures of dedicated fees and charges. Unlike the single General Fund, there are more than 250 individual cash funds contained in 70 different agencies. In many instances, an agency has multiple cash funds. For example, the Department of Agriculture has over 20 different cash funds. Monies held in these funds generally can only be used for the specific purpose for which the fund was created. Cash funds are used to account for revenues such as University and State College tuition and fees, institution patient revenues, hunting/fishing permits, highway revenues (gas tax and sales tax on motor vehicles), and agricultural commodity check-off fees. In addition, most inspection, regulatory, and license fees and charges, are dedicated to and accounted for through the use of cash funds. The Department of Roads accounts for about 40% of cash fund revenues/expenditures.

Federal Funds - Federal funds account for monies received from the federal government either as grants, contracts, or matching funds. Unlike other fund sources, federal fund appropriations are an estimate and agencies are not limited to the amount shown in the appropriation bills though receipts must meet expenditures. Similar to cash funds, there are numerous individual federal funds contained in the accounting system and they are generally limited to specific uses as authorized by the federal program from which the funds came from. About 59% of the federal funds are expended in the Health and Human Services System, a large portion for programs such as Medicaid, ADC, and other public assistance program. Federal funds in the Dept of Education account for 12% of the total mostly flow through monies to local K-12 schools for programs such as Title 1, School Lunch, and Special Education.

Revolving Funds - These types of funds account for transactions where one agency provides goods or services to another agency. For example, the Dept of Education pays DAS-Building Division (SBD) for office rent in a state office building. The expenditure is charged against Education's budget (be it General, Cash, or Federal) as rent expenses. DAS-SBD then receives these funds which are credited to a revolving fund from which DAS-SBD pays staff salaries, utilities, custodial costs, repairs, etc... This in essence double-counts an expenditure; once when an agency pays another for goods/services rendered, the second time when the receiving agency then pays for costs incurred in providing the goods or services. Like cash and federal funds, there are numerous individual revolving funds within the state system. The University and State Colleges also use revolving funds but to account for revenues from dormitories, student unions, agricultural experiment stations, and other "enterprise" operations.

Other Funds - In the appropriation figures, this type includes a very small amount of private donations in capital construction, and the Nebraska Capital Construction Fund (NCCF). Because these amounts are historically both relatively small, they are combined with Revolving Funds for purposes of this report.

Operations, State Aid, Construction

In this report, there are instances where appropriations by fund type are also broken down into three categories: operations, state aid, and capital construction. And within the "state aid" category, there are two kinds: state aid to individuals and state aid to local governments.

Agency Operations accounts for the costs of operating state agencies including items such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc...

Aid to Individuals includes programs such as Medicaid, Aid to Dependent Children (ADC), 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.

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). This category includes programs such as state aid to schools (TEEOSA), special education, homestead exemption reimbursements and property tax relief through direct aid payments to cities, counties, NRD's, community colleges, and ESU's. State payments to fund part of the K-12 teacher retirement plan are not included under this category as those amounts are credited directly to the teacher retirement fund and are not checks written to school districts nor do those amounts show up as a school revenue or subsequent expenditure.

Capital Construction includes costs for new construction and major repairs and renovation of state-owned facilities. The term "major" is used with respect to repair and renovations as relatively small or on-going projects are routinely done within agencies operating budgets. Highway and road construction and maintenance is not included in this category. This is included under cash fund agency operations.

Agency and Program Structure

Although only agency total figures are shown in this report, the state uses a program structure to which all appropriations are made. Budget programs are set out in the appropriations bills and are intended to follow functional lines within an agency. Overall there are approximately 350 budget programs within 82 state agencies. A lump sum appropriation is made to each program by fund type. Individual line items of expenditure (ie... salaries, data processing, equipment, supplies) are identified in the agency request and subsequently during the expenditure of the appropriated funds, but not for purposes of appropriations.

The only legally valid appropriations are made to budget programs with agency totals being for informational purposes only. Funds can only be shifted from one program to another by action of the Legislature. In some cases an entire agency is contained in one budget program. This normally occurs when it is a small agency with basically one purpose. A good example is the Board of Barber Examiners. However, there are some examples of very large agencies that are also contained in only one program, for example the Dept of Correctional Services. In this case, the need for flexibility in terms of reallocating funding among the various institutions dictates a broader budget program. In these instances, more detailed data is available through the use of sub-programs during the request and expenditure process.

Budget Process and Chronology

The budgetary process is a biennial cycle of submissions, reviews, and appropriations. The full cycle takes almost one complete 12-month period. The following steps basically comprise the cycle as it works during the preparation of a biennial budget.

Step 1 Budget Request Instructions By July 15, statutes require the Department of Administrative Services (DAS) Budget Division to issue instructions and forms for state agencies to use in submitting the budget request for the next two fiscal years.

Step 2 Agency Budget Requests By September 15, agencies must submit their requests to DAS with a copy to the Legislative Fiscal Office (LFO).

Step 3 Staff Review From September through December, analysts for the DAS Budget Division and LFO review agency requests and collect and analyze information justifying the request levels. The DAS-Budget analysis is conducted for the use of the Governor in developing his/her recommendations, the LFO analysis is provided for the Appropriations Committee and Legislature.

Step 4 Governor's Recommendation By statute, the Governor's budget is due by January 15th of each year. In the first year of his/her term, this time is extended until February 15th.

Step 5 Appropriations Committee Initial Review From the middle of January to mid to late February, the Appropriations Committee reviews agency requests and develops a preliminary recommendation. This preliminary recommendation becomes the basis for the agency budget hearings as well as a Preliminary Report required by legislative rules. This report is due 20-30 legislative days after the Governor's budget is submitted during odd numbered years (15-20 legislative days in even numbered years).

Step 6 Agency Budget Hearings From mid-February to mid-March, approximately 4-5 weeks are used to conduct public hearings on the agency request, the Governor's recommendations and Appropriations Committee preliminary recommendation. During these hearings, agencies, interest groups, and the general public submit requested changes to the Committee preliminary recommendation. Although not done frequently, other standing committees of the Legislature may have hearings on the budgets of those agencies under their subject jurisdiction during this time.

Step 7 Committee Final Recommendation From mid-March to the mid to late April, another four weeks is used to review all requests subsequent to the hearings and finalize the Appropriations Committee recommendation that will be sent to the full Legislature. By rule, the budget bills must be submitted to the Legislature as a whole by the 70th legislative day in 90 day sessions, and the 40th day in 60 day sessions, otherwise the Governor's bills are considered as introduced. When the Appropriations Committee sends their recommendations to the entire Legislature, the other standing committees again have the opportunity to review and/or hold hearings on the recommendations for the agencies under their jurisdiction.

Step 8 General File Like all other bills, budget bills are subject to amendment on the floor of the Legislature. The only difference is that for budget bills, all amendments must have 25 votes where a simple majority of those voting can amend other bills. This is the first of three stages a legislative bill must follow on its way to passage.

Step 9 Select File This is the second and last stage of floor debate and again the budget bills are subject to debate and amendment.

Step 10 Final Reading The number of votes required for passage of budget bills depends on whether the bill has the emergency clause (ie.. the bill becomes law immediately after signed by the Governor), and whether the appropriation exceeds the Governor's recommendation. Any bill with the emergency clause (including budget bills) requires a 2/3 vote of the 49 members of the Legislature (33 votes). Since the fiscal year starts on July 1, and voting on budget bills normally occurs at the end of May or first part of June, the mainline budget bills will require the emergency clause in order for agencies to have funding available by the start of the new fiscal year. Some appropriations can

go into effect after the fiscal year has begun as the mainline bill provides adequate cash flow until 90 days after the session ends when bills without the emergency clause go into effect. In cases of bills without the emergency clause the number of votes depends on whether the appropriation is in excess of the Governor's recommendation (30 votes) or at or below the Governor's recommendation (simple majority, 25 votes). By legislative rule, all bills which have a General Fund impact (ie.. General Fund "A" bill or General Fund revenue loss) are held on the final stage of consideration until the mainline budget bills have been passed.

Step 11 Governor Vetoes The Governor has five calendar days (excluding Sunday) to sign bills as enacted, let the bill become law without his/her signature, or return the bill with vetoes. In addition to the authority to veto a bill in total, the Governor also has the authority to line-item veto which means the Governor can strike a number and insert a lower number for any specific item of appropriation.

Step 12 Veto Overrides By legislative rule, if more than one item in a bill is vetoed, the Appropriations Committee must make a report to the Legislature within one legislative day. The rules further lay out the order for considering override attempts: (1) the Committee may offer to override the entire bill; (2) the Committee may offer to override selected line item vetoes; (3) any member of the Legislature may then offer a motion to override the entire bill; and (4) any member may then offer motions to override selected line item vetoes. In the Committee report, the Appropriations Committee can either recommend or not recommend overrides, or as in some cases, remain silent on the disposition of vetoes. In all cases, veto overrides require 30 votes.

Step 13 Deficit Appropriations A budget enacted for a fiscal year can be amended or changed up to the last day of that fiscal year. Deficit appropriations are changes made to the originally enacted appropriations. There are several chances to amend a biennial budget once it has been enacted. For example, the FY15-16 and FY16-17 biennial budget was enacted in the 2015 Session. Both years can be changed during the 2016 Session, even though at that time, the state will be nine months into FY15-16. The second year of the biennial budget (FY2016-17) can also be subject to change prospectively during the 2016 Session and again during the 2017 Session as a "deficit" during the fiscal year.

LEGISLATIVE FISCAL OFFICE

Agency Assignments and Staff

Agency Assignments

(Agencies in numerical order)

Agency	Analyst
#03 Legislative Council	Tom Bergquist
#05 Supreme Court	Doug Nichols
#07 Governor/PRO/Energy	Scott Danigole
#08 Lieutenant Governor	Scott Danigole
#09 Secretary of State	Scott Danigole
#10 State Auditor	Scott Danigole
#11 Attorney General	Scott Danigole
#12 State Treasurer	Scott Danigole
#13 Dept of Education	Sandy Sostad
#14 Public Service Commission	Scott Danigole
#15 Board of Pardons and Parole	Doug Nichols
#16 Dept of Revenue	Doug Gibbs
#17 Dept of Aeronautics	Mike Lovelace
#18 Dept of Agriculture	Jeanne Glenn
#19 Dept of Banking	Phil Hovis
#21 State Fire Marshal	Scott Danigole
#22 Dept of Insurance	Sandy Sostad
#23 Dept of Labor	Doug Gibbs
#24 Dept of Motor Vehicles	Sandy Sostad
#25 Dept of Health & Human Services System Behavioral Health, Developmental Disabilities related All Other HHS Programs	Sandy Sostad, Liz Hruska
#27 Dept of Roads	Mike Lovelace
#28 Dept of Veterans Affairs	Mike Lovelace
#29 Dept of Natural Resources	Jeanne Glenn
#30 State Electrical Board	Scott Danigole
#31 Military Department	Mike Lovelace
#32 Board of Educational Lands and Funds	Sandy Sostad
#33 Game and Parks Commission	Mike Lovelace
#34 Library Commission	Phil Hovis
#35 Liquor Control Commission	Doug Gibbs
#36 Racing Commission	Doug Gibbs
#37 Workers' Compensation Court	Doug Nichols
#39 Brand Committee	Jeanne Glenn
#40 Motor Vehicle Industry Licensing Board	Sandy Sostad
#41 Real Estate Commission	Mike Lovelace
#45 Board of Barber Examiners	Liz Hruska
#46 Dept of Correctional Services	Doug Nichols
#47 Educational Telecommunications Commission	Kathy Tenopir
#48 Coordinating Commission Postsecondary Ed	Phil Hovis
#50 State Colleges	Phil Hovis
#51 University of Nebraska	Kathy Tenopir

Agency	Analyst
#52 State Fair Board	Jeanne Glenn
#53 Real Property Appraiser Board	Mike Lovelace
#54 Historical Society	Scott Danigole
#56 Wheat Board	Jeanne Glenn
#57 Oil and Gas Conservation Commission	Scott Danigole
#58 Board of Examiners for Engineers and Architects	Doug Gibbs
#59 Board of Geologists	Doug Gibbs
#60 Ethanol Board	Jeanne Glenn
#61 Dairy Industry Development Board	Jeanne Glenn
#62 Board of Examiners for Land Surveyors	Doug Gibbs
#63 Board of Public Accountancy	Mike Lovelace
#64 State Patrol	Doug Nichols
#65 Dept of Administrative. Services Personnel, Employee Relations, Risk Management, Building Division, Capitol Comm, 309 Task Force All Other Divisions	Kathy Tenopir Phil Hovis Scott Danigole
#66 Abstractors Board of Examiners	Doug Gibbs
#67 Equal Opportunity Commission	Liz Hruska
#68 Mexican American Commission	Liz Hruska
#69 Nebraska Arts Council	Jeanne Glenn
#70 Foster Care Review Board	Liz Hruska
#71 Nebraska Energy Office	Scott Danigole
#72 Dept of Economic Development	Jeanne Glenn
#73 Bd of Examiners for Landscape Architects	Doug Gibbs
#74 Power Review Board	Scott Danigole
#75 Investment Council	Kathy Tenopir
#76 Commission on Indian Affairs	Liz Hruska
#77 Commission of Industrial Relations	Kathy Tenopir
#78 Crime Commission	Doug Nichols
#81 Commission for the Blind and Visually Impaired	Sandy Sostad
#82 Commission on the Deaf and Hard of Hearing	Liz Hruska
#83 Community Colleges	Phil Hovis
#84 Dept of Environmental Quality	Jeanne Glenn
#85 Public Employees Retirement Board	Kathy Tenopir
#86 Dry Bean Commission	Jeanne Glenn
#87 Political Accountability and Disclosure	Scott Danigole
#88 Corn Board	Jeanne Glenn
#91 Nebraska Tourism Commission	Jeanne Glenn
#92 Grain Sorghum Board	Jeanne Glenn
#93 Tax Equalization and Review Commission	Doug Gibbs
#94 Commission on Public Advocacy	Doug Nichols

Legislative Fiscal Office Staff

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McNally, Wanda	471-2263	Wmcnally@leg.ne.gov	Fiscal Assistance
Diarrassouba, Malik	471-0061	Mdiarrassouba@leg.ne.gov	Economic and Tax Research Analyst, Revenue Forecasting
Danigole, Scott	471-0055	Sdanigole@leg.ne.gov	Governor/PRO/Energy, Lt. Governor, Secretary of State, State Auditor, Attorney General, State Treasurer, Public Service Commission, State Fire Marshal, State Electrical Board, Historical Society, Oil & Gas Conservation Commission, DAS Administrative Services, Energy Office, Power Review Board, Accountability & Disclosure Commission
Gibbs, Doug	471-0051	Dgibbs@leg.ne.gov	Revenue, Labor, Liquor Control Commission, Racing Commission, Engineers & Architects Examiners Board, Land Surveyors Examiners Board, Abstractors Examiners Board, Geologists Board, Landscape Architects Examiners Board, Tax Equalization and Review Commission
Glenn, Jeanne	471-0056	Jglenn@leg.ne.gov	Agriculture, Natural Resources, Brand Committee, Fair Board, Wheat Board, Ethanol Board, Dairy Industry Development Board, Arts Council, Economic Development, Environmental Quality, Dry Bean Commission, Corn Board, Grain Sorghum Board, Tourism Commission
Hovis, Phil	471-0057	Phovis@leg.ne.gov	Banking, Library Commission, Postsecondary Ed Coordinating Commission, State College System, DAS Building Division/Task Force for Building Renewal/Capitol Commission, Community Colleges
Hruska, Liz	471-0053	Lhruska@leg.ne.gov	Health & Human Services, Barber Examiners Board, Equal Opportunity Commission, Mexican-American Commission, Foster Care Review Board, Indian Affairs Commission, Hearing Impaired Commission

Lovelace, Mike	471-0050	Mlovelace@leg.ne.gov	Aeronautics, Roads, Veterans Affairs, Military Department, Game & Parks Commission, Real Estate Commission, Real Property Appraisers Board, Public Accountancy Board
Nichols, Doug	471-0052	Dnichols@leg.ne.gov	Supreme Court, Board of Pardons and Parole, Workers' Compensation Court, Corrections, State Patrol, Crime Commission, Commission on Public Advocacy
Sostad, Sandy	471-0054	Ssostad@leg.ne.gov	Education, Insurance, Health & Human Services (Behavioral Health & Developmental Disabilities), Motor Vehicles, Educational Lands & Funds Board, Motor Vehicle Industry Licensing Board, Commission for the Blind and Visually Impaired
Tenopir, Kathy	471-0058	Ktenopir@leg.ne.gov	Educational Television Commission, University of Nebraska, DAS Personnel Division, DAS Employee Relations Division, DAS Risk Mgmt Division/State Claims, Commission on Industrial Relations, Investment Council, Public Employees Retirement Board