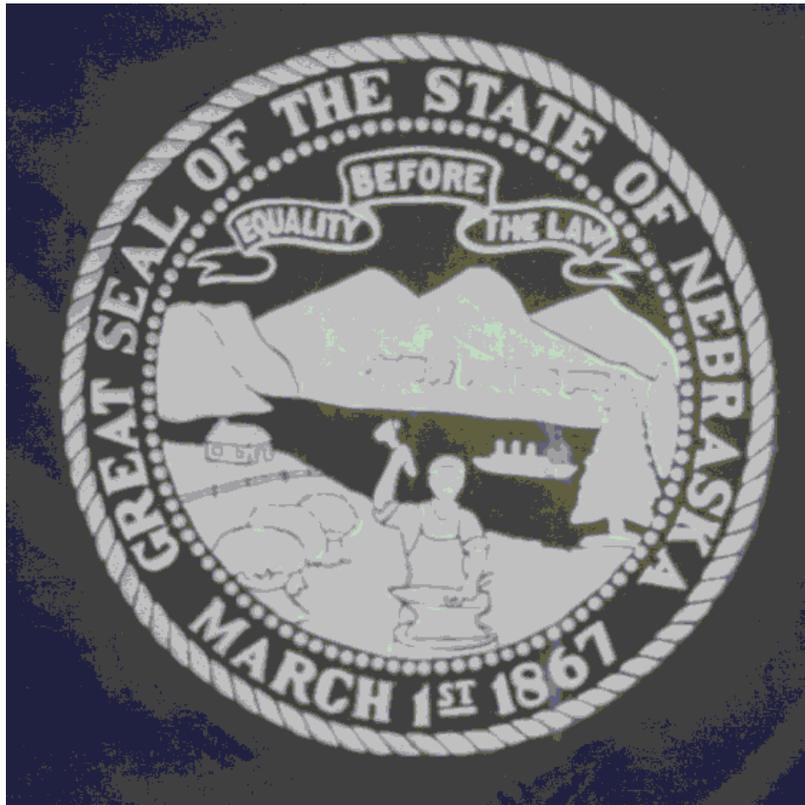


# Appropriations Committee Preliminary Report



February 2012

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# Overview

This report provides a projection of the state’s General Fund financial picture for the current biennial budget, FY2011-12 and FY2012-13, and the following biennium, FY2013-14 and FY2014-15. The report aims to assist the Legislature with its fiscal planning as it begins to consider 2012 revenue and spending adjustments.

The projections for the current biennium incorporate (1) the October 2011 revenue forecasts of the Nebraska Economic Forecasting Advisory Board, (2) appropriations as enacted in the 2011 legislative session and 2011 Special Session, and (3) the Appropriations Committee preliminary budget adjustments.

The projections for the following biennium incorporate revenue forecasts based on a historical average methodology as calculated by the Legislative Fiscal Office (see page 9 ), projected budget increases based on historical average increases and formula driven estimates for specific areas, and the annualized and on-going impacts of actions taken in the 2011 legislative session and the Committee Preliminary budget. All such estimates are based on existing law in particular the TEEOSA school aid formula.

*Note that the Nebraska Economic Forecast Advisory Board (NEFAB) is scheduled to meet February 24, 2012 to review their existing forecasts. Changes in those forecasts could have an impact on the projected status as shown in this report.*

## Current Biennium

Since Sine Die of the 2011 Legislative Session, the financial picture for the current biennium (FY12 / FY13) has actually improved. At Sine Die, the variance from the minimum General Fund reserve (commonly referred to as the surplus or shortfall) was predicted to be only \$3.2

<b>Changes in the Financial Status – Current Biennium</b>				
Millions of Dollars	FY11	FY12	FY13	Total
Variance - Sine Die 2011				3.2
Change in actual/revised forecasts	62.7	51.9	61.4	175.9
Above forecast receipts to Cash Reserve	0.0	(62.7)	(51.9)	(114.6)
Lapse of FY10-11 appropriations	0.0	4.6	0.0	4.6
Exclude allocation for deficits	0.0	5.0	0.0	5.0
Special session costs, environmental study	0.0	0.0	(2.1)	(2.1)
Change in reserve, accounting adjustment	(5.9)	0.0	(8.5)	(14.4)
2012 Committee Prelim - TEEOSA estimates	0.0	0.0	35.2	35.2
2012 Committee Prelim –Non-TEEOSA items	0.0	(11.8)	(17.4)	(29.2)
State Claims (LB 1072 as introduced)	0.0	(0.5)	0.0	(0.5)
Variance – Committee Preliminary Budget				63.2

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

million. The current estimate is a positive \$63.2 million. This incorporates higher revenue forecasts and lapse of unexpended prior year appropriations, offset by midbiennium budget adjustments as proposed by the Appropriations Committee including significant increases in child care funding and state funds to

offset a lower federal Medicaid match rate offset by a decrease in the previous estimate for FY2012-13 TEEOSA school aid.

Actual and projected revenues have increased by \$176 million since Sine Die 2011. Actual receipts for FY2010-11 were \$62.7 million above forecast. In October 2011, the FY11-12 and FY12-13 forecasts were revised by the Nebraska Economic Forecast Advisory Board by a total of \$113.3 million; \$51.9 million in FY11-12 and \$61.4 million in FY12-13.

The FY10-11 and FY11-12 additional revenues are considered “above the certified forecast” and under current law are required to be transferred to the Cash Reserve Fund. The FY12-13 forecast won’t be certified until the start of that fiscal year, therefore the \$61.4 million increase in the forecast for FY11-12 would be retained in the General Fund.

The increased forecast amounts not transferred to the Cash Reserve Fund are mostly translated into a more positive variance from the minimum reserve. Over the two year period, the Appropriations Committee Preliminary Budget adjustments actually net to a \$6.0 million reduction.

### Committee Preliminary Budget Adjustments (General Funds)

Item	FY2011-12	FY2012-13	2 Yr Total
Child Care Deficit	\$12,000,000	\$12,000,000	\$24,000,000
Reduced 2013 Medicaid match rate (FMAP)	0	12,429,338	12,429,338
Governors Emergency program	8,900,000	0	8,900,000
Child Support Incentive Federal Match Change	0	2,630,843	2,630,843
Increased Juvenile Services Staffing	225,000	905,000	1,130,000
TEEOSA state aid, adjust to Dec estimate	0	(35,202,558)	(35,202,558)
Homestead Exemption (under current law)	(4,200,000)	(5,200,000)	(9,400,000)
Revised program cost estimates, Medicaid	(3,000,000)	(3,000,000)	(6,000,000)
Institute / increase copays , eliminate services, Medicaid	0	0	0
Revised cost estimates, SCHIP	(1,000,000)	(1,000,000)	(2,000,000)
Revised cost estimates, Norfolk Sex Offender Treatment	(750,000)	(750,000)	(1,500,000)
Revised cost estimates (fund shift), Veterans Homes	(500,000)	(500,000)	(1,000,000)
Revised cost estimates, BSDC	0	(700,000)	(700,000)
All Other	154,265	556,128	710,393
Total General Funds	11,829,265	(17,831,249)	(6,001,984)

### Following Biennium

While the current FY12/FY13 biennial budget is balanced at the present time, the prospects for the following biennium financial status are at best pessimistic. The current financial status (with the Committee preliminary budget adjustments) yields a projected balance that is \$343 million **below** the minimum reserve.

As shown in line 34 in the financial status, a \$93 million positive structural balance in FY2012-13 between revenues and spending turns into a \$158 million structural **imbalance** in FY13-14. This is the result of below average revenue growth, higher spending growth (especially in TEEOSA school aid with expiration of some of the changes made in LB235 last session) and

initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year). This structural imbalance expands in FY14-15 as projected spending growth again exceeds below average revenue growth.

Revenue growth is projected at a below average 3.6% per year using the capped historical average methodology (see page 9). This methodology is used in the absence of an official forecast. This below average growth offsets above average growth over the preceding three years of which most occurs through the 9.4% growth in FY10-11.

Calculation of the projected budget for the following biennium is shown below. The projected budget increases are based on historical increases for specific areas and existing law in particular the TEEOSA school aid formula. The net result of the item by item calculation is an overall spending growth of 9.4% in FY13-14, 5.6% in FY14-15 for a two year average of 7.5%.

### Projected Budget Increases – Following Biennium

(includes on-going impact of 2012 budget actions)

<i>Dollar Changes from FY13 Base Year</i>	Annual % Change			Projected Increases	
	FY14	FY15	2 Yr Avg	FY2013-14	FY2014-15
<b>FY2012-13 Base Appropriation</b>				<b>3,572,999,930</b>	<b>3,572,999,930</b>
TEEOSA School Aid (Gen Fund only)	22.0%	8.7%	15.4%	182,703,083	270,706,412
DHHS aid programs, eligibility & utilization	3.8%	3.8%	3.8%	41,290,683	83,855,716
DHHS aid programs, provider rates	3.0%	3.0%	3.0%	30,524,412	62,865,388
Employee Salary increases	2.5%	2.5%	2.5%	25,166,205	50,961,564
Employee Health Insurance	10.0%	10.0%	10.0%	19,130,155	36,122,550
DHHS aid programs, replace one-time funds	--	--	--	11,000,000	11,000,000
Agency operating cost increases	2.0%	2.0%	2.0%	5,707,762	11,529,679
Special Education reimbursement	2.5%	2.5%	2.5%	4,622,346	9,360,251
DHHS operations, replace one-time funds	--	--	--	6,400,000	6,400,000
Community Colleges	3.5%	3.5%	3.5%	3,036,531	6,179,340
Homestead Exemption	3.2%	3.2%	3.2%	2,331,000	4,731,930
Early Childhood (restore GF per current law)	--	--	--	3,365,962	3,365,962
Inmate per diem costs	6.0%	6.0%	6.0%	1,186,026	2,407,632
Aid to ESU's	2.5%	2.5%	2.5%	351,294	711,370
Capital Construction (to reaffirmations only)	--	--	--	(1,177,233)	(1,677,233)
Return county assessor to counties	--	--	--	(616,540)	(616,540)
Small Business Innovation Act (expires)	--	--	--	(200,000)	(200,000)
Defined benefit retirement plans	--	--	--	1,546,000	(1,770,000)
Federal Health Care Reform (ACA)	--	--	--	?	?
<b>Total General Fund Increases (Biennial Basis)</b>	<b>9.4%</b>	<b>5.6%</b>	<b>7.5%</b>	<b>336,367,686</b>	<b>555,934,022</b>
<b>Projected Appropriation per Financial Status</b>				<b>3,909,367,616</b>	<b>4,128,933,952</b>

Half of the total projected budget increase in the next biennium is TEEOSA school aid as projected under the current statute. General Funds for TEEOSA school aid is projected to increase by 22% in FY14 and 8.7% in FY15. Of this 22% increase, the equivalent of a 14.3%

increase directly relates to the expiration of certain provisions of LB235 passed in the 2011 Session which lowered the aid amounts for the current biennium (FY11-12 and FY12-13). This includes the local effort rate (LER) returning to \$1.00 from \$1.0395 and the cost growth factor going from .5% to 3.0% in FY14 and then 5.0% in FY15. The cost growth factor is used to take two year old actual data and inflate to "aid year" amounts.

<b>TEEOSA Projected Aid Increases</b>	% Change Equivalent		Change over FY13 base	
	FY14	FY15	FY2013-14	FY2014-15
Base Year FY2012-13			\$844,452,361	\$844,452,361
Local Effort Rate (\$1.0395 back to \$1.00)	5.7%	0.1%	48,442,069	49,653,121
Cost growth factor from 0.5 to 3.0 in FY13-14	8.5%	0.2%	72,155,375	73,959,260
Cost growth factor from 3.0 to 5.0 in FY14-15	0.0%	5.8%	0	59,167,408
Resources growth lower than GFOE growth	3.1%	-1.8%	26,500,000	8,400,000
All Other	4.3%	4.3%	35,980,639	80,285,999
Total Increase	21.7%	8.6%	183,078,083	271,465,788
Projected TEEOSA aid ( <i>includes General and Ins Premium</i> )			\$1,027,530,444	\$1,115,918,149
Change over Prior Yr: Dollar			183,078,083	88,387,705
Change over Prior Yr: %			21.7%	8.6%

For planning purposes salary increases are included at 2.5% per year and health insurance costs are increased by 10% per year, consistent with past collective bargaining agreements and measures of future inflation.

Medicaid is projected to grow at 7.5% per year and assumes no change in the federal match rate (FMAP). Public Assistance is projected to increase by an average of 8.4% which includes replacement of the use of \$11 million of one-time federal funds in FY12-13. Included in these increases is a 3% per year increase in DHHS provider rates. Developmental disability aid includes a 2.5% per year increase for rate equity (same as state employee salary increase) and 1.5% per year increase for transition clients. No additional funds are included to reduce the developmental disability waiting list.

A large unknown for the following biennium is the costs that the state will incur due to federally enacted health care reform as contained in the Patient Protection and Affordable Care Act (PPACA). Most of the expanded coverages affecting the state become operative in 2014. At the present time there are no definitive estimates that can be incorporated into the projected status for the following biennium although there will very likely be some increased costs associated with this law. One estimate shows the costs at \$30 million in FY14 and \$55 million in FY15, however we have yet to conclude that these estimates are reasonable.

The one bright spot going into the following biennium is the \$414 million Cash Reserve Fund balance that is projected to be carried forward from the current biennium into the next.

## Cash Reserve Fund

The Cash Reserve Fund balance is projected at \$414 million at the end of this biennium and the following biennium. This is based on all existing statutory transfers and assumes repayment of \$8.5 million transferred to the Water Contingency Fund in FY2012-13. The Appropriations Committee preliminary budget does not include any additional use of the Cash Reserve Fund for the current biennium.

## Differences Between the Committee and Governor

With respect to adjustments to the previously enacted appropriations for the current biennium, the Appropriations Committee proposed changes are \$24 million above the Governors recommendation over the two year period.

The largest difference is in the TEEOSA school aid amounts where the Governor used a different estimate. Section 79-1031 requires the Dept of Education with the assistance of the property tax administrator, Legislative Fiscal Analyst, and DAS-Budget Division to make an estimate of the funding needs for TEEOSA for the next year on or before November 15. This estimate is to be provided to the Governor and chairpersons of the Education and Appropriations Committees. At that time the FY12-13 estimate was \$829 million which was \$50 million lower than the aid number included in the budget as enacted in the 2011 session. This is the number the Governor included in his recommendation. In December, the Legislative Fiscal Office updated this estimate using annual financial report data that was not available at the time the previous estimate was made. This update indicates a total amount of TEEOSA aid at \$844 million which is only \$35 million less than the Sine Die 2011 level.

The other major difference is in proposed Medicaid cuts. The Governors recommendation included \$3.4 million of proposed copay changes and service reductions, the Committee preliminary budget did not include any of these specific changes.

## General Fund Budget Adjustments, Committee and Governor

	FY2011-12	FY2012-13	Two Yr Total
Governors recommendation	9,723,049	(39,758,847)	(30,035,798)
Committee Preliminary	11,829,265	(17,831,249)	(6,001,984)
Difference in General Fund adjustments	2,106,216	21,927,598	24,033,814
<b>Major Differences by Item</b>			
TEEOSA state aid, Dec update rather than Nov letter	0	15,452,361	15,452,361
Lower cost estimates, Medicaid (\$3 million vs \$5 million)	2,000,000	2,000,000	4,000,000
Medicaid, institute / increase copays , eliminate services	0	3,382,913	3,382,913
Lower cost estimates, BSDC (\$700,000 vs \$1.4 million)	0	700,000	700,000
Lower cost est, Norfolk Sex Offender Treatment (\$750,000 vs \$1M)	250,000	250,000	500,000
All Other	(143,784)	142,324	220,570
Difference in General Fund adjustments	2,106,216	21,927,598	24,033,814

A more significant difference is on the revenue side where the Governor's recommendation included the provisions of LB970 which contains an individual and corporate income tax reduction. This amounts to a revenue reduction of \$51.8 million in FY12-13 with full year costs of \$131 million in FY13-14 and \$144 million in FY14-15. At this time this tax reduction is not incorporated into the Committee Preliminary financial Status.

The following table compares the variance from minimum reserve under the Committee Preliminary Budget and the Governors Recommendation. In the current biennium, the Governors \$24 million lower spending over the two years adds to the positive \$62 million variance and then the \$52 million tax cut reduces the variance to a positive \$36.9 million.

### Variance from Minimum Reserve, Committee and Governor

(Millions of dollars)	FY12	FY13	Current Biennium	FY14	FY15	Following Biennium
<b>Committee Preliminary Budget</b>			<b>\$63.2</b>			<b>\$(343.3)</b>
Governor: Tax Cut (LB 970)	0.0	(51.8)	(51.8)	(130.9)	(143.9)	(326.6)
Change in Minimum Reserve	0.0	1.5	1.5	0.0	7.9	9.4
<b>Committee Prelim Budget assuming LB970</b>			<b>\$12.9</b>			<b>\$(660.4)</b>
Governor: TEEOSA lower than Committee	0.0	15.5	15.5	0.0	0.0	15.5
Governor: Other items lower than Committee Prelim	2.1	6.5	8.6	0.0	0.0	8.6
Governor: Lower projected out year budget	0.0	0.0	0.0	259.3	377.9	637.2
<b>Governors Recommendation</b>			<b>\$36.9</b>			<b>\$0.7</b>

The real difference comes in the following biennium. Incorporating the LB970 tax cuts into the Committee Preliminary budget results in a \$660.4 million shortfall in the following biennium.

With respect to the Governors recommendation, the projected financial status ends in a positive \$.7 million variance from the minimum reserve. To achieve this balanced condition a substantially lower projected budget growth would be required, 2.8% per year as indicated in the Governors financial status. No detailed breakdown of these projected increases is available, so one can't compare the increases as derived here with the itemized projected increases in the Committee Preliminary financial status as shown on page 3.

# General Fund Financial Status

## Appropriations Committee Preliminary Budget

	Actual FY2010-11	Biennial Budget FY2011-12    FY2012-13		Following Biennium FY2013-14    FY2014-15	
<b>1 BEGINNING BALANCE</b>					
2 Beginning Cash Balance	296,986,417	502,306,328	179,002,345	283,801,415	120,633,799
3 Cash Reserve transfers-automatic	0	(145,155,092)	(51,901,000)	0	0
4 Carryover obligations from FY11 (net)	0	(230,644,959)	0	0	0
5 Lapse FY13 reappropriations	0	0	0	0	0
6 Allocation for potential deficits	0	0	(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	296,986,417	126,506,277	122,101,345	278,801,415	115,633,799
<b>8 REVENUES</b>					
9 Net Receipts (Oct 2011 NEFAB+Hist Avg)	3,493,743,977	3,643,000,000	3,780,000,000	3,870,000,000	4,020,000,000
10 General Fund transfers-out	(120,725,000)	(144,600,000)	(113,300,000)	(118,800,000)	(118,800,000)
11 General Fund transfers-in	in forecast	in forecast	in forecast	0	0
12 Cash Reserve transfers (current law)	154,000,000	37,000,000	68,000,000	0	0
13 2012 Cash Reserve transfers (new)	0	0	0	0	0
14 2012 General Fund transfers-out	0	0	0	0	0
15 2012 General Fund transfers-in	0	0	0	0	0
16 2012 Revenue Bills	0	0	0	0	0
17 General Fund Net Revenues	3,527,018,977	3,535,400,000	3,734,700,000	3,751,200,000	3,901,200,000
<b>18 APPROPRIATIONS</b>					
19 Appropriations (current law)	3,321,699,066	3,470,531,929	3,590,831,179	3,811,881,176	3,979,622,496
20 2012 Mid-Biennium Budget Adjustments	0	11,829,265	(17,831,249)	97,486,440	149,311,456
21 2012 State Claims (LB 1072 approved claims)	0	542,738	0	0	0
22 2012 "A" Bills	0	0	0	0	0
23 General Fund Appropriations	3,321,699,066	3,482,903,932	3,572,999,930	3,909,367,616	4,128,933,952
<b>24 ENDING BALANCE</b>					
25 Dollar ending balance (Financial Status as shown)	502,306,328	179,002,345	283,801,415	120,633,799	(112,100,152)
26 Dollar ending balance (at Minimum Reserve)			220,641,269		231,151,498
27 Excess (shortfall) from Minimum Reserve			<b>63,160,146</b>		<b>(343,251,650)</b>
28 Biennial Reserve (%)			3.9%		-1.4%
<b>General Fund Appropriations</b>					
29 Annual % Change - Appropriations (w/o deficits)	2.4%	1.9%	3.0%	9.4%	5.6%
30 Two Year Average	-1.1%	--	2.4%	--	7.5%
<b>General Fund Revenues</b>					
31 Est. Revenue Growth (rate/base adjusted)	9.4%	4.1%	3.8%	3.6%	3.6%
32 Two Year Average	2.3%	--	3.9%	--	3.6%
33 Five Year Average	2.8%	--	1.5%	--	4.9%
34 Structural Revenues vs Appropriations	(199,282,296)	15,496,068	93,700,070	(158,167,616)	(227,733,952)

<b>CASH RESERVE FUND</b>	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
Projected Unobligated Ending Balance	313,201,626	421,356,718	413,808,718	413,808,718	413,808,718

# Cash Reserve Fund

The Cash Reserve Fund unobligated balance at the end of this biennium is projected at \$413.8 million. This is based on all existing statutory transfers and assumes repayment of \$8.5 million transferred to the Water Contingency Fund in FY2007-08.

*The Appropriations Committee preliminary budget does not include any use of the Cash Reserve Fund beyond what is scheduled under current law.*

Table 1 Cash Reserve Fund

	Actual FY2010-11	Estimated FY2011-12	Estimated FY2012-13	Estimated FY2013-14	Estimated FY2014-15
Beginning Balance	467,201,626	313,201,626	421,356,718	413,808,718	413,808,718
Excess of certified forecasts (line 3 in Status)	0	145,155,092	51,901,000	0	0
To/from Gen Fund, per current law	(154,000,000)	(37,000,000)	(68,000,000)	0	0
To/From Water Contingency Cash Fund	0	0	8,551,000	0	0
2012 Session Transfers	0	0	0	0	0
Ending Balance	313,201,626	421,356,718	413,808,718	413,808,718	413,808,718

## 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 \$145,155,092 transfer in FY12 reflects the amount the FY2010-11 actual receipts were above certified. The \$51.9 million in FY13 reflects the amount that the NEFAB forecast in October 2011 for FY11-12 exceeds the July certified level and is just an estimate not an actual amount.

## 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. Transfers in FY2010-11 under existing law include LB 456-2009 (\$151,000,000) and LB317-2010 (3,000,000). The budget enacted in the 2011 Session utilized \$105 million of Cash Reserve Fund transfers to the General fund to assist in balancing the budget, \$37 million in FY11-12 and \$68 million in FY12-13.

## Transfers To & From Other Funds

In the 2008 session, LB1094 provided for a \$9 million transfer to the Water Contingency Cash Fund for the purpose of paying water right holders who agreed to lease and forgo water use to assist in the management, protection and conservation of the water resources of river basins, but remain unpaid due to litigation. Repayment by the NRD receiving said funds is required once the litigation is resolved no later than FY2012-13.

# General Fund Revenues

## Revenue Forecasts

Revenue estimates for FY2011-12 and FY2012-13 are the October 2011 forecasts from the Nebraska Economic Forecast Advisory Board (NEFAB). These forecasts yield a projected adjusted revenue growth of 4.1% in FY11-12 and 3.8% in FY12-13, an average growth of 3.9%, below the 5% historical average.

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 (FY13-14 and FY14-15) in the current financial status are prepared by the Legislative Fiscal Office (LFO) using the “capped” historical average methodology. This “smoothing” technique derives a revenue growth for the “out years” by calculating the level of revenues that would yield a five year average growth (FY10 to FY15) roughly equal to the historical average from FY81 to FY11 (5.0%). 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.

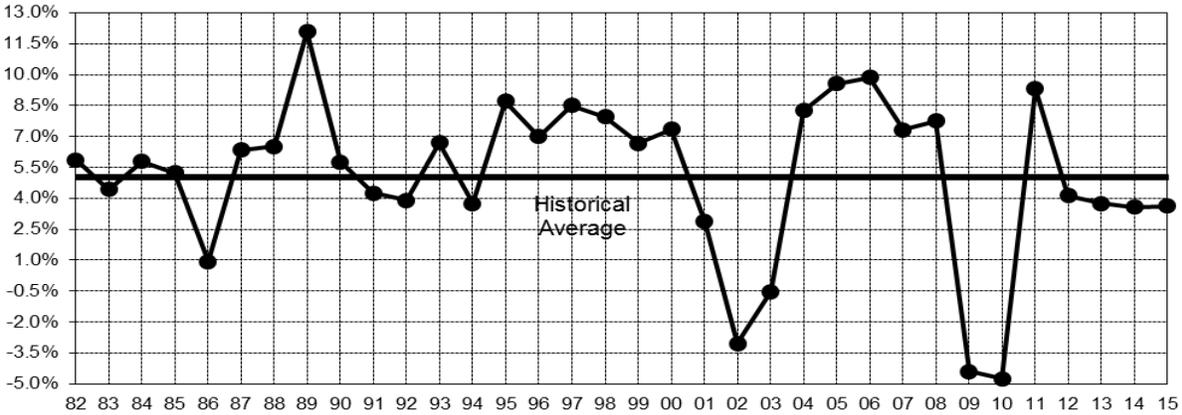
Under this method, revenue growth for the two years would average 3.6%. These low growths occur even with the low growth in the NEFAB forecasts, due to the 9.4% growth experienced in FY2010-11

The projected numbers for FY2013-14 and FY2014-15 also reflect initial implementation of LB84 (2011) which diverts the equivalent of ¼% sales tax to highway funding (approximately \$70 million per year). This did not impact the calculated revenue growth in the “out years” as the growth calculations are all rate and base adjusted.

Table 2 - General Fund Revenue Forecasts

	Actual FY2010-11	NEFAB FY2011-12	NEFAB FY2012-13	LFO Prelim FY2013-14	LFO Prelim FY2014-15
<b>Actual/Forecast</b>					
Sales and Use Tax	1,372,784,033	1,428,000,000	1,485,000,000	1,465,000,000	1,512,000,000
Individual Income Tax	1,735,208,600	1,780,000,000	1,870,000,000	1,998,000,000	2,112,000,000
Corporate Income Tax	154,944,966	217,000,000	230,000,000	225,000,000	220,000,000
Miscellaneous receipts	236,717,493	218,000,000	195,000,000	182,000,000	176,000,000
Total General Fund Revenues	3,499,655,092	3,643,000,000	3,780,000,000	3,870,000,000	4,020,000,000
<b>Adjusted Growth</b>					
Sales and Use Tax	5.7%	4.1%	3.9%	3.2%	3.2%
Individual Income Tax	13.8%	2.4%	5.0%	4.5%	4.6%
Corporate Income Tax	3.9%	22.4%	-1.5%	-2.0%	-2.0%
Miscellaneous receipts	2.9%	2.0%	-2.8%	3.9%	3.4%
Total General Fund Revenues	9.3%	4.1%	3.8%	3.6%	3.6%
Five Yr Average	2.8%	--	1.5%	--	4.9%

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



## General Fund Transfers-Out

General Fund Transfers-Out accounts for funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation but are not expended from the General Fund as such and therefore are shown under the revenue category as transfers-out from the General Fund and subsequently expended from the receiving fund.

*The Appropriations Committee preliminary budget does not include any changes from those enacted during the 2012 legislative session*

Table 3 General Fund Transfers-Out

Excludes CRF Transfers	Actual	Per 2011 Session		Following Biennium	
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
Ethanol Credits (EPIC Fund)	(5,500,000)	(6,300,000)	0	0	0
Property Tax Credit Fund	(112,000,000)	(110,000,000)	(110,000,000)	(115,000,000)	(115,000,000)
Water Resources Cash Fund	(2,700,000)	(3,300,000)	(3,300,000)	(3,300,000)	(3,300,000)
Cultural Preservation Endowment Fund	(500,000)	0	0	(500,000)	(500,000)
Indian Affairs, state assistance	(25,000)	0	0	0	0
Nebr Innovation Campus (through NCCF)	0	(25,000,000)	0	0	0
<b>General Fund Transfers-Out (current law)</b>	<b>(120,725,000)</b>	<b>(144,600,000)</b>	<b>(113,300,000)</b>	<b>(118,800,000)</b>	<b>(118,800,000)</b>
2012 Session Transfers-Out	0	0	0	0	0
<b>Total-General Fund Transfers-Out</b>	<b>(120,725,000)</b>	<b>(144,600,000)</b>	<b>(113,300,000)</b>	<b>(118,800,000)</b>	<b>(118,800,000)</b>

## 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 revenues. The transfers shown below were enacted in the 2011 regular and special sessions are already incorporated into the “Net Receipts” figures of the NEFAB forecasts.

*The Appropriations Committee preliminary budget does not include any changes from those enacted during the 2012 legislative session*

Table 4 General Fund Transfers-In

	Actual	Per 2011 Session		Following Biennium	
	FY2010-11	FY2011-12	FY2012-13	FY2013-14	FY2014-15
Securities Act Cash Fund	37,250,000	19,000,000	19,000,000	0	0
Tobacco Products Admin Cash Fund	7,500,000	7,000,000	7,000,000	0	0
Dept of Insurance Cash Fund	11,500,000	6,000,000	6,000,000	0	0
Health and Human Services Cash Fund	2,559,140	3,400,000	0	0	0
Dept of Motor Vehicles Cash Fund	328,407	1,000,000	1,000,000	0	0
Life Insurance Demutualization Trust Fund	0	1,000,000	0	0	0
Mutual Finance Assistance Fund	0	300,000	300,000	0	0
Local Civic, Cultural and Convention Center Fund	0	75,000	75,000	0	0
Motorcycle Safety Education Fund (MV Cash Fund)	0	197,500	0	0	0
<i>Transfers-In Already in forecast</i>	72,158,100	37,972,500	33,375,000	0	0
<i>2012 Transfers In</i>	0	0	0	0	0
<i>Total General Fund Transfers-In</i>	72,158,100	37,972,500	33,375,000	0	0

# General Fund Appropriations - Current Biennium

The financial status shown includes the Appropriations Committee preliminary recommendation for current year deficits (FY2011-12) and adjustments for FY2012-13, the second year of the biennial budget.

<b>Committee Preliminary Adjustments</b>	<b>FY2011-12</b>	<b>FY2012-13</b>	<b>2 Yr Total</b>
Child Care Deficit	\$12,000,000	\$12,000,000	\$24,000,000
Reduced 2013 Medicaid match rate (FMAP)	0	12,429,338	12,429,338
Governors Emergency program	8,900,000	0	8,900,000
Child Support Incentive Federal Match Change	0	2,630,843	2,630,843
Increased Juvenile Services Staffing	225,000	905,000	1,130,000
TEEOSA state aid, adjust to Dec estimate	0	(35,202,558)	(35,202,558)
Homestead Exemption (under current law)	(4,200,000)	(5,200,000)	(9,400,000)
Revised program cost estimates, Medicaid	(3,000,000)	(3,000,000)	(6,000,000)
Medicaid program changes, copays and services	0	0	0
Revised cost estimates, SCHIP	(1,000,000)	(1,000,000)	(2,000,000)
Revised cost estimates, Norfolk Sex Offender Treatment	(750,000)	(750,000)	(1,500,000)
Revised cost estimates (fund shift), Veterans Homes	(500,000)	(500,000)	(1,000,000)
Revised cost estimates, BSDC	0	(700,000)	(700,000)
All Other	154,265	556,128	710,393
Total General Funds Budget Adjustments	11,829,265	(17,831,249)	(6,001,984)

## Child Care Deficit

The Department requested increased appropriations in FY2012 and FY2013 for the Child Care Subsidy Program. DHHS has seen a steady growth in expenditures in the Child Care Program from FY09 to the current fiscal year. In FY 09, expenditures were \$75.5 million for 17,282 recipients. In FY 10, expenditures increased to \$85.3 million, up 13% for 18,576 recipients, an increase of 7.5%. FY 11 expenditures were up by 8.5% to \$92.6 million. Recipients increased to 19,580 in FY 11 or by 5.4%. For the first half of FY12, expenditures were \$51 million. The total budgeted amount for FY 12 is \$87.2 million. The projected shortfall of \$12 million was greater than the amount requested by the agency; part of this shortfall was anticipated to be made up by anticipated savings in other programs within the public assistance program. The Governor recommended and the Committee concurred in funding the entire \$12 million deficit.

## Reduced Medicaid Match Rate

The federal medical assistance percentage (FMAP) was reduced to 56.64% for FFY 2012, down from 58.44% in FFY 2011. The FMAP was expected to stay at this lower level through the FY12/FY13 biennium, but instead was reduced further to 55.76% for FFY2013. The base FMAP is also used in the calculation of the enhanced Children's Health Insurance Program (CHIP) match rate. The enhanced FMAP for CHIP was reduced to 69.65% for Federal Fiscal Year 2012, down from 70.91% in FFY2011. The enhanced FMAP was expected to stay the same at

this lower level through the FY2012-FY2013 biennium, but instead was reduced further to 69.03% for FFY2013. The FMAP affects multiple program as shown below.

<u>Program</u>	<u>Type</u>	<u>FY2011-12</u>	<u>FY2012-13</u>
33 Developmental disability service coordination	Oper	0	103,746
38 Behavioral health aid	Aid	0	181,196
344 Childrens Health Insurance (SCHIP)	Aid	0	297,950
347 Public Assistance	Aid	0	395,987
348 Medicaid	Aid	0	9,671,447
365 Mental Health operations	Oper	0	28,632
421 Beatrice State Develop Center (BSDC)	Oper	0	276,441
424 Developmental disability aid	Aid	0	1,473,939
Total GF impact of FMAP change		0	12,429,338

## **Child Support Incentive Federal Match Change**

Beginning October 1, 2010, the Federal Government no longer allows Child Support Incentive dollars to be used as state matching funds to generate federal dollars in Child Support. Historically, DHHS has used incentive funding as a supplement to general funds to earn additional federal dollars. During FY11 and FY12, DHHS has spent down the incentive balance and will need additional general funds to maintain current expenditure levels. A \$1.8 million General Fund reduction was adopted during the November, 2009 Special Session for FY10 and FY11 and built into the base budget for the current biennium. A deficit request was made a year ago, but was not addressed as there was a possibility that federal action would allow continued use of incentive funds as state match. That federal action did not occur.

## **Governors Emergency Program**

The Nebraska Emergency Management Agency (NEMA) requested an \$8.9 million supplemental appropriation to the Governor's Emergency Program.

Since 2006, Nebraska has experienced the most active and costly disaster period on record. From 1991 through 2005, there were 13 federal emergency/disaster declarations for an average of less than 1 disaster declaration per year. In the last six years the state has experienced a total of 23 federal emergency/disaster declarations, or an average of 3.8 declarations per year. In dollar terms, the average yearly cost of disasters from 1991 through 2005 was \$543,272 in contrast to a \$5,002,695 average from 2006 through 2011 is \$5,002,695.

Even though there is a current balance of \$14.27 million dollars in Program 192 (as of Nov. 30, 2011), the obligations remaining for current open disasters total \$18.12 million. Based upon these estimates, there exists a \$3.85 million dollar shortfall in the Governor's Emergency Program. To take care of this shortfall and reestablish the \$5 million dollar base, an \$8.9 million dollar supplemental appropriation is requested.

## **TEEOSA School Aid**

Section 79-1031 requires the Dept of Education with the assistance of the property tax administrator, Legislative Fiscal Analyst, and DAS-Budget Division to make an estimate of the

funding needs for TEEOSA for the next year on or before November 15. This estimate is to be provided to the Governor and chairpersons of the Education and Appropriations Committees. At that time the FY12-13 estimate was \$829 million which was \$50 million lower than the aid number included in the budget as enacted in the 2011 session. This is the number the Governor included in his recommendation. In December, the Legislative Fiscal Office updated this estimate using annual financial report data that was not available at the time the previous estimate was made. This update indicates a total amount of TEEOSA aid at \$844 million which is only \$35 million less than the Sine Die 2011 level. **Note that the numbers shown here are still estimates. Actual numbers will not be known until the point when FY12-13 state aid is certified.**

The following table shows the chronology of the TEEOSA estimates since Sine Die 2011. The amounts shown are total TEEOSA aid including amounts financed with General Funds and Insurance Premium Tax.

	All Funds FY2011-12	All Funds FY2012-13	All Funds FY2013-14	All Funds FY2014-15
<b>Sine Die 2011</b>	<b>821,840,899</b>	<b>879,356,145</b>	<b>947,109,070</b>	<b>983,664,102</b>
Valuation, 2011 from 2.5% to 4.26%	0	(24,144,253)	(24,388,397)	(25,607,816)
Valuation; 2012 (5.0% to 3%), 2013 (5.0% to 2.5%)	0	0	29,865,084	69,809,635
Change factor, yield from LER used in formula	0	5,906,435	12,765,980	13,085,129
Spending growth, FY11 3.0% to 1.3% (GFOE to 1.75%)	0	(46,718,203)	(48,362,430)	(50,536,667)
Spending growth, FY12 1.0% to 3.5%, FY13 stays at 2.5%	0	0	71,115,891	74,292,546
Revise system averaging adjustment	0	5,649,305	5,847,031	5,993,208
Revise formula NEEDS stabilization	0	(4,740,263)	(4,740,264)	(4,858,771)
Revise student growth adjustment	0	(4,947,523)	(5,120,686)	(5,248,703)
Revise new school adjustment	0	3,514,999	3,638,024	3,728,974
Change in NEEDS lost in basic funding calculation	0	5,532,122	5,725,747	5,868,890
Change in Learning Community, impact of non equalization	0	(620,000)	(620,000)	(620,000)
Impact of Elementary Class Size Allowance expiring	0	0	(21,610,000)	(23,175,250)
Change in other receipts	0	4,099,999	4,230,499	4,365,178
Pre Oct Meeting (change in NEEDS)	0	5,605,485	5,512,057	5,767,897
Pre Oct Meeting (change "other receipts" mostly SPED)	0	412,360	15,003,883	24,783,492
Total Change	0	(50,449,537)	48,862,419	97,647,742
<b>October 2011 Joint Meeting</b>	<b>821,840,899</b>	<b>828,906,608</b>	<b>995,971,489</b>	<b>1,081,311,844</b>
Actual FY11 AFR, higher disbursement growth (1.3% vs 2.5%)	0	37,659,568	38,977,653	39,952,094
Actual FY11 AFR, lower fed categorical	0	13,029,404	13,485,433	13,822,569
Actual FY11 AFR, lower adjustments to achieve GFOE	0	6,095,335	6,308,672	6,466,389
Change in NEEDS lost in basic funding calculation	0	2,000,000	2,070,000	2,121,750
Lower System Averaging adjustment	0	(32,000,000)	(1,000,000)	0
Lower NEEDS stabilization	0	(10,000,000)	(25,000,000)	(25,625,000)
Higher Local Choice adjustment	0	1,712,846	1,772,795	1,817,115
Higher cost growth factor inflation on GFOE	0	283,921	1,763,153	3,012,052
Higher poverty/LEP corrections	0	17,348	17,955	18,404
Actual FY11 AFR, lower "Other Receipts"	0	2,436,248	(1,199,780)	(1,201,219)
Change factor, yield from LER used in formula	0	(5,688,917)	(5,636,926)	(5,777,849)
Total Change	0	15,545,753	31,558,955	34,606,305
<b>December 2011 Update with AFR data</b>	<b>821,840,899</b>	<b>844,452,361</b>	<b>1,027,530,444</b>	<b>1,115,918,149</b>
Change from Sine Die to October Joint Meeting		(50,449,537)	48,862,419	97,647,742
Change from October Joint Meeting to December revision		15,545,753	31,558,955	34,606,305
Total Change Since Sine Die 2011		(34,903,784)	80,421,374	132,254,047

## Homestead Exemption

Based on the total certified amounts received from the counties the amount needed to cover the homestead exemption reimbursements is \$68,100,000 which is \$4,200,000 less than the \$72,300,000 current FY11-12 appropriation. Based on this actual experience, the FY12-13 amount was reduced by \$5,200,000 from \$77,700,000 to \$72,500,000.

The Department indicates that there were 1,481 few qualified applicants for the Homestead Exemption for the current year. Given the state of the national economy this reduction seems counter-intuitive, especially when coupled with the increase in Nebraska's population of individuals over the age of 65. However, for 2010, the total federal adjusted gross income (AGI) for Nebraska residents age 65 and older increased 10.3% over 2009, compared to a 3.7% increase for all Nebraska resident taxpayers over the same period. The increase income for the 65 and older age group would account for most of the reduction in the Homestead Exemption.

## Revised Program Costs, DHHS Programs

The Governors recommendation included reductions in five areas where an evaluation of year to date expenditures or other factors indicate excess appropriations in those programs. Actual year to date expenditure experience relates to the reductions in SCHIP and Medicaid. The reduction for the Beatrice State Developmental Center (BSDC) is based on the expectation that the census at the facility will continue to decline. The reduction for the Norfolk Sex Offender Treatment program relates to rebasing the program budget based on a census that has stabilized at a number closer to 70 significantly lower than planned. And for the Veterans Homes, the availability of additional federal funds allows for the reduction of General Fund support without reducing the overall operating budgets of the four veterans' homes.

The Appropriations Committee preliminary budget also includes reductions but in most cases at a lower level as shown below.

	Governor		Committee Prelim	
	FY11-12	FY12-13	FY11-12	FY12-13
344 Children's Health Insurance SCHIP	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
348 Medicaid	(5,000,000)	(5,000,000)	(3,000,000)	(3,000,000)
421 Beatrice State Developmental Center BSDC	0	(1,400,000)	0	(700,000)
421 Veterans Homes	(500,000)	(500,000)	(500,000)	(500,000)
870 Norfolk Sex Offender Treatment program	(1,000,000)	(1,000,000)	(750,000)	(750,000)
Total	(7,500,000)	(7,500,000)	(5,950,000)	(5,950,000)

## Medicaid Program Changes

In December 2011 the Dept of Health and Human Services System sent a letter to senators informing them that the Department was proposing to submit necessary State Plan Amendments and/or waivers and to amend Medicaid regulations in order to implement a variety of cost saving measures. These included changes to several copay requirements, limit of home health care services to 240 hours, elimination of private duty nursing services, implementing a nursing level of care requirement for personal assistant services and limit the number of hours,

eliminate coverage of certain nutritional supplements, and limit behavioral health therapy visits to 60 per year. The Governor's recommendation included \$3,382,913 General Fund savings with a January 1, 2013 implementation date of these changes.

*The Appropriations Committee preliminary budget does not include any savings related to these proposed changes.*

## Appendix A

### General Fund Mid-Biennium Budget Adjustments – Governor and Committee Preliminary

Agency	Item	Governor	Governor	Preliminary	Preliminary	Difference from Governor	
		FY2011-12	FY2012-13	FY2011-12	FY2012-13	FY2011-12	FY2012-13
Education	Transfer of .15 FTE to Education Innovation	(11,818)	(19,605)	0	0	11,818	19,605
Education	Poverty/Limited English plan reviews (LB1024)	0	0	75,000	75,000	75,000	75,000
Education	TEEOSA state aid, adjust to certified	0	(50,654,919)	0	(35,202,558)	0	15,452,361
PSC	Major Oil Pipeline Siting Act	10,225	0	10,225	0	0	0
Revenue	Homestead Exemption	(4,200,000)	(5,200,000)	(4,200,000)	(5,200,000)	0	0
HHS System	Child Support Incentive Federal Match Change	0	2,630,843	0	2,630,843	0	0
HHS System	Economic Assistance Caseload Increases	222,030	0	0	0	(222,030)	0
HHS System	Continue transfer of funds for privatization of case management	0	(2,271,775)	0	0	0	2,271,775
HHS System	Targeted developmental disability service coordination	0	127,580	0	76,548	0	(51,032)
HHS System	Increased OJS Staffing	225,000	905,000	225,000	905,000	0	0
HHS System	Revised program cost estimates, SCHIP	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	0	0
HHS System	Institute / increase copays , eliminate services, SCHIP	0	(8,319)	0	0	0	8,319
HHS System	Child Care Deficit	12,000,000	12,000,000	12,000,000	12,000,000	0	0
HHS System	Continue transfer of funds for privatization of case management	0	2,271,775	0	0	0	(2,271,775)
HHS System	Revised program cost estimates, Medicaid	(5,000,000)	(5,000,000)	(3,000,000)	(3,000,000)	2,000,000	2,000,000
HHS System	Medicaid program changes, copays and services	0	(3,382,913)	0	0	0	3,382,913
HHS System	Revised program cost estimates, BSDC	0	(1,400,000)	0	(700,000)	0	700,000
HHS System	Transfer funds for targeted developmental disability service coordination	0	(127,580)	0	0	0	127,580
HHS System	Revised program cost estimates (fund shift), Veterans Homes	(500,000)	(500,000)	(500,000)	(500,000)	0	0
HHS System	Revised program cost estimates, Norfolk Sex Offender Treatment	(1,000,000)	(1,000,000)	(750,000)	(750,000)	250,000	250,000
HHS System	Lower 2013 FMAP - Developmental disability service coordination	0	103,746	0	103,746	0	0
HHS System	Lower 2013 FMAP - Behavioral health aid	0	181,196	0	181,196	0	0
HHS System	Lower 2013 FMAP - Childrens Health Insurance (SCHIP)	0	297,950	0	297,950	0	0
HHS System	Lower 2013 FMAP - Public Assistance	0	395,987	0	395,987	0	0
HHS System	Lower 2013 FMAP - Medicaid	0	9,671,447	0	9,671,447	0	0
HHS System	Lower 2013 FMAP - Mental Health operations	0	28,632	0	28,632	0	0
HHS System	Lower 2013 FMAP - Beatrice State Develop Center (BSDC)	0	276,441	0	276,441	0	0
HHS System	Lower 2013 FMAP - Developmental disability aid	0	1,473,939	0	1,473,939	0	0
Military Dept	Governors Emergency program	8,900,000	0	8,900,000	0	0	0
Library Comm	Digital Talking Book Supplies	0	0	0	0	0	0
Library Comm	State Aid to Libraries, fed maintenance of effort (MOE) requirement	0	0	0	0	0	0
Coord Comm	Request for Automation of ACE/ACE Plus	0	0	31,900	3,324	31,900	3,324
Coord Comm	Request Re-instatement of Data Analyst Position	0	0	0	0	0	0
Coord Comm	Restoration of Some Operating Funds	0	0	0	0	0	0
Coord Comm	Return Executive Assistant to full-time position	0	0	0	0	0	0
Hist Society	DAS Copy Machine Replacement Base Rates	10,233	10,233	0	0	(10,233)	(10,233)
Hist Society	Historical Marker Repair	5,000	5,000	5,000	5,000	0	0
Hist Society	Utilities	30,239	30,239	0	0	(30,239)	(30,239)

Agency	Item	Governor	Governor	Preliminary	Preliminary	Difference from Governor	
		FY2011-12	FY2012-13	FY2011-12	FY2012-13	FY2011-12	FY2012-13
Hist Society	Rent Increase, K Street facility	13,540	16,248	13,540	16,248	0	0
DED	Reallocate Rural Develop Comm funds to Business Innovation grants	0	0	0	(156,396)	0	(156,396)
DED	Reallocate Rural Develop Comm funds to Business Innovation grants	0	0	0	156,396	0	156,396
CIR	Commissioner Per Diems	18,600	18,600	18,600	18,600	0	0
CIR	Commissioner Travel Expenses	0	0	0	0	0	0
CIR	Health Insurance	0	0	0	0	0	0
CIR	Legal Services	0	0	0	0	0	0
Retirement	School and Patrol retirement plans, statutory contributions	0	361,408	0	361,408	0	0
Retirement	School and Patrol retirement plans, actuarially required contribution	0	0	0	0	0	0
<b>2012 General Fund Budget Adjustments</b>		<b>9,723,049</b>	<b>(39,758,847)</b>	<b>11,829,265</b>	<b>(17,831,249)</b>	<b>2,106,216</b>	<b>21,927,598</b>

## Appendix B

### Summary of the FY12 / FY13 General Fund Budget with Preliminary Adjustment

	w/o Deficits FY2010-11	w/o Deficits FY2011-12	2012 Deficits FY2011-12	With Deficits FY2011-12	2011 Session FY2012-13	2012 Changes FY2012-13	Revised FY2012-13	Change over Prior Yr		Change over Prior Yr	
								FY11-12 (w/o deficits) \$	%	FY12-13 (w/o deficits) \$	%
<b>Agency Operations</b>											
University/Colleges	540,090,076	536,124,386	0	536,124,386	543,222,833	0	543,222,833	(3,965,690)	-0.7%	7,098,447	1.3%
Health & Human Services System	252,915,827	219,347,008	(1,025,000)	218,322,008	225,177,598	2,071,210	227,248,808	(33,568,819)	-13.3%	7,901,800	3.6%
Correctional Services	142,575,132	156,102,931	0	156,102,931	157,059,844	0	157,059,844	13,527,799	9.5%	956,913	0.6%
Courts	70,264,041	74,874,064	0	74,874,064	75,654,066	0	75,654,066	4,610,023	6.6%	780,002	1.0%
State Patrol	55,891,491	53,690,860	0	53,690,860	54,253,448	0	54,253,448	(2,200,631)	-3.9%	562,588	1.0%
Revenue	27,071,402	25,792,617	0	25,792,617	25,447,374	0	25,447,374	(1,278,785)	-4.7%	(345,243)	-1.3%
Retirement Board	27,420,010	28,344,698	0	28,344,698	29,629,917	361,408	29,991,325	924,688	3.4%	1,646,627	5.8%
Other 39 Agencies	137,435,605	131,000,097	154,265	131,154,362	128,544,627	(38,224)	128,506,403	(6,435,508)	-4.7%	(2,493,694)	-1.9%
<b>Total-GF Operations</b>	<b>1,253,663,584</b>	<b>1,225,276,661</b>	<b>(870,735)</b>	<b>1,224,405,926</b>	<b>1,238,989,707</b>	<b>2,394,394</b>	<b>1,241,384,101</b>	<b>(28,386,923)</b>	<b>-2.3%</b>	<b>16,107,440</b>	<b>1.3%</b>
<b>State Aid to Individuals/Others</b>											
Medicaid	489,426,763	599,909,134	(3,000,000)	596,909,134	630,241,604	6,671,447	636,913,051	110,482,371	22.6%	37,003,917	6.2%
Public Assistance	248,124,986	239,522,936	12,000,000	251,522,936	243,518,332	12,395,987	255,914,319	(8,602,050)	-3.5%	16,391,383	6.8%
Developmental disabilities aid	90,573,431	94,652,981	0	94,652,981	96,804,432	1,473,939	98,278,371	4,079,550	4.5%	3,625,390	3.8%
Behavioral Health aid	74,721,481	74,810,767	0	74,810,767	74,952,023	181,196	75,133,219	89,286	0.1%	322,452	0.4%
Childrens Health Insurance (CHIP)	11,634,438	9,932,192	(1,000,000)	8,932,192	13,036,419	(702,050)	12,334,369	(1,702,246)	-14.6%	2,402,177	24.2%
Aging Programs	7,999,438	7,999,438	0	7,999,438	7,999,438	0	7,999,438	0	0.0%	0	0.0%
Higher Ed Student Aid programs	6,863,406	6,918,156	0	6,918,156	6,918,156	0	6,918,156	54,750	0.8%	0	0.0%
Public Health Aid	4,807,372	4,790,612	0	4,790,612	4,790,612	0	4,790,612	(16,760)	-0.3%	0	0.0%
Community health centers	3,867,394	3,767,394	0	3,767,394	3,767,394	0	3,767,394	(100,000)	-2.6%	0	0.0%
Business Innovation Act (LB387)	0	7,000,000	0	7,000,000	7,000,000	156,396	7,156,396	7,000,000	100.0%	156,396	2.2%
All Other Aid to Individuals/Other	8,580,257	7,980,123	0	7,980,123	7,980,123	0	7,980,123	(600,134)	-7.0%	0	0.0%
<b>Total-GF Aid to Individuals/Other</b>	<b>946,598,966</b>	<b>1,057,283,733</b>	<b>8,000,000</b>	<b>1,065,283,733</b>	<b>1,097,008,533</b>	<b>20,176,915</b>	<b>1,117,185,448</b>	<b>110,684,767</b>	<b>11.7%</b>	<b>59,901,715</b>	<b>5.7%</b>
<b>State Aid to Local Govts</b>											
State Aid to Schools (TEEOSA)	796,734,560	804,689,087	0	804,689,087	864,654,919	(35,202,558)	829,452,361	7,954,527	1.0%	24,763,274	3.1%
Special Education	184,893,842	184,893,842	0	184,893,842	184,893,842	0	184,893,842	0	0.0%	0	0.0%
Aid to Community Colleges	86,758,025	86,758,025	0	86,758,025	87,870,147	0	87,870,147	0	0.0%	1,112,122	1.3%
Homestead Exemption	65,000,000	72,300,000	(4,200,000)	68,100,000	77,700,000	(5,200,000)	72,500,000	7,300,000	11.2%	200,000	0.3%
Aid to ESU's	14,791,327	14,051,761	0	14,051,761	14,051,761	0	14,051,761	(739,566)	-5.0%	0	0.0%
Aid to Cities	10,964,566	0	0	0	0	0	0	(10,964,566)	-100.0%	0	0.0%
Aid to Counties programs	9,659,932	0	0	0	0	0	0	(9,659,932)	-100.0%	0	0.0%
High ability learner programs	2,175,673	0	0	0	0	0	0	(2,175,673)	-100.0%	0	0.0%
Early Childhood programs	3,365,962	0	0	0	0	0	0	(3,365,962)	-100.0%	0	0.0%
Other Aid to Local Govt	16,692,622	11,251,587	8,900,000	20,151,587	11,060,037	0	11,060,037	(5,441,035)	-32.6%	(191,550)	-1.7%
<b>Total-GF Aid to Local Govt</b>	<b>1,191,036,509</b>	<b>1,173,944,302</b>	<b>4,700,000</b>	<b>1,178,644,302</b>	<b>1,240,230,706</b>	<b>(40,402,558)</b>	<b>1,199,828,148</b>	<b>(17,092,207)</b>	<b>-1.4%</b>	<b>25,883,846</b>	<b>2.2%</b>
<b>Capital Construction</b>	<b>13,802,233</b>	<b>14,027,233</b>	<b>0</b>	<b>14,027,233</b>	<b>14,602,233</b>	<b>0</b>	<b>14,602,233</b>	<b>225,000</b>	<b>1.6%</b>	<b>575,000</b>	<b>4.1%</b>
<b>Total General Funds</b>	<b>3,405,101,292</b>	<b>3,470,531,929</b>	<b>11,829,265</b>	<b>3,482,361,194</b>	<b>3,590,831,179</b>	<b>(17,831,249)</b>	<b>3,572,999,930</b>	<b>65,430,637</b>	<b>1.9%</b>	<b>102,468,001</b>	<b>3.0%</b>