



Clear thinking for
a stronger Nebraska

The Budget Process

- State agencies submit budget requests – Sept. 15th of even-numbered years
- *October – Forecasting Board (every year)*
- Governor submits budget to Legislature by January 15th (odd-numbered year)
- *February – Forecast Board (every year)*
- Prelim. Approps. Proposal – March 15th
- *April – Forecast Board (odd-numbered years)*
- 70th Day of Session – Final Approps. Budget

Biennium Budget Highlights FY16 & FY17

- Budget growth (2-yr avg) – 3.7%
 - Historical average between 4%-5%
 - Low growth due to Medicaid & Public Assistance reappropriations, low TEEOSA growth (4.06% FY16, 0.16% FY17)
- Out-year shortfall (FY19) – **(\$234.5M)**

Note: Budget numbers may change with release of final budget document by Legislative Fiscal Office. Some numbers are based on Appropriations Committee Final Budget Recommendations, others from GF Financial Status from 4/13/16.

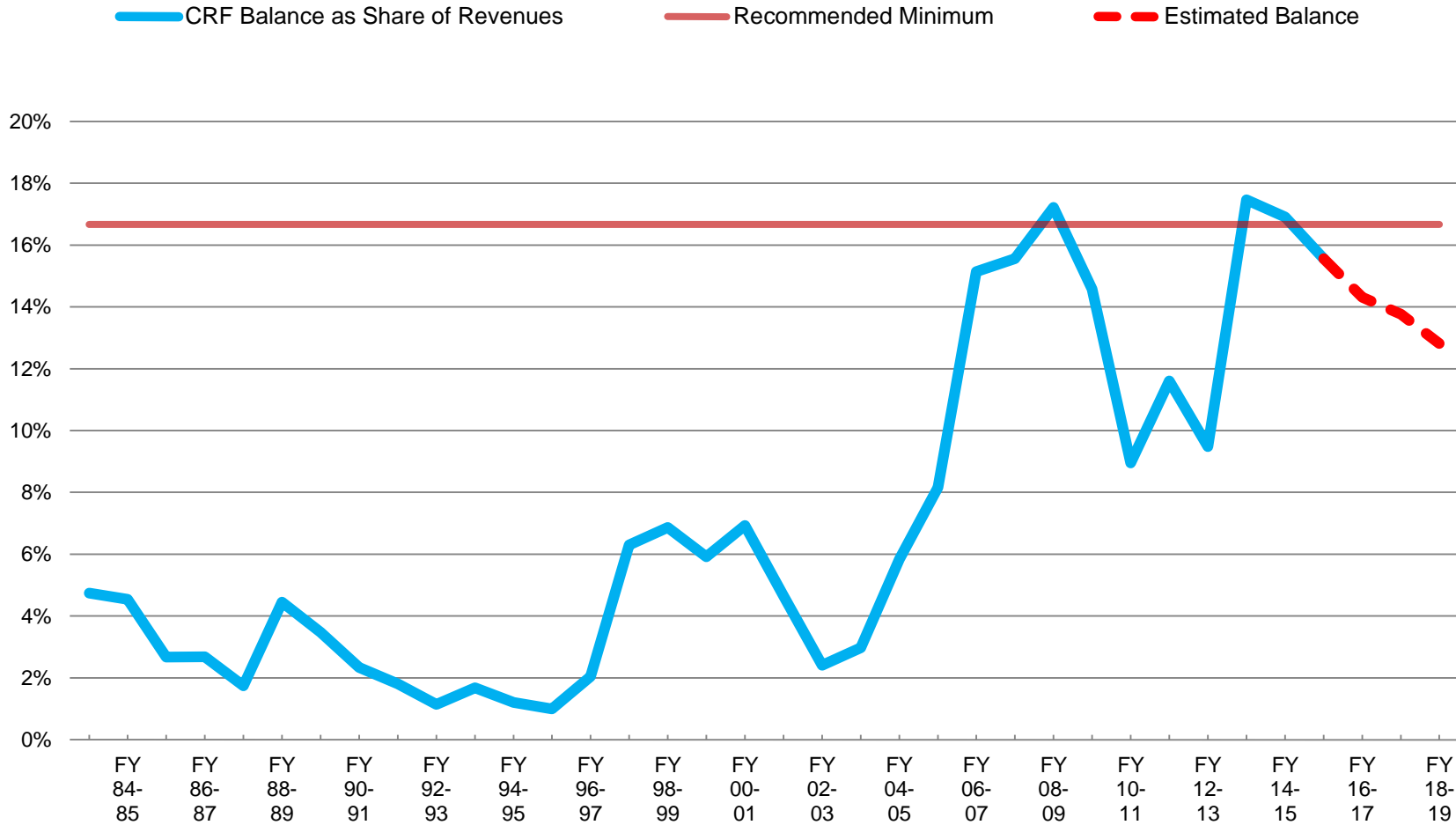
Budget Highlights (cont.)

FY16 & FY17

- Cash Reserve Authorized - Spending - \$63.5M in 2015, \$91M in 2016
- Cash Reserve Balance - \$654.6M FY17 (14.8% of Approps, 15% of Rev.)
 - \$634.2M Balance – FY19 (13.2% Approps, 13.5% of Rev.)
- Property Tax Credit Program - \$64M/yr increase in 2015; \$204M/year total
 - \$20M/year for ag land owners (2016)

Rainy Day Fund Departing from Minimum Recommended Levels

Cash Reserve Fund Balance as Share of General Fund Budget, FY 83-84 to FY 18-19



Sources: Legislative Fiscal Office, Nebraska Economic Forecasting Board

What does 3% Budget Growth Mean?

- This session's budget growth - 3.7%
- TEEOSA growth - 2.1% (4.06% FY16 & 0.16% FY17)
- Legislative Fiscal Office – budget projected to grow at 4.4% for FY18 - FY19 Biennium
- 4.4% projected growth does not include:
 - Any increase for the university and state colleges
 - Any additional necessary investments, such as Corrections.
- Reduces budget by nearly \$200M over next biennium, relative to LFO projected growth.
- *Assumes revenue growth of 4.9% FY 18 & 4.8% FY19*

Forecasts v. Actual Receipts

- FY16 receipts are \$71M below forecast – unlikely to catch up.
- April - \$52M below forecast (9.6%)
 - 5th consecutive month of receipts below forecast
 - Majority of shortfall in individual income tax – also low in sales & CIT.
- Impacts Cash Reserve and shortfall projections.

General Fund Financial Status

[http://nebraskalegislature.gov/FloorDocs/
Current/PDF/Budget/status.pdf](http://nebraskalegislature.gov/FloorDocs/Current/PDF/Budget/status.pdf)

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