

# NEBRASKA STATE CHAMBER OF COMMERCE

## LEADERSHIP NEBRASKA

### State of Nebraska Budget Presentation

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State Budget Director  
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# BUDGET FUND TYPES

**GENERAL FUND** – Used to account for activities funded by general tax dollars, primarily sales and income taxes.

**CASH FUNDS** – Used to account for revenues and expenditures that are directly related to specific activities with sources outside of state government, excluding federal sources.

**FEDERAL FUNDS** – Used to account for the financial activities related to the receipt and disbursement of funds generated from the federal government as a result of grants or contracts.

**REVOLVING FUNDS** – Used to account for the financing of goods or services provided by one state agency to another state agency on a cost-reimbursement basis.

# TOTAL APPROPRIATIONS BY FUND TYPE

	<b>Current FY2007-08</b>	<b>% of State Total</b>
General Fund	3,305,700,963	48.1%
Cash Funds	1,417,667,738	20.6%
Federal Funds	1,942,807,419	28.2%
Revolving Funds	212,770,644	3.1%
<b>STATE TOTAL</b>	<b>6,878,946,764</b>	

# GENERAL FUND BUDGET CATEGORIES

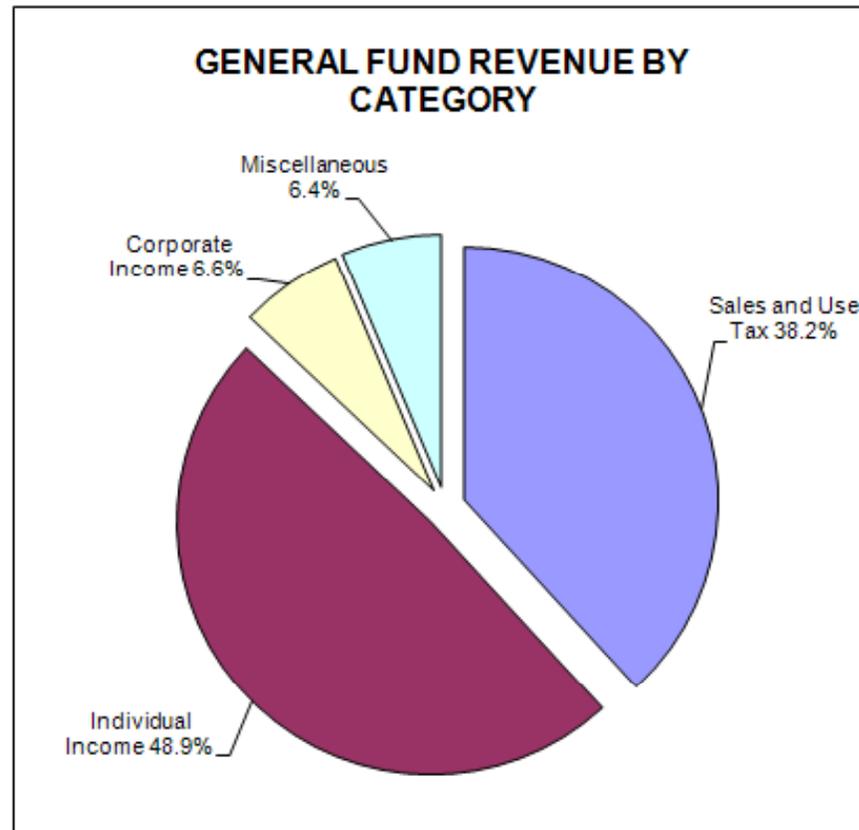
	<b>Current FY2007-08</b>	<b>% of State Total</b>
Aid to Local Governments	1,175,472,664	35.6%
Aid to Individuals	821,487,708	24.9%
Aid to Other	147,747,772	4.5%
<b>Aid Subtotal</b>	<b>2,144,708,144</b>	<b>64.9%</b>
Agency Operations	1,152,841,997	34.9%
Capital Construction	8,150,822	0.2%
<b>STATE TOTAL</b>	<b>3,305,700,963</b>	

# GENERAL FUND FUNCTIONAL SUMMARY

Functional Area (with largest examples)	FY1987-88	FY1987-88 % of State Total	Current FY2007-08 Approp	FY2007-08 % of State Total	Avg. Annual Growth % (FY1987-88 to FY2007-08)
<b>Economic Development</b>	<b>7,008,640</b>	<b>0.8%</b>	<b>10,730,482</b>	<b>0.3%</b>	<b>2.2%</b>
Dept. of Economic Development Operations	3,788,763	0.4%	4,316,118	0.1%	0.7%
Public Service Commission Operations	1,983,139	0.2%	2,607,328	0.1%	1.4%
<b>Education</b>	<b>431,034,334</b>	<b>48.4%</b>	<b>1,614,873,672</b>	<b>48.9%</b>	<b>6.8%</b>
TEEOSA State Aid to Schools	122,583,714	13.8%	753,555,548	22.8%	9.5%
University System	176,684,190	19.8%	472,762,341	14.3%	5.0%
Special Education	58,881,410	6.6%	179,508,584	5.4%	5.7%
Aid to Community Colleges	22,284,524	2.5%	84,066,476	2.5%	6.9%
State College System	28,287,927	3.2%	43,109,898	1.3%	2.1%
<b>General Government</b>	<b>10,623,059</b>	<b>1.2%</b>	<b>22,015,385</b>	<b>0.7%</b>	<b>3.7%</b>
Legislative Council Operations	7,759,108	0.9%	16,697,967	0.5%	3.9%
Auditor of Public Accounts Operations	1,023,715	0.1%	2,480,647	0.1%	4.5%
<b>Human Services</b>	<b>233,193,310</b>	<b>26.2%</b>	<b>1,161,959,784</b>	<b>35.2%</b>	<b>8.4%</b>
Medicaid	87,401,135	9.8%	576,715,481	17.4%	9.9%
Public Assistance	50,480,340	5.7%	214,646,783	6.5%	7.5%
Health and Human Services Operations	59,730,456	6.7%	212,029,026	6.4%	6.5%
Developmental Disability Aid	21,804,874	2.4%	66,634,494	2.0%	5.7%
Community Behavioral Health Aid	10,259,070	1.2%	60,328,781	1.8%	9.3%
<b>Agriculture, Environment, and Natural Resources</b>	<b>20,669,017</b>	<b>2.3%</b>	<b>43,890,333</b>	<b>1.3%</b>	<b>3.8%</b>
Game and Parks Operations	6,567,225	0.7%	10,187,278	0.3%	2.2%
Dept. of Natural Resources Operations	3,189,347	0.4%	8,951,306	0.3%	5.3%
Dept. of Agriculture Operations	3,354,209	0.4%	6,268,192	0.2%	3.2%
<b>Public Finance</b>	<b>88,872,247</b>	<b>10.0%</b>	<b>152,367,476</b>	<b>4.6%</b>	<b>2.7%</b>
Homestead Exemption	31,106,095	3.5%	70,056,960	2.1%	4.1%
Dept. of Revenue Operations	13,401,511	1.5%	28,300,210	0.9%	3.8%
Aid to Cities, Counties, NRDs	31,574,462	3.5%	19,268,561	0.6%	-2.4%
Teachers, Patrol, and Judges Retirement	5,533,431	0.6%	19,134,688	0.6%	6.4%
<b>Public Safety</b>	<b>88,881,864</b>	<b>10.0%</b>	<b>291,694,825</b>	<b>8.8%</b>	<b>6.1%</b>
Dept. of Correctional Services Operations	38,472,552	4.3%	142,067,755	4.3%	6.7%
Supreme Court Operations	23,026,639	2.6%	65,212,791	2.0%	5.3%
State Patrol Operations	19,893,012	2.2%	49,848,038	1.5%	4.7%
<b>Transportation</b>	<b>4,383,416</b>	<b>0.5%</b>	<b>18,184</b>	<b>0.0%</b>	<b>-24.0%</b>
<b>Capital Construction</b>	<b>6,062,888</b>	<b>0.7%</b>	<b>8,150,822</b>	<b>0.2%</b>	<b>1.5%</b>
<b>STATE TOTAL</b>	<b>890,728,775</b>		<b>3,305,700,963</b>		<b>6.8%</b>

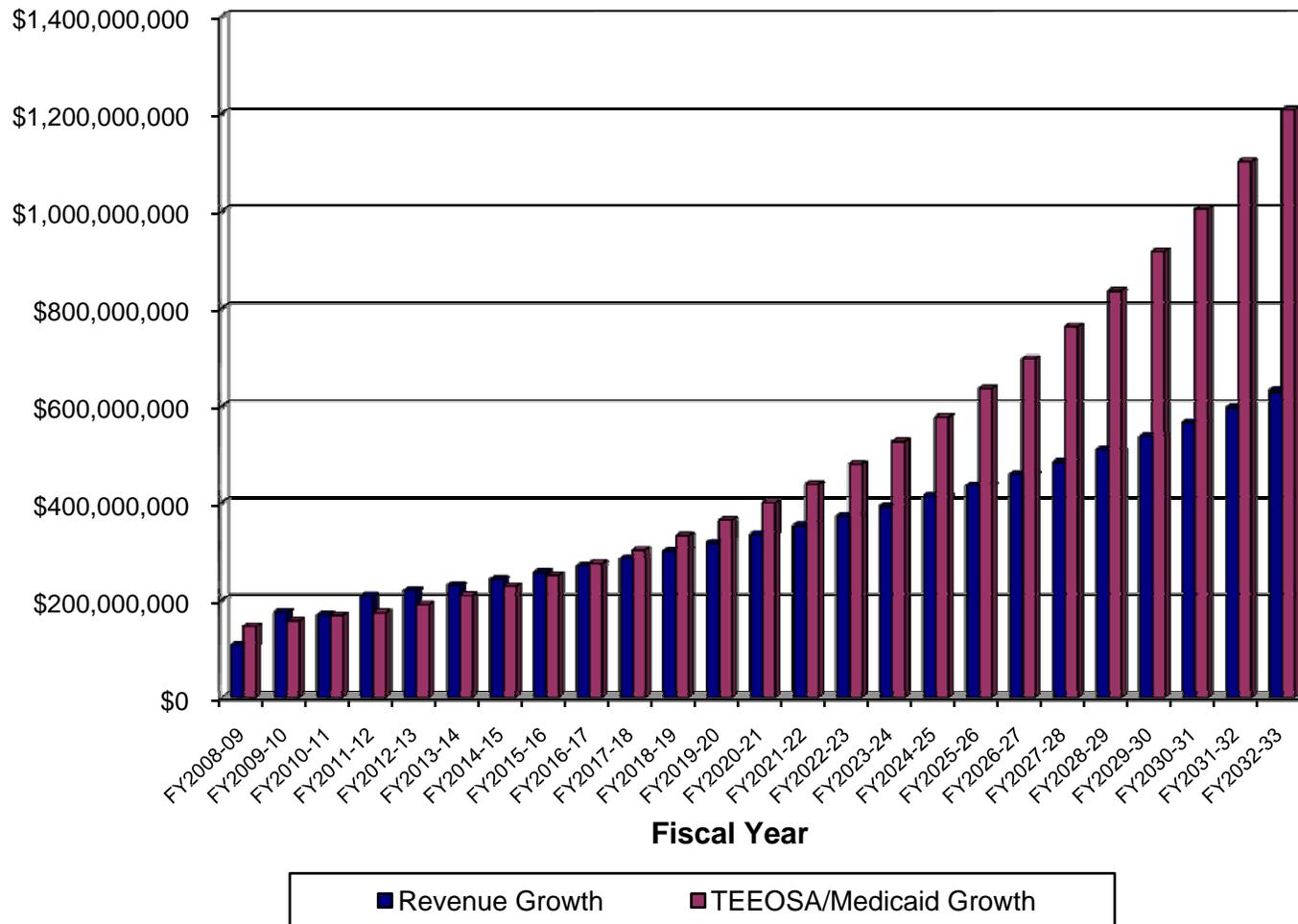
# GENERAL FUND REVENUE CATEGORIES

<b>Category</b>	<b>Current FY2007-08</b>
Sales and Use Tax	1,300,000,000
Individual Income	1,665,000,000
Corporate Income	225,000,000
Miscellaneous	217,000,000
<b>Total</b>	<b>3,407,000,000</b>



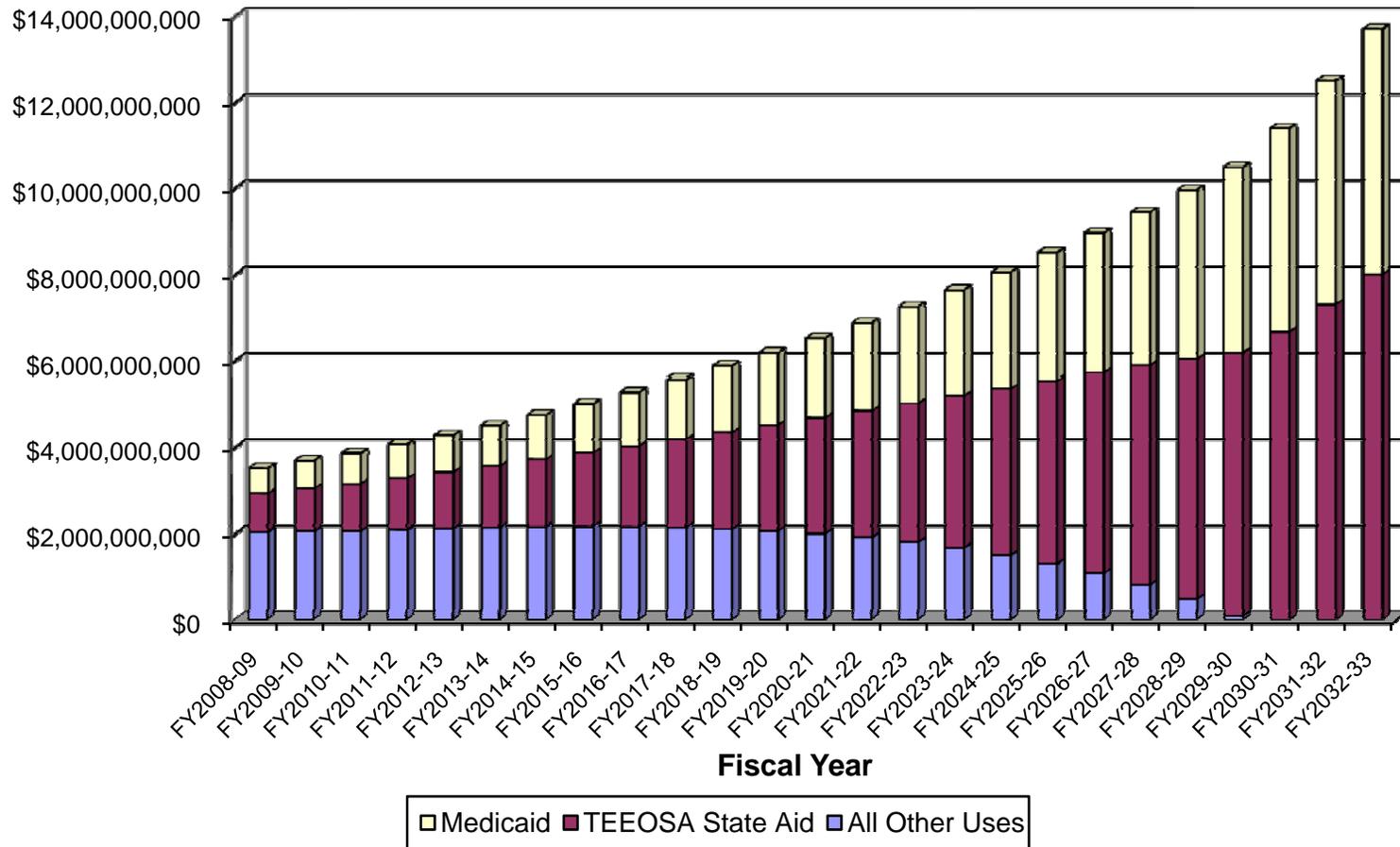
# GENERAL FUND PROSPECTIVE ANALYSIS

**GF Revenue Growth vs. TEEOSA/Medicaid Growth  
FY2008-09 through FY2032-33**



# GENERAL FUND PROSPECTIVE ANALYSIS

**Projected Use of General Fund Receipts**  
FY2007-08 through FY2032-33



# GENERAL FUND FINANCIAL STATUS

## Appropriations Committee Prelim. w/ NEFAB Forecast & Global Insight Average

	FY2006-07	Biennial Budget		Following Biennium	
		FY2007-08	FY2008-09	FY2009-10	FY2010-11
<b>1 BEGINNING BALANCE</b>					
2 Beginning Cash Balance	\$565,963,976	\$591,204,274	\$260,792,876	\$140,348,915	(\$95,883,065)
3 Cash Reserve Fund transfer-Automatic	(259,929,524)	(191,436,774)	<b>(17,814,000)</b>		
4 Carryover obligations from FY2006-07		(199,815,938)			
5 Lapse FY2006-07 carryover obligations		28,803,884			
6 Allocation for potential deficits			(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	306,034,452	228,755,446	237,978,876	135,348,915	(100,883,065)
<b>8 REVENUES</b>					
9 Net Receipts (Certified; Oct. NEFAB; LFO Hist. Avg.)	3,403,644,627	3,458,000,000	3,589,000,000	3,792,000,000	4,014,000,000
10 Adj. for NEFAB Forecast; Next Bienn.-GI Avg.	0	<b>(51,000,000)</b>	<b>(75,000,000)</b>	<b>(103,496,500)</b>	<b>(155,791,500)</b>
11 General Fund transfers - out	(9,140,000)	(128,700,000)	(120,200,000)	(120,200,000)	(120,200,000)
12 General Fund transfers - in	In Receipts	In Receipts	In Receipts		
13 Cash Reserve Fund transfers - legislative current	15,674,107	60,177,767	54,990,505		
14 General Fund Net Revenues	3,410,178,734	3,338,477,767	3,448,790,505	3,568,303,500	3,738,008,500
<b>15 APPROPRIATIONS</b>					
16 Actual/Appropriations per 2007 Session	3,125,008,912	3,305,700,963	3,480,556,576	3,480,556,576	3,480,556,576
17 LFO Spending Estimate - Following Biennium				189,861,730	384,953,150
18 2008 Mainline Budget Changes - Non TEEOSA		674,734	5,813,474	17,966,474	5,813,474
19 2008 Mainline Budget Changes - TEEOSA			53,050,416	104,150,700	152,980,095
20 2008 Allocation for Post Hearing Adjustments			7,000,000	7,000,000	7,000,000
21 2008 State Claims		64,640			
22 General Fund Appropriations	3,125,008,912	3,306,440,337	3,546,420,466	3,799,535,480	4,031,303,295
<b>23 ENDING BALANCE</b>					
24 Dollar ending balance	591,204,274	260,792,876	140,348,915	(95,883,065)	(394,177,860)
25 Biennial Reserve @ 3% Minimum	193,164,284	--	208,812,285	--	216,893,036
26 Variance from Minimum Reserve	398,039,990	--	<b>(68,463,370)</b>	--	<b>(611,070,896)</b>
27 Biennial Reserve (%)	9.8%	--	2.0%	--	-5.03%
28 Annual % Change - Appropriations	--	3.9%	7.3%	7.1%	6.1%
29 Two Year Average	--	--	5.6%	--	6.6%
30 Annual % Change - Revenue (Nominal)	--	0.1%	3.1%	5.0%	4.6%
31 Two Year Average	--	--	1.6%	--	4.8%
32 Structural Balance/(Imbalance) - Net Receipts v. Approps	269,495,715	(28,140,337)	(152,620,466)	(231,231,980)	(293,294,795)

### CASH RESERVE FUND BALANCE

	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Estimated June 30 Ending Balance	516,087,790	542,096,797	489,080,292	489,080,292	501,080,292

## GENERAL FUND FINANCIAL STATUS

### Appropriations Comm. Prelim. w/ NEFAB Forecast & Global Insight Average; 2008 Session Adjustments

	FY2006-07	Biennial Budget		Following Biennium	
		FY2007-08	FY2008-09	FY2009-10	FY2010-11
<b>1 BEGINNING BALANCE</b>					
2 Beginning Cash Balance	\$565,963,976	\$591,204,274	\$260,792,876	\$209,348,915	\$42,116,935
3 Cash Reserve Fund transfer-Automatic	(259,929,524)	(191,436,774)	<b>(17,814,000)</b>		
4 Carryover obligations from FY2006-07		(199,815,938)			
5 Lapse FY2006-07 carryover obligations		28,803,884			
6 Allocation for potential deficits			(5,000,000)	(5,000,000)	(5,000,000)
7 Unobligated Beginning Balance	306,034,452	228,755,446	237,978,876	204,348,915	37,116,935
<b>8 REVENUES</b>					
9 Net Receipts (Certified; Oct. NEFAB; LFO Hist. Avg.)	3,403,644,627	3,458,000,000	3,589,000,000	3,792,000,000	4,014,000,000
10 <b>Adj. for NEFAB Forecast; Next Bienn.-GI Avg.</b>	<b>0</b>	<b>(51,000,000)</b>	<b>(75,000,000)</b>	<b>(103,496,500)</b>	<b>(155,791,500)</b>
11 General Fund transfers - out	(9,140,000)	(128,700,000)	(120,200,000)	(120,200,000)	(120,200,000)
12 General Fund transfers - in	In Receipts	In Receipts	In Receipts		
13 Cash Reserve Fund transfers - legislative current	15,674,107	60,177,767	54,990,505		
14 General Fund Net Revenues	3,410,178,734	3,338,477,767	3,448,790,505	3,568,303,500	3,738,008,500
<b>15 APPROPRIATIONS</b>					
16 Actual/Appropriations per 2007 Session	3,125,008,912	3,305,700,963	3,480,556,576	3,480,556,576	3,480,556,576
17 LFO Spending Estimate - Following Biennium				189,861,730	384,953,150
18 2008 Mainline Budget Changes - Non TEEOSA		674,734	5,813,474	17,966,474	5,813,474
19 2008 Mainline Budget Changes - TEEOSA			53,050,416	104,150,700	152,980,095
20 2008 Allocation for Post Hearing Adjustments			7,000,000	7,000,000	7,000,000
21 2008 State Claims		64,640			
22 <b>2008 Budget Adj. to Address 3% Minimum Reserve</b>			<b>(69,000,000)</b>	<b>(69,000,000)</b>	<b>(69,000,000)</b>
23 General Fund Appropriations	3,125,008,912	3,306,440,337	3,477,420,466	3,730,535,480	3,962,303,295
<b>24 ENDING BALANCE</b>					
25 Dollar ending balance	591,204,274	260,792,876	209,348,915	42,116,935	(187,177,860)
26 Biennial Reserve @ 3% Minimum	193,164,284	--	208,812,285	--	218,902,745
27 Variance from Minimum Reserve	398,039,990	--	<b>536,630</b>	--	<b>(406,080,605)</b>
28 Biennial Reserve (%)	9.8%	--	3.0%	--	-2.43%
29 Annual % Change - Appropriations	--	3.9%	5.2%	7.3%	6.2%
30 Two Year Average	--	--	4.6%	--	6.7%
31 Annual % Change - Revenue (Nominal)	--	0.1%	3.1%	5.0%	4.6%
32 Two Year Average	--	--	1.6%	--	4.8%
33 Structural Balance/(Imbalance) - Net Receipts v. Approps	269,495,715	(28,140,337)	(83,620,466)	(162,231,980)	(224,294,795)

### CASH RESERVE FUND BALANCE

	FY2006-07	FY2007-08	FY2008-09	FY2009-10	FY2010-11
Estimated June 30 Ending Balance	516,087,790	542,096,797	489,080,292	489,080,292	501,080,292

# TEEOSA STATE AID USE OF GF TAX RECEIPTS

	FY2007-08	FY2008-09	FY2009-10	FY2010-11
GF Tax Receipts (Next Bienn.-GI Avg.)	3,407,000,000	3,514,000,000	3,688,503,500	3,858,208,500
Annual \$ Growth		107,000,000	174,503,500	169,705,000
Annual % Growth (Nominal)		3.1%	5.0%	4.6%
TEEOSA State Aid	753,555,548	885,393,659	984,120,960	1,088,016,270
Annual \$ Growth		131,838,111	98,727,301	103,895,310
Annual % Growth		17.5%	11.2%	10.6%
% of GF Receipts	22.1%	25.2%	26.7%	28.2%
TEEOSA Growth % Use of GF Growth		123.2%	56.6%	61.2%
% of State GF Budget	22.8%	25.0%	25.9%	27.0%
TEEOSA State Aid (Education Committee)	753,555,548	818,871,181	?	?
Annual \$ Growth		65,315,633	--	--
Annual % Growth		8.7%	--	--
% of GF Receipts	22.1%	23.3%	--	--
TEEOSA Growth % Use of GF Growth		61.0%	--	--
% of State GF Budget	22.8%	23.5%	--	--
TEEOSA State Aid (Approp. Comm. Revised)	753,555,548	823,555,548	?	?
Annual \$ Growth		70,000,000	--	--
Annual % Growth		9.3%	--	--
% of GF Receipts	22.1%	23.4%	--	--
TEEOSA Growth % Use of GF Growth		65.4%	--	--
% of State GF Budget	22.8%	23.6%	--	--