



General Fund Financial Status

The General Fund Financial Status provides a summary of the State's financial condition including the impact of the Governor's 2011-2013 budget recommendations. While Nebraska operates with a biennial budget, the version of the Status shown in this document includes an additional two years of estimated revenues and appropriations for planning purposes.

The revenue portion of the Status shows the net General Fund tax receipt forecasts for the current fiscal year and the next biennium that were adopted by the Economic Forecasting Advisory Board at its meeting in October 2010. The net receipts projected for the following biennium were presented to the Tax Rate Review Committee in November of 2010 by the Legislative Fiscal Office.

Certain transfers to the General Fund are proposed in both FY 2011-12 and FY 2012-13: Mutual Finance Assistance Fund - \$620,500; Tobacco Products Administration Cash Fund - \$7.0 million; Securities Act Cash Fund - \$19.0 million; Insurance Cash Fund - \$6.0 million; and Motor Vehicles Cash Fund - \$1.0 million. A transfer of \$1.0 million from the Life Insurance Demutualization Trust Fund to the General Fund is recommended for FY 2011-12. The Governor also recommends a transfer of \$130.0 million from the Cash Reserve Fund in both FY 2011-12 and FY 2012-13 to maintain critical state services and mitigate the effects of the decline in forecasted tax receipts due to our recent national recession.

The Governor recommends transfers from the General Fund in both FY 2011-12 and FY 2012-13: Property Tax Credit Cash Fund - \$110.0 million and Water Resources Cash Fund - \$2.7 million. The Governor also recommends a transfer of \$25.0 million to the Nebraska Capital Construction Fund and transfers totaling \$6.3 million to the Ethanol Production Incentive Cash Fund from the General Fund in FY 2011-12.

The appropriations shown for the current fiscal year 2010-11 are those adopted during the 2009 regular session and further amended during the 2009 special session and 2010 regular session of the 101st Legislature. The Status also reflects a recommended reduction of \$15.6 million in FY 2010-11 re-appropriations, a reduction of \$24.7 million in FY 2010-11 appropriations, and a \$2.0 million allocation for the 2011 claims bill for consideration during the 2011 session of the 102nd Legislature. The Governor's budget recommendations for FY 2011-12 and FY 2012-13 of the next biennium are also shown. The Governor's recommendations provide for a two-year average General Fund increase of 2.2 percent. The General Fund balance for the next biennium exceeds the minimum reserve requirement by \$3.9 million.

The planning estimates for the following biennium 2013-2015 set future allowable spending growth at no greater than 3.6 percent and leave a General Fund balance in excess of the minimum reserve requirement. The planning estimates include a recommendation that \$198.0 million be transferred from the General Fund to replenish the Cash Reserve Fund and prepare for future adverse economic circumstances.

General Fund Financial Status

	Current FY2010-11	Next Biennium		Following Biennium	
		FY2011-12	FY2012-13	FY2013-14	FY2014-15
<u>Beginning Balance</u>					
Beginning Cash Balance	\$296,986,417	\$119,670,337	\$131,695,200	\$214,231,798	\$209,342,909
Cash Reserve Fund transfer-Automatic					
Carryover obligations from FY2009-10	(207,763,520)				
Reduce FY2010-11 reappropriations	15,567,172				
Allocation for potential deficits		(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Unobligated Beginning Balance	104,790,069	114,670,337	126,695,200	209,231,798	204,342,909
<u>Revenues</u>					
Net Receipts (Oct. 2010 NEFAB; Following-LFO Hist. Avg.)	3,364,000,000	3,435,000,000	3,590,000,000	3,840,000,000	4,075,000,000
General Fund transfers - out (current)	(120,725,000)				
General Fund transfers - in (current)	In Receipts				
Cash Reserve Fund transfers (current)	154,000,000				
General Fund transfers - out		(144,000,000)	(112,700,000)	(117,700,000)	(117,700,000)
General Fund transfers - in		34,620,500	33,620,500		
Cash Reserve Fund transfers		130,000,000	130,000,000	(75,000,000)	(123,000,000)
2011 Session Legislation		2,835,300	(164,700)	(164,700)	(164,700)
General Fund Net Revenues	3,397,275,000	3,458,455,800	3,640,755,800	3,647,135,300	3,834,135,300
<u>Appropriations</u>					
Actual Expenditures/Appropriations (2010 Session)	3,405,101,292	3,405,101,292	3,405,101,292	3,405,101,292	3,405,101,292
Claims Bill	2,034,666				
Deficit Recommendations	(24,741,227)				
Budget Recommendations		36,329,645	148,117,910	148,117,910	148,117,910
Following Biennium - Appropriation Adjustments				93,804,987	260,473,992
General Fund Appropriations	3,382,394,731	3,441,430,937	3,553,219,202	3,647,024,189	3,813,693,194
<u>Ending Balance</u>					
Dollar ending balance	119,670,337	131,695,200	214,231,798	209,342,909	224,785,015
Minimum Biennial Reserve Requirement	204,094,804	--	210,258,697	--	224,140,847
Variance from Minimum Reserve	(84,424,467)	--	3,973,101	--	644,169
Biennial Reserve (%)	1.7%	--	3.1%	--	3.0%
Annual % Change - Appropriations (excl. deficits)	2.8%	1.1%	3.2%	2.6%	4.6%
Two Year Average	-1.1%	--	2.2%	--	3.6%
Annual % Change - Net Receipts (Nominal)	4.9%	3.2%	4.3%	6.0%	6.1%
Two Year Average	0.2%	--	3.8%	--	6.0%
Structural Receipts v. Approps.	(139,119,731)	(112,975,137)	(42,463,402)	111,111	20,442,106