

Cash Reserve Fund Status

The Cash Reserve Fund was created in 1983 to provide a source of funds for temporary transfers to the State General Fund when balances are not sufficient to process expenditure transactions. There have been several instances in which money was moved to and from the Cash Reserve Fund to accomplish policy initiatives. The Legislature has also used the Cash Reserve Fund to finance one-time new capital construction projects. Current law provides that actual General Fund revenues in excess of the certified forecast at the end of the fiscal year are to be transferred to the Cash Reserve Fund. There are no requirements for a minimum or maximum balance in the Cash Reserve Fund.

FY 2013-14 actual net General Fund tax receipts exceeded the FY 2013-14 certified forecast by \$96.7 million. That amount was automatically transferred by operation of state law to the separate Cash Reserve Fund in July 2014. In October 2014, the Nebraska Economic Forecasting Advisory Board increased its estimate of net General Fund tax receipts for FY 2014-15 by \$61.5 million which is shown as an automatic transfer to the Cash Reserve Fund in FY 2015-16.

Transfers to/from the Cash Reserve Fund scheduled under current law for FY 2014-15 include: \$57.5 million to the Nebraska Capital Construction Fund and \$50.5 million to the General Fund.

The Governor's 2015 Legislative Session recommendations for current FY 2014-15 include a transfer of \$17.2 million from the Cash Reserve Fund to the General Fund to pay federal disallowances and up to \$5.5 million to pay a court ordered settlement of the Kansas v. Nebraska Republican River litigation.

The Governor's recommendations do not include transfers from the Cash Reserve Fund in the 2015-2017 biennium.

The projected ending balance for the Cash Reserve Fund is \$746 million. No additional transfers from the Cash Reserve Fund are recommended.

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	Current FY2014-15	Next Biennium		Following Biennium	
		FY2015-16	FY2016-17	FY2017-18	FY2018-19
Beginning Balance	719,065,306	684,819,967	746,319,967	746,319,967	746,319,967
Transfer Amounts Above Forecasts	96,721,232	61,500,000			
To/From General Fund	(50,500,000)				
To State Patrol Cash Fund (correction)	(250,000)				
To NCCF for Central NE Veterans Home	(43,015,459)				
To NCCF for Capitol courtyard fountains and HVAC	(14,500,000)				
To General Fund (2015 Session)	(17,201,112)				
To Republican River Compact Litigation Fund (2015 Session)	(5,500,000)				
Ending Balance	684,819,967	746,319,967	746,319,967	746,319,967	746,319,967