



Pete Ricketts
Governor

STATE OF NEBRASKA

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MEMORANDUM

DATE: October 27, 2017
TO: Code Agency Directors
FROM: Governor Pete Ricketts 
RE: Spending Restraint

This afternoon, the Nebraska Economic Forecasting Advisory Board (Board) reviewed and revised downward the net General Fund tax receipt forecasts used by the Legislature for enactment of the current 2017-2019 biennial budget. The Board's revised forecast represents a downward revision to the previous forecast of \$100 million in estimated tax receipts for FY 2017-18 and a downward revision of \$123 million in estimated tax receipts for FY 2018-19. While this forecast does project two-year average annual growth of 4.7 percent, it is less growth than was forecast by the Board last April.

This revision in estimated tax receipts underscores the importance of continued and now further spending restraint by all state agencies, boards, and commissions. It will also necessitate reductions in appropriations and other adjustments to the enacted budget for the 2017-2019 biennium when the 105th Legislature convenes for its mid-biennium session in January.

It is important that you continue to apply the fiscal restraint measures that were initiated during FY 2016-17 to further restrain spending in the current budget biennium. This includes the hiring freeze, travel ban, limited technology and equipment purchases, and reductions in discretionary grants in aid. I have instructed the State Budget Division to reduce the allotment of current FY 2017-18 appropriations by one percent each quarter beginning with the third fiscal quarter (January through March) of FY 2017-18 pending further consideration and determination of mid-biennium budget adjustments by the Legislature during its upcoming 2018 legislative session.

While the forecast revision relates directly to the General Fund budget it is important that fiscal discipline also be exercised by state agencies financed from fees, assessments, or other tax revenues.

Please prepare for downward adjustments to appropriations for both FY 2017-18 and FY 2018-19 which comprise the two fiscal years of the current 2017-2019 biennium. Your continued fiscal discipline and your assistance in making budget adjustments is important and necessary to address this recent revision in the tax receipt forecast.

Questions should be addressed to your assigned Budget Management Analyst in the Department of Administrative Services State Budget Division.