

**Regular Board Meeting**  
**March 13, 2023, at 7:30 PM**  
**Southern School District**

Notice is hereby given of a meeting of the Board of Education, Southern School District #1 on March 13, 2023, at 7:30 PM at Southern Jr./Sr. High School Board Room in Wymore. A current agenda is also available at the office of the Superintendent.

I hereby certify that the above notice was posted in three public places as follows:

Southern Elementary School

Southern Jr./Sr. High School

U.S. Post Office in Wymore

- I. Call Meeting to Order
  - I.A. Roll Call
  - I.B. Notice of Nebraska Open Meetings Act Posted
  - I.C. Motion to excuse Aaron Whitwer from the March 13, 2023, School Board Meeting
- II. Approval of Minutes from the February 13, 2023, Regular School Board Meeting & Special School Board Meeting
- III. Communications, Audiences, and Recognitions
  - III.A. Public comments will not be received after this period of time. Public comment period is limited to 5 minutes per person and a total of 30 minutes overall.
- IV. Financial Statement: Items for Discussion, Consideration, and/or Action
  - IV.A. Approval of Bills

- IV.A.1. General Fund, Special Building Fund, Depreciation Fund, and Qualified Capital Purpose Undertaking Fund Claims
  - IV.A.2. Lunch & Activity Claims
- V. Support Service
  - V.A. Facility Update
  - V.B. Personnel Items
    - V.B.1. Hiring Recommendations
      - V.B.1.1. Ashley McConnell - 1.0 FTE - Second Grade Teacher for the 2023-2024 School Year
      - V.B.1.2. Jake Voorhis - 1.0 FTE - K-12 Vocal Music Teacher for the 2023-2024 School Year
    - V.C. Technology Update
- VI. Administrative and Committee Reports
  - VI.A. Student Board Member Report
  - VI.B. Elementary Principal's Report
  - VI.C. Secondary Principal's Report
  - VI.D. Superintendent's Report
    - VI.D.1. Nebraska Rural Community Schools Association (NRCSA) Update - Jack Moles, Executive Director
- VII. Items for Discussion, Consideration, and/or Action
  - VII.A. Policy 6005: Academic Credits and Graduation (Revision) as per LB 1112
  - VII.B. Police Officer for Prom on March 25, 2023
  - VII.C. Consider the Approval of an Out-of-State Travel Request (6th Grade Field Trip)
  - VII.D. Approve the Updated Language in the Principal Contracts as per KSB School Law's Legal Advice
  - VII.E. Option Enrollment Applications
- VIII. Adjournment



# Nebraska Open Meetings Act

**84-1407. Act, how cited.** Sections 84-1407 to 84-1414 shall be known and may be cited as the Open Meetings Act.

**84-1408. Declaration of intent; meetings open to public.** It is hereby declared to be the policy of this state that the formation of public policy is public business and may not be conducted in secret. Every meeting of a public body shall be open to the public in order that citizens may exercise their democratic privilege of attending and speaking at meetings of public bodies, except as otherwise provided by the Constitution of Nebraska, federal statutes, and the Open Meetings Act.

**84-1409. Terms, defined.** For purposes of the Open Meetings Act, unless the context otherwise requires:

(1)(a) Public body means (i) governing bodies of all political subdivisions of the State of Nebraska, (ii) governing bodies of all agencies, created by the Constitution of Nebraska, statute, or otherwise pursuant to law, of the executive department of the State of Nebraska, (iii) all independent boards, commissions, bureaus, committees, councils, subunits, or any other bodies created by the Constitution of Nebraska, statute, or otherwise pursuant to law, (iv) all study or advisory committees of the executive department of the State of Nebraska whether having continuing existence or appointed as special committees with limited existence, (v) advisory committees of the bodies referred to in subdivisions (i), (ii), and (iii) of this subdivision, and (vi) instrumentalities exercising essentially public functions; and

(b) Public body does not include (i) subcommittees of such bodies unless a quorum of the public body attends a subcommittee meeting or unless such subcommittees are holding hearings, making policy, or taking formal action on behalf of their parent body, except that all meetings of any subcommittee established under section 81-15,175 are subject to the Open Meetings Act, and (ii) entities conducting judicial proceedings unless a court or other judicial body is exercising rulemaking authority, deliberating, or deciding upon the issuance of administrative orders;

(2) Meeting means all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body; and

(3) Videoconferencing means conducting a meeting involving participants at two or more locations through the use of audio-video equipment which allows participants at each location to hear and see each meeting participant at each other location, including public input. Interaction between meeting participants shall be possible at all meeting locations.

**84-1410. Closed session; when; purpose; reasons listed; procedure; right to challenge; prohibited acts; chance meetings, conventions, or workshops.**

(1) Any public body may hold a closed session by the affirmative vote of a majority of its voting members if a closed session is clearly necessary for the protection of the public interest or for the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. The subject matter and the reason necessitating the closed session shall be identified in the motion to close. Closed sessions may be held for, but shall not be limited to, such reasons as:

(a) Strategy sessions with respect to collective bargaining, real estate purchases, pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation to or by the public body;

(b) Discussion regarding deployment of security personnel or devices;

(c) Investigative proceedings regarding allegations of criminal misconduct;

(d) Evaluation of the job performance of a person when necessary to prevent needless injury to the reputation of a person and if such person has not requested a public meeting;

(e) For the Community Trust created under section 81-1801.02, discussion regarding the amounts to be paid to individuals who have suffered from a tragedy of violence or natural disaster; or

(f) For public hospitals, governing board peer review activities, professional review activities, review and discussion of medical staff investigations or disciplinary actions, and any strategy session concerning transactional negotiations with any referral source that is required by federal law to be conducted at arms length.

Nothing in this section shall permit a closed meeting for discussion of the appointment or election of a new member to any public body.

(2) The vote to hold a closed session shall be taken in open session. The entire motion, the vote of each member on the question of holding a closed session, and the time when the closed session commenced and concluded shall be recorded in the minutes. If the motion to close passes, then the presiding officer immediately prior to the closed session shall restate on the record the limitation of the subject matter of the closed session. The public body holding such a closed session shall restrict its consideration of matters during the closed portions to only those purposes set forth in the motion to close as the reason for the closed session. The meeting shall be reconvened in open session before any formal action may be taken. For purposes of this section, formal action shall mean a collective decision or a collective commitment or promise to make a decision on any question, motion, proposal, resolution, order, or ordinance or formation of a position or policy but shall not include negotiating guidance given by members of the public body to legal counsel or other negotiators in closed sessions authorized under subdivision (1) (a) of this section.

(3) Any member of any public body shall have the right to challenge the continuation of a closed session if the member determines that the session has exceeded the reason stated in the original motion to hold a closed session or if the member contends that the closed session is neither clearly necessary for (a) the protection of the public interest or (b) the prevention of needless injury to the reputation of an individual. Such challenge shall be overruled only by a majority vote of the members of the public body. Such challenge and its disposition shall be recorded in the minutes.

(4) Nothing in this section shall be construed to require that any meeting be closed to the public. No person or public body shall fail to invite a portion of its members to a meeting, and no public body shall designate itself a subcommittee of the whole body for the purpose of circumventing the Open Meetings Act. No closed session, informal meeting, chance meeting, social gathering, email, fax, or other electronic communication shall be used for the purpose of circumventing the requirements of the act.

(5) The act does not apply to chance meetings or to attendance at or travel to conventions or workshops of members of a public body at which there is no meeting of the body then intentionally convened, if there is no vote or other action taken regarding any matter over which the public body has supervision, control, jurisdiction, or advisory power.

**84-1411. Meetings of public body; notice; method; contents; when available; right to modify; duties concerning notice; videoconferencing or telephone conferencing authorized; emergency meeting without notice; appearance before public body.**

(1)(a) Each public body shall give reasonable advance publicized notice of the time and place of each meeting as provided in this subsection. Such notice shall be transmitted to all members of the public body and to the public.

(b)(i) Except as provided in subdivision (1)(b)(ii) of this section, in the case of a public body described in subdivision (1)(a)(i) of section 84-1409 or such body's advisory committee, such notice shall be published in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site. (ii) In the case of the governing body of a city of the second class or village or such body's advisory committee, such notice shall be published by: (A) Publication in a newspaper of general circulation within the public body's jurisdiction and, if available, on such newspaper's web site; or (B) Posting written notice in three conspicuous public places in such city or village. Such notice shall be posted in the same three places for each meeting. (iii) In the case of a public body not described in subdivision (1)(b)(i) or (ii) of this section, such notice shall be given by a method designated by the public body.

(c) In addition to a method of notice required by subdivision (1)(b)(i) or (ii) of this section, such notice may also be provided by any other appropriate method designated by such public body or such advisory committee.

(d) Each public body shall record the methods and dates of such notice in its minutes.

(e) Such notice shall contain an agenda of subjects known at the time of the publicized notice or a statement that the agenda, which shall be kept continually current, shall be readily available for public inspection at the principal office of the public body during normal business hours. Agenda items shall be sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting. Except for items of

an emergency nature, the agenda shall not be altered later than (i) twenty-four hours before the scheduled commencement of the meeting or (ii) forty-eight hours before the scheduled commencement of a meeting of a city council or village board scheduled outside the corporate limits of the municipality. The public body shall have the right to modify the agenda to include items of an emergency nature only at such public meeting.

(2) A meeting of a state agency, state board, state commission, state council, or state committee, of an advisory committee of any such state entity, of an organization created under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a public power district having a chartered territory of more than one county in this state, of the governing body of a public power and irrigation district having a chartered territory of more than one county in this state, of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, or of a community college board of governors may be held by means of videoconferencing or, in the case of the Judicial Resources Commission in those cases specified in section 24-1204, by telephone conference, if:

(a) Reasonable advance publicized notice is given as provided in subsection (1) of this section;

(b) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recodation by audio or visual recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if videoconferencing or telephone conferencing was not used;

(c) At least one copy of all documents being considered is available to the public at each site of the videoconference or telephone conference;

(d) At least one member of the state entity, advisory committee, board, council, or governing body is present at each site of the videoconference or telephone conference, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site; and

(e)(i) Except as provided in subdivision (2)(e)(ii) of this section, no more than one-half of the state entity's, advisory committee's, board's, council's, or governing body's meetings in a calendar year are held by videoconference or telephone conference; or (ii) In the case of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act, such organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conferencing.

Videoconferencing, telephone conferencing, or conferencing by other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(3) A meeting of a board of an educational service unit, of the Educational Service Unit Coordinating Council, of the governing body of an entity formed under the Interlocal Cooperation Act, the Joint Public Agency Act, or the Municipal Cooperative Financing Act, of the governing body of a risk management pool or its advisory committees organized in accordance with the Intergovernmental Risk Management Act, of a community college board of governors, of the governing body of a public power district, of the governing body of a public power and irrigation district, or of the Nebraska Brand Committee may be held by telephone conference call if:

(a) The territory represented by the educational service unit, member educational service units, community college board of governors, public power district, public power and irrigation district, Nebraska Brand Committee, or member public agencies of the entity or pool covers more than one county;

(b) Reasonable advance publicized notice is given as provided in subsection (1) of this section which identifies each telephone conference location at which there will be present: (i) A member of the educational service unit board, council, community college board of governors, governing body of a public power district, governing body of a public power and irrigation district, Nebraska Brand Committee, or entity's or pool's governing body; or (ii) A nonvoting designee designated under subdivision (3)(f) of this section;

(c) All telephone conference meeting sites identified in the notice are located within public buildings used by members of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or entity or pool or at a place which will accommodate the anticipated audience;

(d) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including seating, recodation by audio recording devices, and a reasonable opportunity for input such as public comment or questions to at least the same extent as would be provided if a telephone conference call was not used;

(e) At least one copy of all documents being considered is available to the public at each site of the telephone conference call;

(f) At least one member of the educational service unit board, council, community college board of governors, governing body of the public power district, governing body of the public power and irrigation district, Nebraska Brand Committee, or governing body of the entity or pool is present at each site of the telephone conference call identified in the public notice, except that a member of an organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis, an organization created under the Municipal Cooperative Financing Act, or a governing body of a risk management pool or an advisory committee of such organization or pool may designate a nonvoting designee, who shall not be included as part of the quorum, to be present at any site;

(g) The telephone conference call lasts no more than five hours; and

(h) No more than one-half of the board's, council's, governing body's, committee's, entity's, or pool's meetings in a calendar year are held by telephone conference call, except that: (i) The governing body of a risk management pool that meets at least quarterly and the advisory committees of the governing body may each hold more than one-half of its meetings by telephone conference call if the governing body's quarterly meetings are not held by telephone conference call or videoconferencing; and (ii) An organization created under the Interlocal Cooperation Act that sells electricity or natural gas at wholesale on a multistate basis or an organization created under the Municipal Cooperative Financing Act may hold more than one-half of its meetings by telephone conference call if the organization holds at least one meeting each calendar year that is not by videoconferencing or telephone conference call.

Nothing in this subsection shall prevent the participation of consultants, members of the press, and other nonmembers of the governing body at sites not identified in the public notice. Telephone conference calls, emails, faxes, or other electronic communication shall not be used to circumvent any of the public government purposes established in the Open Meetings Act.

(4) The secretary or other designee of each public body shall maintain a list of the news media requesting notification of meetings and shall make reasonable efforts to provide advance notification to them of the time and place of each meeting and the subjects to be discussed at that meeting.

(5) When it is necessary to hold an emergency meeting without reasonable advance public notice, the nature of the emergency shall be stated in the minutes and any formal action taken in such meeting shall pertain only to the emergency. Such emergency meetings may be held by means of electronic or telecommunication equipment. The provisions of subsection (4) of this section shall be complied with in conducting emergency meetings. Complete minutes of such emergency meetings specifying the nature of the emergency and any formal action taken at the meeting shall be made available to the public by no later than the end of the next regular business day.

(6) A public body may allow a member of the public or any other witness other than a member of the public body to appear before the public body by means of video or telecommunications equipment.

**84-1412. Meetings of public body; rights of public; public body; powers and duties.**

(1) Subject to the Open Meetings Act, the public has the right to attend and the right

to speak at meetings of public bodies, and all or any part of a meeting of a public body, except for closed sessions called pursuant to section 84-1410, may be videotaped, televised, photographed, broadcast, or recorded by any person in attendance by means of a tape recorder, camera, video equipment, or any other means of pictorial or sonic reproduction or in writing.

(2) It shall not be a violation of subsection (1) of this section for any public body to make and enforce reasonable rules and regulations regarding the conduct of persons attending, speaking at, videotaping, televising, photographing, broadcasting, or recording its meetings. A body may not be required to allow citizens to speak at each meeting, but it may not forbid public participation at all meetings.

(3) No public body shall require members of the public to identify themselves as a condition for admission to the meeting nor shall such body require that the name of any member of the public be placed on the agenda prior to such meeting in order to speak about items on the agenda. The body may require any member of the public desiring to address the body to identify himself or herself.

(4) No public body shall, for the purpose of circumventing the Open Meetings Act, hold a meeting in a place known by the body to be too small to accommodate the anticipated audience.

(5) No public body shall be deemed in violation of this section if it holds its meeting in its traditional meeting place which is located in this state.

(6) No public body shall be deemed in violation of this section if it holds a meeting outside of this state if, but only if:

(a) A member entity of the public body is located outside of this state and the meeting is in that member's jurisdiction;

(b) All out-of-state locations identified in the notice are located within public buildings used by members of the entity or at a place which will accommodate the anticipated audience;

(c) Reasonable arrangements are made to accommodate the public's right to attend, hear, and speak at the meeting, including making a telephone conference call available at an instate location to members, the public, or the press, if requested twenty-four hours in advance;

(d) No more than twenty-five percent of the public body's meetings in a calendar year are held out-of-state;

(e) Out-of-state meetings are not used to circumvent any of the public government purposes established in the Open Meetings Act;

(f) Reasonable arrangements are made to provide viewing at other instate locations for a videoconference meeting if requested fourteen days in advance and if economically and reasonably available in the area; and

(g) The public body publishes notice of the out-of-state meeting at least twenty-one days before the date of the meeting in a legal newspaper of statewide circulation.

(7) The public body shall, upon request, make a reasonable effort to accommodate the public's right to hear the discussion and testimony presented at the meeting.

(8) Public bodies shall make available at the meeting or the instate location for a telephone conference call or videoconference, for examination and copying by members of the public, at least one copy of all reproducible written material to be discussed at an open meeting. Public bodies shall make available at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of the meeting, the public shall be informed about the location of the posted information.

**84-1413. Meetings; minutes; roll call vote; secret ballot; when.**

(1) Each public body shall keep minutes of all meetings showing the time, place, members present and absent, and the substance of all matters discussed.

(2) Any action taken on any question or motion duly moved and seconded shall be by roll call vote of the public body in open session, and the record shall state how each member voted or if the member was absent or not voting. The requirements of a roll call or viva voce vote shall be satisfied by a public body which utilizes an electronic voting device which allows the yeas and nays of each member of such public body to be readily seen by the public.

(3) The vote to elect leadership within a public body may be taken by secret ballot, but the total number of votes for each candidate shall be recorded in the minutes.

(4) The minutes of all meetings and evidence and documentation received or disclosed in open session shall be public records and open to public inspection during normal business hours.

(5) Minutes shall be written, except as provided in subsection (6) of this section, and available for inspection within ten working days or prior to the next convened meeting, whichever occurs earlier, except that cities of the second class and villages may have an additional ten working days if the employee responsible for writing the minutes is absent due to a serious illness or emergency.

(6) Minutes of the meetings of the board of a school district or educational service unit may be kept as an electronic record.

**84-1414. Unlawful action by public body; declared void or voidable by district court; when; duty to enforce open meeting laws; citizen's suit; procedure; violations; penalties.**

(1) Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in violation of the Open Meetings Act shall be declared void by the district court if the suit is commenced within one hundred twenty days of the meeting of the public body at which the alleged violation occurred. Any motion, resolution, rule, regulation, ordinance, or formal action of a public body made or taken in substantial violation of the Open Meetings Act shall be voidable by the district court if the suit is commenced more than one hundred twenty days after but within one year of the meeting of the public body in which the alleged violation occurred. A suit to void any final action shall be commenced within one year of the action.

(2) The Attorney General and the county attorney of the county in which the public body ordinarily meets shall enforce the Open Meetings Act.

(3) Any citizen of this state may commence a suit in the district court of the county in which the public body ordinarily meets or in which the plaintiff resides for the purpose of requiring compliance with or preventing violations of the Open Meetings Act, for the purpose of declaring an action of a public body void, or for the purpose of determining the applicability of the act to discussions or decisions of the public body. It shall not be a defense that the citizen attended the meeting and failed to object at such time. The court may order payment of reasonable attorney's fees and court costs to a successful plaintiff in a suit brought under this section.

(4) Any member of a public body who knowingly violates or conspires to violate or who attends or remains at a meeting knowing that the public body is in violation of any provision of the Open Meetings Act shall be guilty of a Class IV misdemeanor for a first offense and a Class III misdemeanor for a second or subsequent offense.

Revised  
10/2020



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Nebraska Council  
of School Administrators

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(402) 476-8055  
[ncsa.org](http://ncsa.org)

MINUTES  
BOARD OF EDUCATION  
February 13, 2023  
6:30 PM

I. Call Meeting to Order

President Dave Zimmerman called the special meeting to order at 6:30 p.m. and the following members were present: Aaron Whitwer, Betsy Frerichs, Dana Dorn, Dave Zimmerman, & Jeff Argo. The following administrators were present: Jerry Rempe, Jeff Murphy, & Christopher Prososki.

Reasonable advance publicized notice of the meeting was given according to law by publishing, a designated method for giving notice of the school district. Posted Location:

- Fairbury Journal-News

Posted Date: 2/8/2023

Reasonable advance notice was simultaneously given to board members and a copy of their acknowledgment of receipt of notice and the agenda attached. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

I.A. Roll Call

I.B. Notice of Nebraska Open Meetings Act Posted

President Dave Zimmerman announced that a complete copy of the Nebraska Open Meetings Act was posted on the back of the board of education meeting room.

I.C. Motion to excuse Debra Schlake from the February 13, 2023, Special School Board Meeting

Motion to excuse Debra Schlake from the February 13, 2023, special school board meeting. This motion, made by Jeff Argo and seconded by Betsy Frerichs, passed.

Debra Schlake: Absent, Jeff Argo: yes, Dana Dorn: yes, Betsy Frerichs: yes, Aaron Whitwer: yes, David Zimmerman: yes  
yes: 5, no: 0, Absent: 1

II. Items for Discussion, Consideration, and/or Action

II.A. Facility Study Discussion - Wilkins ADP - Jacob Sertich

Jacob Sertich of Wilkins ADP worked with the school board members to prioritize items for a long-range facility plan in an effort to meet current code requirements and to improve the current safety and security of the district facilities. The school board wants to try and accomplish a number of upgrades within the current budget limitations, while also exploring grant opportunities to help cover the cost of these projects. Lastly, Dr. Prososki noted that the safety of the students and staff is the number one priority of the district.

### III. Adjournment

Motion to adjourn the meeting at 7:24 p.m. This motion, made by Jeff Argo and seconded by Dana Dorn, passed.

yes: 5, no: 0, Absent: 1

The next Regular Board meeting is scheduled for 7:30 p.m., February 13, 2023, at Southern Jr./Sr. High School Boardroom in Wymore. The Board of Education will usually adhere to the sequence of the published agenda, but reserves the right to adjust the order of items if necessary and may elect to amend the agenda as deemed necessary.

BY

President of the Board of Education  
Of this School District

ATTEST

Secretary of the Board of Education  
of this School District

MINUTES  
BOARD OF EDUCATION  
February 13, 2023  
7:30 PM

I. Call Meeting to Order

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- Fairbury Journal-News

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Reasonable advance notice was simultaneously given to board members and a copy of their acknowledgment of receipt of notice and the agenda attached. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

I.A. Roll Call

I.B. Notice of Nebraska Open Meetings Act Posted

President Dave Zimmerman announced that a complete copy of the Nebraska Open Meetings Act was posted on the back of the board of education meeting room.

I.C. Motion to excuse Debra Schlake from the February 13, 2023, Regular School Board Meeting

Motion to excuse Debra Schlake from the February 13, 2023, regular school board meeting. This motion, made by Aaron Whitwer and seconded by Betsy Frerichs, passed.

yes: 5, no: 0, Absent: 1

II. Approval of Minutes from the January 16, 2023, Regular Board Meeting

Motion to approve minutes from the January 16, 2023, Regular Board Meeting. This motion, made by Betsy Frerichs and seconded by Dana Dorn, passed.

yes: 5, no: 0, Absent: 1

III. Communications, Audiences, and Recognitions

III.A. Public comments will not be received after this period of time. Public comment period is limited to 5 minutes per person and a total of 30 minutes overall.

IV. Financial Statement: Items for Discussion, Consideration, and/or Action

Dr. Prosocki noted that Southern is 5 months into the fiscal year and the district has expended 38.30% of the budget and received 51.81% in revenue. Dr. Prosocki said that the district wants to spend less than 8.3% of the budget each month. Lastly, he noted that the district expenditures are down by \$446,624 when compared to this time last year and he commended the school board for being such good stewards of taxpayers' money.

#### IV.A. Approval of Bills

##### IV.A.1. General Fund, Special Building Fund, Depreciation Fund, and Qualified Capital Purpose Undertaking Fund Claims

Motion to approve the general fund, special building fund, depreciation fund, and qualified capital purpose undertaking fund claims. This motion, made by Dana Dorn and seconded by Jeff Argo, passed.

Debra Schlake: Absent, Aaron Whitwer: Abstain (With Conflict), Jeff Argo: yes, Dana Dorn: yes, Betsy Frerichs: yes, David Zimmerman: yes  
yes: 4, no: 0, Absent: 1, Abstain (With Conflict): 1

##### IV.A.2. Lunch & Activity Claims

#### V. Support Service

##### V.A. Facility Update

John Eisenhower provided the school board with a written report on keeping buildings clean, maintenance on vehicles, challenges of finding drivers for activities, and keeping up with general maintenance.

Dr. Prosocki said that the district did not have enough time to submit the Renew America's Schools grant by the January 26, 2023, deadline. The Renew America's Schools grant provides up to \$500 million dollars to make energy improvements, especially in the highest-needed districts across the country. Dr. Prosocki noted that they are currently working on getting everything ready for the next submission window in the fall for this grant.

##### V.B. Personnel Items

Dr. Prosocki noted that Kathy Burke was just hired as a part-time food service provider to replace Sandy Huenink.

##### V.B.1. Hiring Recommendation

##### V.B.1.1. Shelby Decker - 1.0 FTE - K-6 Special Education Teacher for the 2023-2024 School Year

Motion to hire Shelby Decker as the K-6 Special Education teacher for the 2023-2024 school year. This motion, made by Aaron Whitwer and seconded by Betsy Frerichs, passed.

yes: 5, no: 0, Absent: 1

Dr. Prosocki said that there will be some internal movement based on teacher requests. Malinda Hock will be moving to 6th grade (She will be replacing Greg Iverson who is moving to the Jr./Sr. High School next school year), Joanna Adams will be moving to 4th grade (She will be replacing Kane Hookstra who is moving to the Elementary School principal position next school year), and the district is still looking to fill the open 2nd grade position. Dr. Prosocki also noted that the district has still not received any applications for the open K-12 vocal music position.

#### V.C. Technology Update

Dr. Prosocki noted that Southern just got approved for the cyber security coverage through Beazley. He also noted that all school districts that used ALICAP cyber security coverage were dropped in August. Dr. Prosocki also noted that he completed the Future Ready District Technology Plan with Cody Sabey, which is a requirement from the Nebraska Department of Education (NDE). Lastly, the district submitted two Request for Proposals (RFPs) for cabling and network switches. Dr. Prosocki noted that the federal e-rate funding will be used to cover the cost of these two projects.

### VI. Administrative and Committee Reports

#### VI.A. Student Board Member Report

#### VI.B. Elementary Principal's Report

The elementary principal reported on the following items: current enrollment figures (3-year-old preschool - 10, 4-year-old preschool - 18, K- 26, 1st - 18, 2nd - 32, 3rd - 26, 4th - 28, 5th - 21, 6th - 27), parent teacher conferences on February 10, 2023, kindergarten parent orientation on February 15, 2023, girls and boys sub-districts, state wrestling, and state cheerleading.

#### VI.C. Secondary Principal's Report

The secondary principal reported on the following items: current enrollment figures (7th - 22, 8th - 30, 9th - 29, 10th - 33, 11th - 28, & 12th - 29), alternative school update (The district's 4 spots are currently filled), 9-12 registration, parent teacher conference, Honor Roll, Pioneer Conference Art Show (Olive Sabey placed 2nd and 1st in two different categories), Natalie Trauernicht had a feature story done regarding her taking SENCAP classes, and spelling bee results (1st - Lukas Dayhuff, 2nd - Arionna McCardle, & 3rd - Shane Puckett).

#### VI.D. Superintendent's Report

Dr. Prosocki went over a 2022 teacher shortage report and the number of unfilled positions, positions that were either left vacant or filled by someone other than a fully qualified teacher, was up significantly from 482 in 2021 to 768 positions in 2022. Dr. Prosocki noted that the radicalization of the current Nebraska state legislature is exacerbating this problem in Nebraska. Next, Dr. Prosocki gave the school board an update on the switch to an online accounting system (Southern is one of the last districts in the state to make the switch), and he gave the school board an update on the potential of a 10-15% drop in traditional incoming college students projected to

occur starting in 2025 and it is known as the Enrollment Cliff 2025. The 2008 economic recession caused a decline in U.S. birth rates because people either put off starting a family or had fewer kids. Dr. Prososki noted that this will also impact the current teacher shortages we are facing across the United States. Dr. Prososki then reminded the school board of an upcoming foundation meeting at 6:00 p.m. before the regular school board meeting and an American Civics committee meeting at 7:15 p.m. before the regular school board meeting. Dr. Prososki gave the school board a legislative update, he reminded them of the upcoming NRCSA spring conference in Kearney, and he gave the school board an update on the district's strategic plan. Lastly, he outlined the transition plan for the new elementary school principal, and he went over a grant the district received to implement the WORDS project, in cooperation with the University of Nebraska at Lincoln, over the next 4 years to strengthen our PK-3 reading program.

## VII. Items for Discussion, Consideration, and/or Action

### VII.A. Policy Review - Policy 5052: School Wellness

Under the Healthy and Hunger Free Kids Act of 2010, Southern is required to assess and review its wellness policy to determine compliance, compare it with NDE model wellness policies, and measure how much progress has been made towards the goals of the policy every 3 years (Required triennial policy review). Dr. Prososki also went over the triennial assessment policy public report and he noted that it will also appear on the district website as well.

### VII.B. 7-12 Principal Contract & Salary

Using the same array that the Southern Education Association (SEA) used for their negotiations, Jeff's current base salary ranks 7th out of 11 school districts and his total compensation ranks 5th out of 11 school districts. Jeff's base salary is \$219.55 below the midpoint and his total compensation is \$6,151.73 above the midpoint. Dr. Prososki noted that Freeman has an interim 7-12 principal that is not taking retirement, so that is why the numbers are off on the total compensation side.

#### VII.B.1. 7-12 Principal Contract Extension

Motion to approve the 7-12 principal contract extension. This motion, made by Betsy Frerichs and seconded by Aaron Whitwer, passed.

yes: 5, no: 0, Absent: 1

#### VII.B.2. 7-12 Principal Salary for the 2023-2024 School Year

Motion to approve a 4.5% raise to his principal base salary for the 2023-2024 school year and a 17% raise to the teacher base salary for the athletic director duties for the 2023-2024 school year. This motion, made by Dana Dorn and seconded by Jeff Argo, passed.

yes: 5, no: 0, Absent: 1

### VII.C. Classified Salaries for the 2023-2024 School Year

Motion to approve a \$1.50 raise for classified staff for the 2023-2024 school year. This motion, made by Betsy Frerichs and seconded by Dana Dorn, passed.

Debra Schlake: Absent, Aaron Whitwer: Abstain (With Conflict), Jeff Argo: yes, Dana Dorn: yes, Betsy Frerichs: yes, David Zimmerman: yes  
yes: 4, no: 0, Absent: 1, 1Abstain (With Conflict)

Dr. Prosocki noted that classified staff are the backbone of the district and it is important to keep their wages competitive with area employers because we are currently in an employee's market. All classified staff members will receive a \$1.50 raise for the 2023-2024 school year and this represents a 9.3% increase from the previous school year.

#### VII.D. Approve the Nova Fitness Weight Room Upgrade

Motion to approve the Nova Fitness proposal for new weight room equipment. This motion, made by Jeff Argo and seconded by Aaron Whitwer, passed.  
yes: 5, no: 0, Absent: 1

Dr. Prosocki noted that he is going to write grants to help cover a portion of the costs associated with this project. Lastly, Dr. Prosocki said the district had to pay out a lawsuit of over \$400,000 in the past because of faulty weight room equipment and the new weight room equipment will make sure the district does not face any future litigations.

#### VII.E. Option Enrollment Applications

#### VIII. Adjournment

Motion to adjourn the meeting at 9:06 p.m. This motion, made by Dana Dorn and seconded by Jeff Argo, passed.  
yes: 5, no: 0, Absent: 1

The next Regular Board meeting is scheduled for 7:30 p.m. March 13, 2023, at Southern Jr./Sr. High School Boardroom in Wymore. The Board of Education will usually adhere to the sequence of the published agenda, but reserves the right to adjust the order of items if necessary and may elect to amend the agenda as deemed necessary.

BY  
President of the Board of Education  
Of this School District

ATTEST  
Secretary of the Board of Education  
of this School District

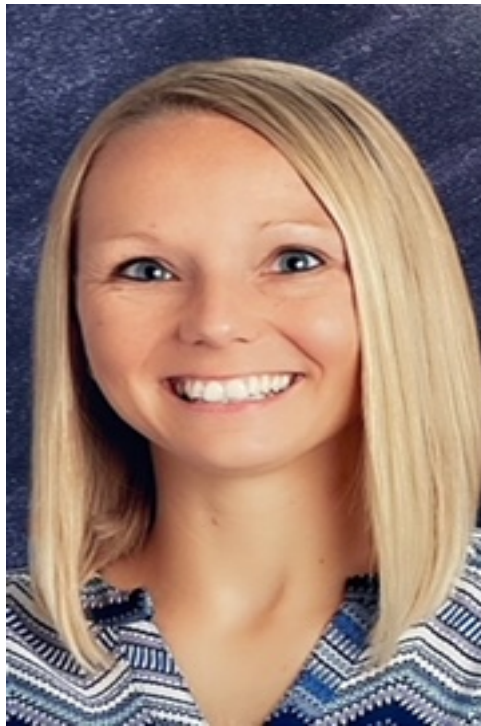
## PUBLIC PARTICIPATION

INSTRUCTIONS FOR MEMBERS OF THE PUBLIC WHO WISH TO SPEAK:  
This is the portion of the meeting when members of the public may speak to the board about matters of public concern.

- **Getting Started:** When you have been recognized, please identify yourself, including an address and the name of any organization you represent. The board may waive the address requirement to protect the security of the individual.
- **Time Limit:** The board will generally allow a total of 30 minutes for the presentation of all public comments. Individuals may speak only one time, and must limit comments to around 5 minutes. If there are more than 6 individuals who wish to address the board, the 30 minutes will be divided equally between the number of speakers. These time limits may be changed by a majority vote of the board members in attendance to extend the time for a specific item or speaker.
- **Personnel or Student Topic:** If you are planning to speak about a personnel or a student matter involving an individual, please understand that the district has a complaint policy and/or procedures to resolve such complaints and concerns. The Board requests that you follow the policy and procedures before addressing these matters with the Board. Board members will generally not respond to any questions you ask or comments about individual staff members or students.
- **General Rules:** This is a public meeting for the conduct of business. Comments from the audience while others are speaking will not be tolerated. Lewd, obscene, profane, slanderous, threatening and hostile conduct or statements and fighting words (words whose mere utterance entails a call to violence) will not be tolerated.
- **No Action by the Board:** The board will not act on any matter unless it is on the published agenda.

## **Southern Welcomes a New Second Grade Teacher and an Assistant High School Track Coach for the 2023-2024 School Year!**

Hi, my name is Ashley McConnell. I have been an elementary teacher for 9 years. I graduated from the University of Nebraska at Kearney with an early education and special education unified degree. Before teaching I received my bachelor's degree in fashion merchandising and a minor in marketing from the University of Nebraska at Lincoln. I currently live in Pickrell with my husband Matt, daughter Linley and son Alden. In my free time I enjoy spending time with my family and friends, having barbecues, reading, and shopping.



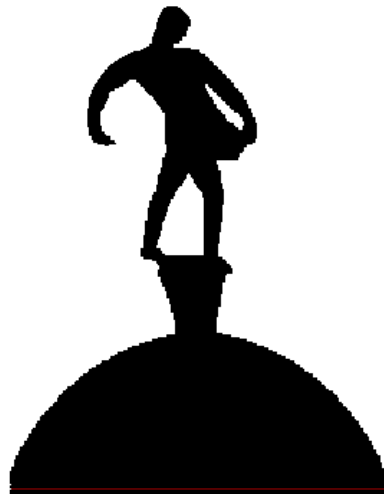
## **Southern Welcomes a New Vocal Music Teacher and Vocal Music Sponsor for the 2023-2024 School Year!**

Jake Voorhis is a music educator living in Beatrice, NE. He is a guitarist, bassist, and vocalist primarily but enjoys every time he gets to make music no matter the medium. He has studied vocal and instrumental music for the past 12 years and has been teaching music for the last 4. He attended Chadron State College from 2014-2018 where he graduated with an Applied Music degree. In Chadron, he also met his wife Megan Voorhis who is also a music educator and is now the Music K-12 teacher at Lewiston Consolidated School. He began his teaching career in Lincoln, NE teaching private guitar and bass lessons in 2019. After falling in love with teaching there, he went on to complete the Post Baccalaureate Music Teacher Certification program at UNL in December, 2022. Shortly thereafter, Megan and Jake welcomed their first son, Bowen, into the world in February 2023. Jake's world is now concerned with making music with and for his future students, and raising his small but amazing family!



# Appropriations Committee Preliminary Report

FY23-24 / FY24-25  
Biennial Budget



Nebraska Unicameral Legislature  
One Hundred Eighth Legislature, First Session  
February 2023

**Members of the Appropriations Committee**

Sen Robert Clements (C)  
Sen Anna Wishart (VC)  
Sen Christy Armendariz  
Sen Myron Dorn  
Sen Robert Dover

Sen Steve Erdman  
Sen Loren Lippincott  
Sen Mike McDonnell  
Sen Tony Vargas

The numbers in the Committee Preliminary Budget are the net result of about hundreds of individual issues which reflect both increases to and reductions from the current year appropriation.

Significant changes, both increases and decreases, in state aid programs and agency operations are listed in Table 8.

**Table 8 Significant Increases and Reductions**

| <i>Amounts shown are \$ change from FY23</i>     | <b>Biennial Budget - 2023 Session</b>        |                      |                      |
|--|--|----------------------|----------------------|
|  | <u>Change over Prior Year Biennial Basis</u> |                      | Two Year Total       |
|  | FY23-24                                      | FY24-25              |                      |
| <b>TEEOSA Aid to Schools</b>                     | <b>(25,039,842)</b>                          | <b>(115,058,483)</b> | <b>(140,098,325)</b> |
| Homestead Exemption                              | 6,700,000                                    | 12,300,000           | 19,000,000           |
| Community Colleges                               | 2,134,842                                    | 4,312,381            | 6,447,223            |
| Aid to Counties, certain federal judgments       | (2,000,000)                                  | (2,000,000)          | (4,000,000)          |
| <b>AID TO LOCAL GOVERNMENTS</b>                  | <b>(18,205,000)</b>                          | <b>(100,446,102)</b> | <b>(118,651,102)</b> |
| Medicaid (with expansion)                        | (12,339,917)                                 | (8,066,811)          | (20,406,728)         |
| Public Assistance                                | (3,137,551)                                  | (3,137,551)          | (6,275,102)          |
| Child Welfare aid                                | 2,958,186                                    | 8,877,582            | 11,835,768           |
| Developmental Disability aid                     | 1,317,222                                    | 22,928,674           | 24,245,896           |
| Behavioral health aid                            | 10,194,049                                   | 11,071,049           | 21,265,098           |
| Childrens Health Insurance (SCHIP)               | (726,017)                                    | (864,866)            | (1,590,883)          |
| Nebraska Career Scholarships                     | 3,057,500                                    | 3,190,000            | 6,247,500            |
| RHOP/PHEAST Scholarships                         | 300,000                                      | 600,000              | 900,000              |
| Aid to the Arts (Museum)                         | (7,500,000)                                  | (7,500,000)          | (15,000,000)         |
| <b>AID TO INDIVIDUALS / OTHER</b>                | <b>(5,876,528)</b>                           | <b>27,098,077</b>    | <b>21,221,549</b>    |
| Salaries (Agencies, inc. State Colleges)         | 45,855,693                                   | 75,420,713           | 121,276,406          |
| Health Insurance (Agencies, inc. State Colleges) | 4,452,962                                    | 9,070,445            | 13,523,407           |
| DAS related rates (State Agencies)               | 14,660,937                                   | 17,479,936           | 32,140,873           |
| Juvenile court jurisdiction (Courts)             | 0  | 3,590,367            | 3,590,367            |
| Interstate Water Litigation (Attorney General)   | 500,000                                      | 500,000              | 1,000,000            |
| Inmate per diem costs (Corrections)              | 12,608,671                                   | 13,253,352           | 25,862,023           |
| University faculty/programs/A bills/Workforce    | 8,500,000                                    | 14,500,000           | 23,000,000           |
| Retirement, K-12 School / Judges / Patrol        | 3,146,008                                    | 5,312,839            | 8,458,847            |
| <b>AGENCY OPERATIONS</b>                         | <b>89,724,271</b>                            | <b>139,127,652</b>   | <b>228,851,923</b>   |

# Aid to Local Governments

## State Aid to Schools (TEEOSA)

The following table reflects the estimate for TEEOSA state aid under the current law. Following that is a transition from current law, which then equals the Committee Preliminary Budget. The Committee preliminary budget includes a reduction in in TEEOSA aid in FY23-24 of \$25,039,842 from the FY22-23 base appropriation. The General Fund amount required for TEEOSA for the certified FY22-23 aid amount is \$4,139,147 lower due to increased insurance premium tax, and this reduction in General Funds is listed as a deficit issue later in this report. The Committee recommendation includes an additional reduction of \$90,018,641 in FY24-25.

| Aid Yr FY24 & FY25 Estimate                    | 2022-23              | 2023-24              | 2024-25            | 2025-26            | 2026-27              |
|--|----------------------|----------------------|--------------------|--------------------|----------------------|
| Local Effort Rate                              | 1                    | 1                    | 1                  | 1                  | 1                    |
| Allowable Growth Rate: Year of Aid             | \$0.0250             | \$0.0250             | \$0.0250           | \$0.0250           | \$0.0250             |
| Allowable Growth Rate: Prior Year              | 2.50%                | 2.500%               | 2.500%             | 2.500%             | 2.500%               |
| Cost Growth Factor                             | 105.00%              | 105.00%              | 105.00%            | 105.00%            | 105.00%              |
| Flat Percent Add to achieve cost growth factor | 0.0000               | 0.0000               | 0.0000             | 0.0000             | 0.0000               |
| Spending Growth (GFOE)                         | 4.31%                | 3.90%                | 3.50%              | 3.50%              | 3.50%                |
| Valuation Growth                               | 3.87%                | 5.58%                | 9.13%              | 3.18%              | 3.23%                |
| Formula Students                               | 310,961              | 313,964              | 317,197            | 317,197            | 317,197              |
| Gen Fund Operating Expenditures                | 3,746,755,529        | 3,892,859,961        | 4,029,199,141      | 4,170,352,505      | 4,316,491,523        |
| Total Formula Need                             | 3,966,000,902        | 4,095,844,930        | 4,242,264,072      | 4,399,304,770      | 4,565,641,019        |
| Effective Yield from Local Effort Rate         | 2,352,337,882        | 2,487,563,069        | 2,708,235,035      | 2,813,966,785      | 2,924,797,031        |
| Other Actual Receipts                          | 542,276,787          | 557,135,470          | 572,401,289        | 588,085,398        | 604,199,260          |
| Net Option Funding                             | 125,344,322          | 128,555,379          | 132,058,723        | 135,644,804        | 139,301,987          |
| Allocated Income Tax                           | 52,618,894           | 54,197,461           | 55,823,385         | 57,498,086         | 59,223,029           |
| Community Achievement Plan Aid                 | 7,011,951            | 7,031,035            | 7,277,228          | 7,532,088          | 7,795,923            |
| Total Formula Resources                        | 3,079,589,836        | 3,234,482,414        | 3,475,795,659      | 3,602,727,162      | 3,735,317,230        |
| Calculated Equalization Aid                    | 886,411,066          | 861,362,516          | 766,468,413        | 796,577,608        | 830,323,789          |
| Net Option Funding                             | 125,344,322          | 128,555,379          | 132,058,723        | 135,644,804        | 139,301,987          |
| Allocated Income Tax                           | 52,618,894           | 54,197,461           | 55,823,385         | 57,498,086         | 59,223,029           |
| Community Achievement Plan Aid                 | 7,011,951            | 7,031,035            | 7,277,228          | 7,532,088          | 7,795,923            |
| TEEOSA State Aid                               | 1,071,386,233        | 1,051,146,390        | 961,627,749        | 997,252,587        | 1,036,644,727        |
| <b>State General Funds</b>                     | 1,034,547,085        | 1,013,646,390        | 923,627,749        | 959,252,587        | 998,644,727          |
| Insurance Premium Tax (w/o deficit)            | 36,839,148           | 37,500,000           | 38,000,000         | 38,000,000         | 38,000,000           |
| <b>Total TEEOSA Aid</b>                        | <b>1,071,386,233</b> | <b>1,051,146,390</b> | <b>961,627,749</b> | <b>997,252,587</b> | <b>1,036,644,727</b> |
| <b>Total TEEOSA Aid</b>                        | 1,071,386,233        | 0                    | 0                  | 0                  | 0                    |

The decline in TEEOSA state aid in FY23-24 and in FY24-25 can be attributed to the growth in valuation being higher than the growth in school disbursements. In this case growth in valuation means not the overall growth in assessed valuation

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# SUMMARY

*This preliminary budget is the first of several stages in the budget process. It provides a starting point for discussion of the various budget actions suggested at this point in time. Subsequent to the hearings, the Appropriations Committee will formulate its formal recommendation to the Legislature at which time floor debate and amendment will take place, followed by Governor vetoes and legislative overrides if any.*

## GENERAL FUND FINANCIAL STATUS

At Sine Die 2022, the projected financial status for the FY24/25 biennium was \$112.3 million BELOW the minimum reserve. At that point, FY24/25 were the “out years” in the five year financial status, and there was no projection for FY26/27 biennium.

The financial status improved significantly in November 2022 when the TRR Committee met. The variance from the minimum reserve went from a negative \$112.3 million to a surplus of \$1.92 billion due to revenue forecasts. At the October 28, 2022 meeting, the NEFAB increased their forecasts for FY2022-23 by \$620.6 million. The amount is estimated to be transferred to the Cash Reserve Fund. The NEFAB also set the forecast for the first time for FY2023-24 and FY2024-25. The forecasts exceeded the LFO preliminary estimates by \$809.5 million FY2023-24 and \$1.059 billion in FY2024-25 for a two year total of \$1.868 billion. The revised revenue estimates and revised appropriations estimates based on agency requests brought the surplus to \$1.92 billion.

The Appropriations Committee Preliminary budget set forth here shows a balanced budget with a surplus of \$464 million for the FY24/25 biennium.

## ALLOCATION FOR POST HEARING ADJUSTMENTS

The Appropriations Committee, as shown on the General Fund financial status in arriving at the \$465.0 million surplus in the FY24/25 biennium, has included an allocation of “pending mainline item” (shown in line 21a of the status) and “pending General Fund transfers” (shown in line 12a of the status). These allocations are included in the General Fund financial status by the Committee in its preliminary budget to account for additional budget priorities, Governor’s initiatives, and legislation in the Appropriations Committee. This allows for the Committee to receive comments and input on these significant items during the agency and bill hearing process before making final recommendation on these major funding areas. A similar allocation is made on the Cash Reserve Fund cash flow (see page 4) of \$703,350,000 for “pending transfers” from the Cash Reserve Fund.

## GENERAL FUND REVENUES

The FY21-22 actual receipts were \$624.0 million above the February 2022 forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB). Rate and base adjusted revenue growth was 18.7% compared to the February forecasted 10.7%. The FY22-23 forecast was certified in July and, other than adjustments for legislation enacted in the 2022 session, remained unchanged because the NEFAB was not scheduled to meet until October 2022.

At the October 28, 2022 meeting, the NEFAB increased their forecasts for FY22-23 by \$620.6 million. The NEFAB also set the forecast for the first time for FY23-24 and FY24-25. The forecasts exceeded the LFO preliminary estimates by \$809.5 million FY23-24 and \$1.059 billion in FY24-25 for a two year total of \$1.868 billion. These forecasts yield a projected adjusted revenue growth of 2.5% in FY23-24 and 3.3% in FY24-25, an average growth of 2.9%. While this two year growth is below the historical average, the FY22-23 growth of 5.1% brings the three year average growth to 3.6%.

Following the extraordinary revenue growth of the past two years and the subsequent impact on the historical average growth rates used in the historical average methodology for calculating the “out year” revenue estimates, LFO has utilized the average of the LFO and NDR forecast estimates for FY26 and FY27 to project the revenue in those years for this

biennium. Additional detail regarding the rationale regarding this change in methodology can be found in the General Fund Revenue section of this report.

LFO Prelim estimates for FY25-26 and FY26-27 are the average of all forecasts (LFO IHS, LFO Moody's, NDR IHS, and NDR Moody's). Rate and base adjusted growth in FY25-26 is 3.6% and in FY26-27 is 4.5% for a two year average of 4.1%. Five year average growth for the status period is 3.8%.

***The Forecast Board will meet on Friday February 24, 2023 and again in late April 2023 to review the current forecasts. Changes to these forecasts will result in changes to the projected financial status as noted in this report.*** FY22-23 year to date revenues (through January) are \$54 million below the October 2022 forecast level. However, how the last three month revenue performance translates into the final months and into the next two fiscal years is unknown.

## **GENERAL FUND SPENDING GROWTH**

Budget growth in the Committee preliminary budget is 4.9% in FY24 and 0.5% in FY25 for a two year average of 2.7%. This is higher than the Governor's recommendation of 1.3%, but currently includes the "pending mainline item" of \$170.7 million in FY23 and \$194.8 million in FY25.

Budget growth is lower than the pre-session estimate, which was 4.5% in FY24 and 1.6% in FY25, for a two year average of 3.1%. Much of the decline is due to a reduction in TEEOSA state aid under current law and an increase in the Federal Medical Assistance Percentage (FMAP), which results in General Fund savings.

## **COMPARISON TO GOVERNOR'S RECOMMENDATION**

Over the two-year biennial budget, there is a \$246.5 million difference between the variance from the minimum reserve under the Committee preliminary budget at \$465.0 million above the minimum reserve and the Governor at \$218.4 million above the minimum reserve.

The Committee Preliminary budget is above the Governor's recommendation mostly due to the inclusion of revenue reduction legislation included in the Governor's recommendation that is contained in bills being considered by the Legislature. This legislation, listed on the last page of this report as included in the Governor's Executive Budget, is being considered in multiple committees of the Legislature, and therefore not shown in the General Fund financial status at this point in the session. The fiscal impact of this legislation in the Governor's Executive Budget financial status is \$124.5 million in FY24 and \$332.5 million in FY25.

## **CASH RESERVE FUND**

The Cash Reserve Fund (CRF) unobligated balance is projected at \$1.60 billion based on current forecasts, actions taken in prior legislative sessions, and the Appropriations Committee Preliminary Budget, including an allocation for "pending transfers." This is a \$357 million increase over the \$1.245 billion projected balance at the end of the 2022 legislative session but lower than the \$2.31 billion level per the November 2022 Tax Rate Review Committee report.

This increase is attributed to an estimated \$620.6 million transfer based on the October 2022 forecast. The Committee Preliminary budget then utilizes \$540,000 in FY23 and \$2.215 billion in FY24. The Committee also allocates \$703.35 million in "pending transfers" for additional transfers in FY24.

The Governor utilized a total of \$540,000 in FY23 and \$689,285,000 million from the CRF in FY24. This includes \$574.5 million to the Perkins County Canal Project Fund, \$95.85 million to the Nebraska Capital Construction Fund (NCCF) for the remainder of the funding for a prison facility (remaining amounts were transferred in previous session), \$11.32 million to the Health and Human Services Cash Fund, \$3 million to the State Colleges Insurance Risk Loss Trust, \$1.4 million to the State Building Revolving Fund, \$1.1 million to the Accounting Division Revolving Fund, \$1.115 million to the Public Safety Fund. The recommendation also includes a \$2 million transfer to the CRF from the Governor's Emergency Fund. The transfer in FY23 is to the NCCF for construction projects for Nebraska Education Telecommunications Commission.

# PROJECTED GENERAL FUND FINANCIAL STATUS

Table 1 shown below includes the projected General Fund Financial Status based on the Appropriations Committee Preliminary budget. Furthermore, for planning purposes, an estimated financial status is also constructed for the following biennium allowing the Legislature to see the future implications of budget actions already taken or being considered.

**Table 1 – General Fund Financial Status per Committee Preliminary Budget**

|   | Current Year<br>FY2022-23 | Upcoming Biennium<br>FY2023-24      FY2024-25 |                    | Est for Following Biennium<br>FY2025-26      FY2026-27 |                      |
|---|---------------------------|---|--------------------|--|----------------------|
| <b>1 BEGINNING BALANCE</b>                                |                           |   |                    |  |                      |
| 2 Beginning Cash Balance                                  | 2,494,107,852             | 1,274,448,401                                 | 312,028,802        | 802,697,938  | 1,253,978,319        |
| 3 Cash Reserve transfers-automatic                        | (1,287,998,995)           | (620,625,000)                                 | 0                  | 0  | 0                    |
| 4 Carryover obligations from FY21                         | (550,340,572)             | 0   | 0                  | 0  | 0                    |
| 5 Allocation for potential deficits                       | 0                         | (5,000,000)                                   | (5,000,000)        | (5,000,000)  | (5,000,000)          |
| 6 Unobligated Beginning Balance                           | 655,768,285               | 648,823,401                                   | 307,028,802        | 797,697,938  | 1,248,978,319        |
| <b>7 REVENUES &amp; TRANSFERS</b>                         |                           |   |                    |  |                      |
| 8 Net Receipts (LFO methodology)                          | 6,445,000,000             | 6,475,000,000                                 | 6,555,000,000      | 6,699,627,000  | 6,891,471,000        |
| 9 General Fund transfers-out (current law)                | (517,853,459)             | (337,010,000)                                 | (332,010,000)      | (322,010,000)  | (322,010,000)        |
| 10 General Fund transfers-in (current law)<br>in forecast |                           | 0   | 0                  | 0  | 0                    |
| 11 Cash Reserve transfers (current law)                   | (50,000,000)              | 0   | 0                  | 0  | 0                    |
| 12 2023 General Fund transfers-out                        | (100,000,000)             | (136,273,825)                                 | (111,958,800)      | (85,000,000)   | (85,000,000)         |
| 12a Pending General Fund transfers (LB 814)               | 0                         | (1,000,000,000)                               | (250,000,000)      | (250,000,000)  | (250,000,000)        |
| 13 2023 General Fund transfers-in                         | 0                         | 39,295,957                                    | 39,295,957         | 0  | 0                    |
| 14 2023 Revenue Bills                                     | 0                         | 0   | 0                  | 0  | 0                    |
| 15 General Fund Net Revenues                              | 5,777,146,541             | 5,041,012,132                                 | 5,900,327,157      | 6,042,617,000  | 6,234,461,000        |
| <b>16 APPROPRIATIONS</b>                                  |                           |   |                    |  |                      |
| 17 Expenditures / Appropriations (2022 Session)           | 5,125,672,253             | 5,125,672,253                                 | 5,125,672,253      | 5,125,672,253  | 5,125,672,253        |
| 20 2023 Committee Preliminary                             | 31,878,189                | 81,456,016                                    | 84,229,845         | 84,229,845   | 84,229,845           |
| 21 Projected budget increase, following biennium          | 0                         | 0   | 0                  | 181,678,599  | 383,735,447          |
| 21a Pending Mainline Items (LB 814)                       | 0                         | 170,678,462                                   | 194,755,923        | 194,755,923  | 194,755,923          |
| 22 2023 State Claims                                      | 915,983                   | 0   | 0                  | 0  | 0                    |
| 23 2023 "A" Bills   | 0                         | 0   | 0                  | 0  | 0                    |
| 24 General Fund Appropriations                            | 5,158,466,425             | 5,377,806,731                                 | 5,404,658,021      | 5,586,336,620  | 5,788,393,468        |
| <b>25 ENDING BALANCE</b>                                  |                           |   |                    |  |                      |
| 26 \$ Ending balance (per Financial Status)               | 1,274,448,401             | 312,028,802                                   | 802,697,938        | 1,253,978,319  | 1,695,045,850        |
| 27 \$ Ending balance (at Min. Reserve 3.0%)               |                           |   | 337,723,185        |  | 380,964,348          |
| 28 Excess (shortfall) from Minimum Reserve                |                           |   | <b>464,974,753</b> |  | <b>1,314,081,503</b> |
| 29 Biennial Reserve (%)                                   |                           |   | 7.4%               |  | 14.9%                |
| <b>General Fund Appropriations</b>                        |                           |   |                    |  |                      |
| 30 Annual % Change - Appropriations (w/o deficits)        | 6.4%                      | 4.9%  | 0.5%               | 3.4%   | 3.6%                 |
| 31 Two Year Average                                       | 3.5%                      | --  | 2.7%               | --   | 3.5%                 |
| 32 Est. Revenue Growth (rate/base adjusted)               | 5.1%                      | 2.5%  | 3.3%               | 3.6%   | 4.6%                 |
| 33 Two Year Average                                       | 11.9%                     | --  | 2.9%               | --   | 4.1%                 |
| 34 Five Year Average                                      | 10.2%                     | --  | 8.6%               | --   | 3.8%                 |
| 35 Unadjusted % change over prior year                    | 1.5%                      | 0.5%  | 1.2%               | 2.2%   | 2.9%                 |
| 36 On-Going Revenues vs Appropriations                    | 701,474,289               | (336,984,668)                                 | 494,785,288        | 455,396,532  | 445,183,684          |

# CASH RESERVE FUND

Shown on line 3 of the Financial Status, revenues in excess of "certified" forecasts are required by statute to be transferred from the General Fund to the Cash Reserve Fund (CRF). These would take place in July of the fiscal year following completion of that year.

The provisions of LB1107 created a new calculation for purposes of automatic transfers to the CRF through FY22-23. Previously, the amount above certified would all go to the CRF. However, under the provisions of LB1107, the amount transferred to the CRF is the amount above the certified forecast less any amount net receipts exceed 103.5% of the previous year's net receipts. Under LB 1107, this amount that net receipts exceed 103.5% of the previous year's net receipts was added to the calculation of the income tax credit for property taxes paid to schools. As a result, in FY21-22, the CRF transfer based on actual FY20-21 receipts was \$198.7 million, or the \$285.4 million above certified revenues less the \$86.7 million increase in the credit.

The Legislature amended the calculation of the LB 1107 income tax credit to a fixed amount in LB 873 in 2022, but did not amend the provision relating to the transfer to the Cash Reserve Fund. As a result, the amount net receipts exceed 103.5% of the previous year's net receipts, rather than increasing the amount of the income tax credit for property taxes paid to schools is retained in the General Fund. In FY22-23, the CRF transfer based on actual FY21-22 receipts was \$1.287 billion, or the \$1.469 billion above certified revenues less the \$181 million retained in the General Fund.

The **Appropriations Committee Preliminary Budget** utilizes \$540,000 in FY23 and \$2.215 million in FY24 of Cash Reserve Fund monies, including a \$1.1 million transfer to the Accounting Division Revolving Fund and a \$1.115 million transfer to the Public Safety Fund. However, the last line on the Cash Reserve Cash Flow (Table 2) is called "Pending Transfers" to account for pending budget items and bills under consideration by the Appropriations Committee that utilize the Cash Reserve Fund. Historical balances and the ending balance as a percentage of General Fund revenue are shown in Table 3.

**Table 2 - Cash Reserve Fund Cash Flow**

| CASH RESERVE FUND                                | FY2022-23     | FY2023-24     | FY2024-25     | Estimated     | Estimated     |
|--|---------------|---------------|---------------|---------------|---------------|
|  |               |               |               | FY2025-26     | FY2026-27     |
| Beginning Balance                                | 927,522,595   | 1,687,601,590 | 1,602,661,590 | 1,602,661,590 | 1,552,661,590 |
| Excess of certified forecasts (line 3 in Status) | 1,287,998,995 | 620,625,000   | 0             | 0             | 0             |
| To/from Gen Fund per current law                 | 50,000,000    | 0             | 0             | 0             | 0             |
| To Nebr Capital Construction Fund (NCCF)         | (216,120,000) | 0             | 0             | 0             | 0             |
| To University Next project (LB1107-2020)         | 0             | 0             | 0             | (50,000,000)  | (50,000,000)  |
| To Perkins County Canal Fund                     | (53,500,000)  | 0             | 0             | 0             | 0             |
| To Jobs & Econ Develop Initiative (STARWARS)     | (80,000,000)  | 0             | 0             | 0             | 0             |
| To Nebr Rural Projects Act (LB 788-2022)         | (50,000,000)  | 0             | 0             | 0             | 0             |
| To Trail Develop/Improve Fund (LB 813-2022)      | (8,300,000)   | 0             | 0             | 0             | 0             |
| To Rural Workforce Housing fund (LB 1071)        | (30,000,000)  | 0             | 0             | 0             | 0             |
| To Surface Water Irrigation Fund (LB 1074)       | (50,000,000)  | 0             | 0             | 0             | 0             |
| To Intern Nebraska Cash Fund (LB 1167)           | (20,000,000)  | 0             | 0             | 0             | 0             |
| To Site & Building Fund, US Strategic Command fa | (20,000,000)  | 0             | 0             | 0             | 0             |
| To Military Base Development fund (LB 1233)      | (30,000,000)  | 0             | 0             | 0             | 0             |
| To Middle Income Housing fund (LB 1252)          | (20,000,000)  | 0             | 0             | 0             | 0             |
| To Public Safety Fund                            | 0             | (1,115,000)   | 0             | 0             | 0             |
| To Accounting Division Revolving Fund            | 0             | (1,100,000)   | 0             | 0             | 0             |
| Pending Transfers (LB 819)                       | 0             | (703,350,000) | 0             | 0             | 0             |
| Projected Unobligated Ending Balance             | 1,687,601,590 | 1,602,661,590 | 1,602,661,590 | 1,552,661,590 | 1,502,661,590 |

**Table 3 Cash Reserve Fund – Historical Balances**

|               | Beginning Balance | Direct Deposit and Interest | Automatic Transfers (1) | Legislative Transfers (2) |               | Ending Balance | EB as % of revenues |
|---------------|-------------------|-----------------------------|-------------------------|---------------------------|---------------|----------------|---------------------|
|               |                   |                             |                         | Gen Fund                  | Other Funds   |                |                     |
| FY1991-92     | 31,937,043        | 0                           | na                      | (5,000,000)               | 0             | 26,937,043     | 1.8%                |
| FY1992-93     | 26,937,043        | 0                           | na                      | (9,500,000)               | 0             | 17,437,043     | 1.1%                |
| FY1993-94     | 17,437,043        | 0                           | 3,063,462               | 7,250,000                 | 0             | 27,750,505     | 1.7%                |
| FY1994-95     | 27,750,505        | 0                           | (8,518,701)             | 7,250,000                 | (6,000,000)   | 20,481,804     | 1.2%                |
| FY1995-96     | 20,481,804        | 0                           | (20,481,804)            | 18,189,565                | 0             | 18,189,565     | 1.0%                |
| FY1996-97     | 18,189,565        | 0                           | 19,740,786              | 3,032,333                 | 0             | 40,962,684     | 2.0%                |
| FY1997-98     | 40,962,684        | 0                           | 91,621,018              | 0                         | 0             | 132,583,702    | 6.3%                |
| FY1998-99     | 132,583,702       | 0                           | 111,616,422             | (96,500,000)              | (2,000,000)   | 145,700,124    | 6.9%                |
| FY1999-00     | 145,700,124       | 0                           | 20,959,305              | 3,500,000                 | (28,000,000)  | 142,159,429    | 5.9%                |
| FY2000-01     | 142,159,429       | 0                           | 77,576,670              | (24,500,000)              | (25,000,000)  | 170,236,099    | 6.9%                |
| FY2001-02     | 170,236,099       | 0                           | 0                       | (59,800,000)              | (370,000)     | 110,066,099    | 4.7%                |
| FY2002-03     | 110,066,099       | 66,476,446                  | 0                       | (87,400,000)              | 0             | 59,142,545     | 2.4%                |
| FY2003-04     | 59,142,545        | 59,463,461                  | 0                       | (61,191,862)              | (385,807)     | 87,028,337     | 3.2%                |
| FY2004-05     | 87,028,337        | 8,170,556                   | 108,727,007             | (26,000,000)              | (758,180)     | 177,167,720    | 5.8%                |
| FY2005-06     | 177,167,720       | 0                           | 261,715,297             | 0                         | (165,266,227) | 273,616,790    | 8.2%                |
| FY2006-07     | 273,616,790       | 0                           | 259,929,524             | (15,674,107)              | (1,784,416)   | 516,087,791    | 15.1%               |
| FY2007-08     | 516,087,791       | 0                           | 191,436,773             | (60,177,767)              | (101,801,000) | 545,545,797    | 15.6%               |
| FY2008-09     | 545,545,797       | 0                           | 116,976,571             | (54,990,505)              | (29,340,000)  | 578,191,863    | 17.2%               |
| FY2009-10     | 578,191,863       | 0                           | 0                       | (105,000,000)             | (5,990,237)   | 467,201,626    | 14.6%               |
| FY2010-11     | 467,201,626       | 0                           | 0                       | (154,000,000)             | 0             | 313,201,626    | 8.9%                |
| FY2011-12     | 313,201,626       | 8,422,528                   | 145,155,092             | (37,000,000)              | 3,560,802     | 428,878,372    | 11.6%               |
| FY2012-13     | 428,878,372       | 0                           | 104,789,781             | (78,000,000)              | (76,008,427)  | 384,121,402    | 9.5%                |
| FY2013-14     | 384,121,402       | 0                           | 285,292,610             | 49,400,000                | 251,294       | 719,065,306    | 17.5%               |
| FY2014-15     | 719,065,306       | 0                           | 96,721,232              | (67,701,112)              | (20,250,000)  | 727,835,426    | 16.9%               |
| FY2015-16     | 727,835,426       | 0                           | 84,599,532              | 0                         | (81,779,850)  | 730,655,108    | 17.0%               |
| FY2016-17     | 730,655,108       | 0                           | 0                       | 0                         | (50,000,000)  | 680,655,108    | 16.0%               |
| FY2017-18     | 680,655,108       | 265,729                     | 0                       | (225,000,000)             | (115,930,772) | 339,990,065    | 7.4%                |
| FY2018-19     | 339,990,065       | 0                           | 61,995,773              | (48,000,000)              | (20,436,714)  | 333,549,124    | 6.8%                |
| FY2019-20     | 333,549,124       | 0                           | 176,378,178             | 0                         | (83,619,600)  | 426,307,702    | 8.6%                |
| FY2020-21     | 426,307,702       | 0                           | 10,655,528              | 0                         | 30,000,000    | 466,963,230    | 7.8%                |
| FY2021-22     | 466,963,230       | 0                           | 535,259,366             | 50,000,000                | (124,700,000) | 927,522,596    | 14.6%               |
| FY2022-23     | 927,522,596       | 0                           | 1,287,988,911           | 50,000,000                | (577,920,000) | 1,687,591,507  | 26.2%               |
| FY2023-24 Est | 1,687,591,507     | 0                           | 620,625,000             | 0                         | (705,565,000) | 1,602,651,507  | 24.8%               |
| FY2024-25 Est | 1,602,651,507     | 0                           | 0                       | 0                         | 0             | 1,602,651,507  | 24.4%               |
| FY2025-26 Est | 1,602,651,507     | 0                           | 0                       | 0                         | (50,000,000)  | 1,552,651,507  | 23.2%               |
| FY2026-27 Est | 1,552,651,507     | 0                           | 0                       | 0                         | (50,000,000)  | 1,502,651,507  | 21.8%               |

# GENERAL FUND REVENUES

## General Fund Revenue Forecasts

The FY21-22 actual receipts were \$624.0 million above the February 2022 forecasts of the Nebraska Economic Forecast Advisory Board (NEFAB). Rate and base adjusted revenue growth was 18.7% compared to the February forecasted 10.7%. The FY22-23 forecast was certified in July and, other than adjustments for legislation enacted in the 2022 session, remained unchanged because the NEFAB was not scheduled to meet until October 2022.

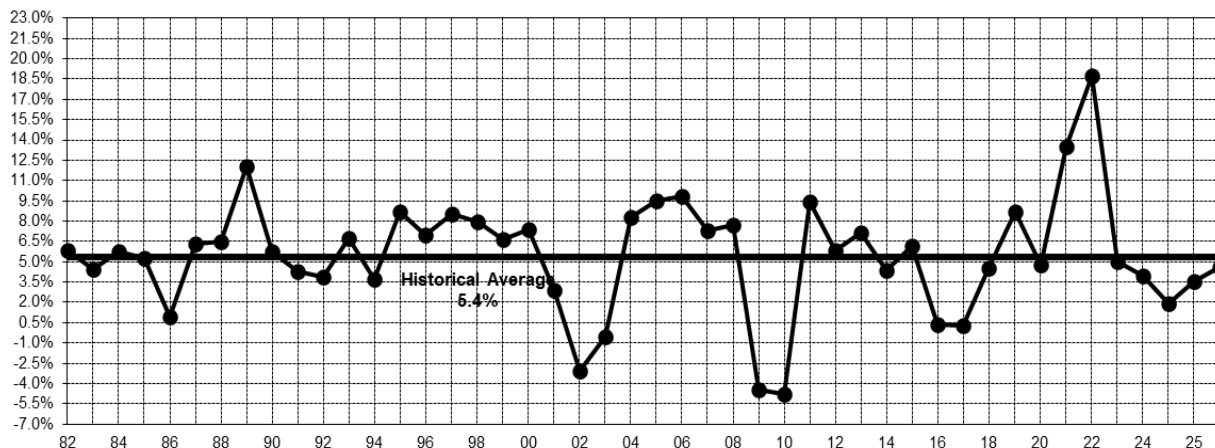
At the October 28, 2022 meeting, the NEFAB increased their forecasts for FY22-23 by \$620.6 million. The NEFAB also set the forecast for the first time for FY23-24 and FY24-25. The forecasts exceeded the LFO preliminary estimates by \$809.5 million FY23-24 and \$1.059 billion in FY24-25 for a two year total of \$1.868 billion. These forecasts yield a projected adjusted revenue growth of 2.5% in FY23-24 and 3.3% in FY24-25, an average growth of 2.9%. While this two year growth is below the historical average, the FY22-23 growth of 5.1% brings the three year average growth to 3.6%.

**THE FORECAST BOARD WILL MEET ON FRIDAY FEBRUARY 24, 2023 AND AGAIN IN LATE APRIL 2023 TO REVIEW THE CURRENT FORECASTS. CHANGES TO THESE FORECASTS WILL RESULT IN CHANGES TO THE PROJECTED FINANCIAL STATUS.**

**Table 4 General Fund Revenue Forecasts and Growth Rates**

|                                    | NEFAB<br>FY2022-23   | NEFAB<br>FY2023-24   | NEFAB<br>FY2024-25   | LFO Prelim<br>FY2025-26 | LFO Prelim<br>FY2026-27 |
|------------------------------------|----------------------|----------------------|----------------------|-------------------------|-------------------------|
| <b>Actual/Forecast</b>             |                      |                      |                      |                         |                         |
| Sales and Use Tax                  | 2,400,000,000        | 2,500,000,000        | 2,600,000,000        | 2,688,855,000           | 2,777,473,000           |
| Individual Income Tax              | 3,200,000,000        | 3,250,000,000        | 3,275,000,000        | 3,356,511,000           | 3,463,213,000           |
| Corporate Income Tax               | 575,000,000          | 475,000,000          | 450,000,000          | 427,561,000             | 432,510,000             |
| Miscellaneous receipts             | 270,000,000          | 250,000,000          | 230,000,000          | 226,700,000             | 218,275,000             |
| <b>Total General Fund Revenues</b> | <b>6,445,000,000</b> | <b>6,475,000,000</b> | <b>6,555,000,000</b> | <b>6,699,627,000</b>    | <b>6,891,471,000</b>    |
| <b>Adjusted Growth</b>             |                      |                      |                      |                         |                         |
| Sales and Use Tax                  | 7.5%                 | 3.5%                 | 4.0%                 | 3.3%                    | 3.2%                    |
| Individual Income Tax              | 5.8%                 | 4.3%                 | 3.6%                 | 4.7%                    | 5.5%                    |
| Corporate Income Tax               | -8.1%                | -8.0%                | 1.6%                 | 2.0%                    | 5.8%                    |
| Miscellaneous receipts             | 17.9%                | -1.8%                | -4.0%                | -7.8%                   | 1.9%                    |
| <b>Total General Fund Revenues</b> | <b>5.1%</b>          | <b>2.5%</b>          | <b>3.3%</b>          | <b>3.6%</b>             | <b>4.6%</b>             |
| Two Yr Average                     | 11.9%                | --                   | 2.9%                 | --                      | 4.1%                    |
| Five Yr Average                    | 10.2%                | --                   | 8.6%                 | --                      | 3.8%                    |

**General Fund Revenue Growth**  
(Adjusted for Tax Rate and Base Changes)



## Following Biennium (FY25-26 and FY26-27)

The NEFAB does not make official forecasts for the following biennium or what's commonly referred to as the "out years." "Out year" estimates have traditionally been derived by the Legislative Fiscal Office (LFO) using a "capped" historical average methodology. This "smoothing" technique derives "out year" revenue estimates by calculating the level of revenues that would yield a five year average growth (FY23 to FY27) roughly equal to the 40 year historical average (5.4%) less 0.25%, which is the projected impact of indexing the tax brackets as enacted in 2014 (LB987). Inherent in this methodology is the concept that within any five-year period, below average revenue growth in some years will be offset by above average growth in others and is visually seen in the line graph of historical adjusted revenue growth (Table 5 on page 7). The "capped" provision of this methodology means that the derived growth needed in the out years to achieve the historical average cannot be higher than the "above average" growth years nor lower than the "below average" growth years. Using the methodology has generally allowed for the Legislature to budget to the average over the five year period.

Over the past 41 years, there were 16 years in which revenue growth was "below average" (1.7% average) and 25 years in which revenue growth was above average (8.1% average). Because the revenue growth in the NEFAB forecasts is below average, using this methodology the revenue growth needed to yield a 5.1% five year average is 7.4% in both FY25-26 and FY26-27.

Alternative methods are also available for purposes of deriving revenue estimates for the following biennium. In addition to LFO's historical average methodology, both the Nebraska Dept. of Revenue (NDR) and Legislative Fiscal Office (LFO) have calculated revenue estimates for these two "out years" using the same models and input from IHS Economics (now S&P Global) and Moody's Analytics, the national forecasting services used as input into the tax forecast models.

In prior years, LFO has been reluctant to use "out year" forecast estimates for projecting revenue for the "out years" because there is some tendency of the forecasts to flatten out and follow current trends into those years without picking up changes in the trend line. However, LFO has determined it is prudent to deviate from its historical methodology in projecting revenue for the FY25-26 and FY26-27 biennium for several reasons.

In the past two fiscal years, extraordinary circumstances, including federal stimulus programs, have led to two consecutive record revenue growth years. The five year average for the period FY18-19 to FY22-23 was 10.1%, which is nearly double the historical average. The revenue growth in FY20-21 was 13.5% and FY21-22 was 18.7%, both record highs at the time they were recorded, and so much higher than previous years' growth rates that these two years alone drove up the historical average, in use since 1981, from 4.8% to 5.4%.

This extraordinary revenue growth occurred not just in Nebraska, but in most other states. It is uncertain as to whether these increases are due solely to economic conditions or to a broadening of the base in some regard. Additionally, it is uncertain whether there is a correction to be anticipated in terms of a negative growth rate for a period of time. In the past, there has normally been a downward trend in revenue growth that corresponds with the upwards trend. The historical average methodology at this point in time does not account for a corresponding downward trend that adequately accounts for the extraordinary revenue growth the state has seen the previous two years, in light of the fact that the highest revenue growth years are not accounted for in the five-year average calculation in the current status, which only includes FY22-23 through FY26-27.

Additionally, in preparing the volatility report, attached to the November 2022 Tax Rate Review Committee Report, it became apparent that the state has followed a rather predictable trend in forecast errors. Since FY1984-85, there has been a regular pattern of actual receipts exceeding the forecast one year prior for a period of four to five years, followed by a period of two to four years of actual receipts coming in lower than the forecast one year prior. These forecast errors on the negative side have corresponded with recessions, and in most instances, budget shortfalls. Following the end of FY21-22, the state has had four consecutive years of actual receipts exceeding the forecast one year prior, and it seems highly unlikely, following the pattern, that this will continue indefinitely.

For these reasons, LFO has determined the best methodology in these circumstances is to use the LFO and NDR forecast estimates for FY26 and FY27 to project the revenue in those years.

LFO Prelim estimates for FY25-26 and FY26-27 are the average of all forecasts (LFO IHS, LFO Moody's, NDR IHS, and NDR Moody's). Rate and base adjusted growth in FY25-26 is 3.6% and in FY26-27 is 4.5% for a two year average of 4.1%. Five year average growth for the status period is 3.8%.

## General Fund Transfers-Out

This area tabulates funds that are transferred from the General Fund to another fund within the state treasury. These items have the same effect as an appropriation in that they reduce available funds, but are not expended as such and thus are shown under the revenue category (on the Financial Status, see line 9 for transfers in current law, line 12 for Committee preliminary approved transfers, and line 12a for pending transfers).

**Table 5 - General Fund Transfers Out**

|  | Current Yr           | Biennial Budget        |                      | Following Biennium   |                      |
|--|----------------------|------------------------|----------------------|----------------------|----------------------|
|  | FY2022-23            | FY2023-24              | FY2024-25            | FY2025-26            | FY2026-27            |
| Property Tax Credit Fund                                       | (310,000,000)        | (310,000,000)          | (310,000,000)        | (310,000,000)        | (310,000,000)        |
| Water Resources Cash Fund                                      | (3,300,000)          | 0                      | 0                    | 0                    | 0                    |
| Cultural Preservation Endowment Fund (with LB142)              | (1,000,000)          | (1,000,000)            | (1,000,000)          | (1,000,000)          | (1,000,000)          |
| Water Sustainability Fund                                      | (11,000,000)         | (11,000,000)           | (11,000,000)         | (11,000,000)         | (11,000,000)         |
| NCCF- Corrections overcrowding                                 | 0                    | 0                      | 0                    | 0                    | 0                    |
| Prison Overcrowding Contingency Fund                           | 0                    | 0                      | 0                    | 0                    | 0                    |
| Nebraska Revolving Loan Fund (per LB1107-2020)                 | (5,000,000)          | 0                      | 0                    | 0                    | 0                    |
| Hall of Fame Trust Fund (LB 42-2021)                           | (10,000)             | (10,000)               | (10,000)             | (10,000)             | (10,000)             |
| Customized Job Training Cash Fund (LB 391-2021)                | 0                    | 0                      | 0                    | 0                    | 0                    |
| Nebraska Film Office Cash Fund (2021)                          | 0                    | 0                      | 0                    | 0                    | 0                    |
| Public Advocacy Cash Fund (2021)                               | (520,000)            | 0                      | 0                    | 0                    | 0                    |
| Municipal gas emergency act (LB131-2021)                       | 0                    | 0                      | 0                    | 0                    | 0                    |
| Municipal Inland Port Authority Act (LB156-2021)               | (5,000,000)          | (5,000,000)            | 0                    | 0                    | 0                    |
| Shovel-Ready Capital Recovery/Invest Act (LB566-2021)          | (15,000,000)         | 0                      | 0                    | 0                    | 0                    |
| Water Recreation Enhancement Fund (STARWARS) (LB 1011-2022)    | (100,000,000)        | 0                      | 0                    | 0                    | 0                    |
| NCCF - Fund shifts and new projects (LB 1011-2022)             | (40,723,459)         | 0                      | 0                    | 0                    | 0                    |
| Jobs & Econ Development Initiative (STARWARS) (LB 1011-2022)   | (20,000,000)         | 0                      | 0                    | 0                    | 0                    |
| Governors Emergency Fund (for Peru Levee) (LB 1011-2022)       | (5,000,000)          | 0                      | 0                    | 0                    | 0                    |
| Community College State Dependents Fund (LB 1011-2022)         | (1,000,000)          | 0                      | 0                    | 0                    | 0                    |
| Economic Recovery Act (LB 1024-2022)                           | 0                    | (10,000,000)           | (10,000,000)         | 0                    | 0                    |
| LB 1102 Nebr Environmental Response Act (LB 1102-2022)         | (300,000)            | 0                      | 0                    | 0                    | 0                    |
| <b>General Fund Transfers-Out (Current Law)</b>                | <b>(517,853,459)</b> | <b>(337,010,000)</b>   | <b>(332,010,000)</b> | <b>(322,010,000)</b> | <b>(322,010,000)</b> |
| Property Tax Credit Fund (Committee Prelim Add. Amt)           | 0                    | (50,000,000)           | (85,000,000)         | (85,000,000)         | (85,000,000)         |
| NCCF - Fund shifts & new projects (Committee Prelim Amt)       | 0                    | (85,273,825)           | (25,458,800)         | 0                    | 0                    |
| Community College State Dependents Fund (Committee Prelim Amt) | 0                    | (1,000,000)            | (1,500,000)          | 0                    | 0                    |
| Roads Operations Cash (Committee Prelim Deficit Transfer)      | (100,000,000)        | 0                      | 0                    | 0                    | 0                    |
| Pending Transfers (For Bills and Pending Items)                | 0                    | (1,000,000,000)        | (250,000,000)        | (250,000,000)        | (250,000,000)        |
| <b>General Fund Transfers-Out (Committee Prelim)</b>           | <b>(100,000,000)</b> | <b>(1,136,273,825)</b> | <b>(361,958,800)</b> | <b>(335,000,000)</b> | <b>(335,000,000)</b> |
| <b>Total-General Fund Transfers-Out</b>                        | <b>(617,853,459)</b> | <b>(1,473,283,825)</b> | <b>(693,968,800)</b> | <b>(657,010,000)</b> | <b>(657,010,000)</b> |

## Property Tax Credit Cash Fund

Under this program transfers are made to the Property Tax Credit Cash Fund at the discretion of the Legislature. Based on the amount of funds available, monies are then allocated to counties by the ratio of the real property valuation in the county to the real property valuation in the state. Counties then allocate funds as credit to each tax payer again based on their proportionate value. Enacted in 2007, the amount available for credits was \$105 million in FY07-08, and \$115 million in FY08-09 through FY13-14. During the 2014 session, the FY14-15 amount was increased to \$140 million. In the 2015 session, the credit was increased by \$64 million increase to a total of \$204 million.

In the 2016 session, LB 958 made several changes dealing with the Property Tax Credit Act. Previously the property tax credit was distributed based on 100% of the taxable value of real property. Under LB 958, the credit is distributed using “credit allocation valuation” which is 120% of agricultural and horticultural land taxable value and 100% for all other real property except agricultural and horticultural land. LB958 provided language that the credit amount should be increased by \$20 million to a total of \$224 million as a hold harmless for residential and commercial & industrial property.

In the 2019 session, the credit amount was increased in the mainline budget bill to \$275 million per year starting in FY19-20. In the 2021 session, the amount was increased to \$300 million for FY21-22 and \$313 million in FY22-23. The Committee preliminary recommendation increases the amount to \$363 million in FY23-24 and \$398 million in FY24-25, a difference of \$50 million in FY23-24 and \$85 million in FY24-25, which is the same increase as proposed in the Governor’s recommendation.

***The overall General Fund transfer amounts are \$3 million less than the credit amount.*** This is because the credit amount is funded through these General Fund transfers plus any interest that will be earned on the fund balance from the time of transfer to the time of reimbursement payments to the counties and credits calculated but unpaid relating to properties receiving homestead exemptions.

## **Municipal Inland Port Authority Act**

This Act was passed by the Legislature by LB 156 (2021) and included intent to transfer \$5 million from the General Fund to the Site and Building Development Fund for FY22-23 and FY23-24 only for the purpose of funding large shovel-ready commercial and industrial sites developed under the act.

## **Economic Recovery Contingency Fund**

The fund was created by LB 1024 (2022) and is administered by the Department of Economic Development. The purpose of the fund is to carry out the Economic Recovery Act, which included intent to transfer \$10 million from the General Fund to this fund for FY23-24 and FY24-25.

## **Hall of Fame Trust Fund**

The fund was created in 1972 for use by the Nebraska Hall of Fame Commission. Prior to 2021, money in the fund consisted of donations to the fund. LB 384 (2021) included intent language to transfer \$10,000 per year from the General Fund to the Hall of Fame Trust Fund beginning in FY21-22. The fund is used for creation, design, size, configuration, and placement of busts or other appropriate objects in the State Capitol or other location as approved by the commission.

## **Nebraska Cultural Preservation Endowment Fund**

The Cultural Preservation Endowment Fund was originally created in 1998 with a transfer of \$5 million from the General Fund. LB 1165 (2008) provided for an additional \$5 million for the endowment fund through a \$1 million transfer from the Cash Reserve Fund and another \$4 million from the General Fund provided over a series of years. After multiple alterations of the fiscal year transfers, the final transfers, which averaged \$500,000 were scheduled to expire at the end of FY16-17. LB 384 (2021) stated beginning, in 2020, an amount not to exceed \$1 million shall be transferred annually.

## **Water Sustainability Fund**

This fund was created through LB906 passed in the 2014 session. Monies for the fund came from General Fund transfers; \$21,000,000 in FY2014-15. Of this transfer, \$10,000,000 is considered one-time as it was financed by a like transfer from the Cash Reserve Fund to the General Fund. Intent language states that \$11,000,000 General Funds be transferred to the Water Sustainability Fund in each fiscal year beginning in FY2015-16.

## **Community College State Dependents Fund**

This fund was created by LB 1012 (2022) for the purpose of reimbursing tuition expenses of dependents of Nebraska state employees enrolled in the state’s community colleges. The fund is administered by the Department of Administrative Services. In FY21-22, \$500,000 was transferred to the fund, and an additional \$1 million was transferred in FY22-23.

## Roads Operation Cash Fund

The transfer of \$100 million from the General Fund is authorized as state matching funds for the Nebraska Department of Transportation for federal funds received by the state of Nebraska pursuant to the federal Infrastructure Investment and Jobs Act.

## Pending Transfers

The Appropriations Committee has also included an allocation for pending items for inclusion in the Committee’s budget recommendation, and the amount of potential General Fund transfers out are shown on line 12a of the financial status. This allocation is included due to the large number of pending agency items and legislation in the Appropriations Committee.

## General Fund Transfers In

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Cash funds are funds which contain earmarked revenue sources and monies in those funds can only be used for the purposes authorized by statute. In many instances (since the 2009 special session) an authorized use of monies in a cash fund is transfers to the General Fund at the discretion of the Legislature. For accounting purposes, these are shown as “Transfers in” and are included as General Fund revenues.

Historically there have been transfers from three main sources; Securities Act Cash Fund, Tobacco Products Admin Cash Fund, and the Dept. of Insurance Cash Fund. In the 2017 and 2018 session’s transfers from these traditional sources have amounted to higher amounts than reflected in Committee’s preliminary budget. Because of the significant budget shortfall, cash funds from non-traditional sources were also transferred to the General Fund. In FY18-19 the non-traditional transfers from 47 different funds amounted to \$44.8 million. In the 2019 session, enacted transfers returned to more normal levels and mostly from the traditional three main sources. Total transfers amounted to \$48.8 million in FY19-20 and \$50.8 million in FY20-21.

Due to the drawdown on cash fund balances during the budget shortfall, transfers in from these three sources were reduced in FY21-22 to \$33.3 million. The FY21-22 amounts are included in the actual receipts and the FY22-23 amounts are already incorporated into the “Net Receipts” figures of the NEFAB forecast.

***The Appropriations Committee Preliminary Budget includes transfers-in of \$39.3 million in transfers in each fiscal year. This is the same amount as in current law for FY22-23 and the same amount as included for each fiscal year in the Governor’s recommendation for the biennial budget.***

**Table 6 General Fund Transfers In**

|  | Current Yr | Biennial Budget |            | Following Biennium |           |
|--|------------|-----------------|------------|--------------------|-----------|
|  | FY2022-23  | FY2023-24       | FY2024-25  | FY2025-26          | FY2026-27 |
| Securities Act Cash Fund               | 24,000,000 | 24,000,000      | 24,000,000 | 0                  | 0         |
| Dept of Insurance Cash Fund            | 8,000,000  | 8,000,000       | 8,000,000  | 0                  | 0         |
| Tobacco Products Admin Cash Fund       | 7,000,000  | 7,000,000       | 7,000,000  | 0                  | 0         |
| State Settlement Cash Fund             | 295,957    | 295,957         | 295,957    | 0                  | 0         |
| <i>Total General Fund Transfers-In</i> | 39,295,957 | 39,295,957      | 39,295,957 | 0                  | 0         |

# GENERAL FUND APPROPRIATIONS

Table 7 shows a summary of the current FY23 General Fund appropriations (excluding deficits) and the Committee Preliminary Budget proposal for FY24 and FY25. In addition to the amounts listed below as included in the preliminary budget, the General Fund financial status also includes, in line 21a, an allocation for pending agency items and bills in the Appropriations Committee. This allocation is \$170.7 million in FY23-24 and \$194.8 million in FY24-25.

**Table 7 - Committee Preliminary Budget – General Funds**

|  | W/o deficits<br>FY2022-23 | Committee Preliminary |                      | Change vs Prior Year<br>FY23-24 |               | Change vs Prior Year<br>FY24-25 |               |
|--|---------------------------|-----------------------|----------------------|---------------------------------|---------------|---------------------------------|---------------|
|  |                           | FY2023-24             | FY2024-25            | \$ Change                       | % Change      | \$ Change                       | % Change      |
| <b>Agency Operations</b>                 |                           |                       |                      |                                 |               |                                 |               |
| University & State /Colleges             | 704,132,488               | 715,128,560           | 723,696,786          | 10,996,072                      | 1.56%         | 19,564,298                      | 1.20%         |
| Health & Human Services                  | 291,885,024               | 327,447,037           | 334,116,470          | 35,562,013                      | 12.18%        | 42,231,446                      | 2.04%         |
| Correctional Services                    | 289,961,758               | 316,329,587           | 327,978,970          | 26,367,829                      | 9.09%         | 38,017,212                      | 3.68%         |
| Courts                                   | 204,357,073               | 211,480,832           | 220,568,521          | 7,123,759                       | 3.49%         | 16,211,448                      | 4.30%         |
| State Patrol                             | 70,282,670                | 76,946,722            | 80,850,085           | 6,664,052                       | 9.48%         | 10,567,415                      | 5.07%         |
| Retirement Board                         | 57,826,161                | 60,972,169            | 63,139,000           | 3,146,008                       | 5.44%         | 5,312,839                       | 3.55%         |
| Revenue                                  | 30,222,159                | 31,555,250            | 32,830,012           | 1,333,091                       | 4.41%         | 2,607,853                       | 4.04%         |
| Other 39 Agencies                        | 224,524,827               | 235,731,368           | 244,451,807          | 11,206,541                      | 4.99%         | 19,926,980                      | 3.70%         |
| <b>Total-GF Operations</b>               | <b>1,873,192,160</b>      | <b>1,975,591,525</b>  | <b>2,027,631,651</b> | <b>102,399,365</b>              | <b>5.47%</b>  | <b>154,439,491</b>              | <b>2.63%</b>  |
| <b>State Aid to Individuals/Others</b>   |                           |                       |                      |                                 |               |                                 |               |
| Medicaid                                 | 991,653,018               | 979,313,101           | 983,586,207          | (12,339,917)                    | -1.24%        | (8,066,811)                     | 0.44%         |
| Child Welfare Aid                        | 179,719,304               | 182,692,600           | 188,611,996          | 2,958,186                       | 1.65%         | 8,877,582                       | 3.24%         |
| Developmental disabilities aid           | 174,638,509               | 175,955,731           | 197,567,183          | 1,317,222                       | 0.75%         | 22,928,674                      | 12.28%        |
| Public Assistance                        | 89,156,005                | 86,018,454            | 86,018,454           | (3,137,551)                     | -3.52%        | (3,137,551)                     | 0.00%         |
| Behavioral Health aid                    | 74,311,162                | 84,505,211            | 85,382,211           | 10,194,049                      | 13.72%        | 11,071,049                      | 1.04%         |
| Childrens Health Insurance (SCHIP)       | 26,433,262                | 25,707,245            | 25,568,396           | (726,017)                       | -2.75%        | (864,866)                       | -0.54%        |
| Business Innovation Act                  | 19,251,162                | 19,234,402            | 19,234,402           | (16,760)                        | -0.09%        | (16,760)                        | 0.00%         |
| Nebraska Career Scholarships             | 14,050,000                | 17,107,500            | 17,140,000           | 3,057,500                       | 21.76%        | 3,090,000                       | 0.19%         |
| RHOP and PHEAST Scholarships             | 0                         | 300,000               | 600,000              | 300,000                         | N/A           | 600,000                         | 100.00%       |
| Aid to the Arts                          | 7,500,000                 | 0                     | 0                    | (7,500,000)                     | -100.00%      | (7,500,000)                     | N/A           |
| LIHEAP                                   | 100,000                   | 0                     | 0                    | (100,000)                       | -100.00%      | (100,000)                       | N/A           |
| All Other Aid to Individuals/Other       | 100,037,334               | 100,039,834           | 100,039,834          | 0                               | 0.00%         | 0                               | 0.00%         |
| <b>Total-GF Aid to Individuals/Other</b> | <b>1,676,849,756</b>      | <b>1,670,874,078</b>  | <b>1,703,748,683</b> | <b>(6,190,788)</b>              | <b>-0.36%</b> | <b>26,383,817</b>               | <b>1.97%</b>  |
| <b>State Aid to Local Govts</b>          |                           |                       |                      |                                 |               |                                 |               |
| State Aid to Schools (TEEOSA)            | 1,038,686,234             | 1,013,646,392         | 923,627,751          | (25,039,842)                    | -2.41%        | (115,058,483)                   | -8.88%        |
| Property Tax Credit                      | Transfer                  | Transfer              | Transfer             | Transfer                        | N/A           | Transfer                        | N/A           |
| Special Education                        | 235,724,474               | 235,724,474           | 235,724,474          | 0                               | 0.00%         | 0                               | 0.00%         |
| Aid to Community Colleges                | 109,804,330               | 111,939,172           | 114,116,711          | 2,134,842                       | 1.94%         | 4,312,381                       | 1.95%         |
| Homestead Exemption                      | 121,300,000               | 128,000,000           | 133,600,000          | 6,700,000                       | 5.52%         | 12,300,000                      | 4.38%         |
| Aid to Counties programs                 | 2,000,000                 | 0                     | 0                    | (2,000,000)                     | -100.00%      | (2,000,000)                     | N/A           |
| All Other Aid to Local Gov't             | 44,193,689                | 44,193,689            | 44,193,689           | 0                               | 0.00%         | 0                               | 0.00%         |
| <b>Total-GF Aid to Local Govt</b>        | <b>1,551,708,727</b>      | <b>1,533,503,727</b>  | <b>1,451,262,625</b> | <b>(18,205,000)</b>             | <b>-1.17%</b> | <b>(100,446,102)</b>            | <b>-5.36%</b> |

## Agency Operations

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This area accounts for the costs of actually operating state agencies including costs such as employee salaries and benefits, data processing, utilities, vehicle and equipment purchases, fuel and oil, etc... Although there are 47 state agencies that receive General Fund appropriations, higher education (University of Nebraska and State Colleges) and the six largest agencies (Health and Human Services, Corrections, Courts, State Patrol, Revenue, and Retirement Board) account for about 89% of state operations. Note that all of the General Funds for the Retirement Board are actually state contributions for the K-12 School employee retirement plan. They are not shown under aid to local governments as the monies are placed directly into the retirement fund and are not actually paid to a school district.

General Funds for agency operations shows a net \$102.4 million increase (5.5%) in FY23-24 and a \$154.4 million increase (2.6%) in FY24-25. The most significant increases in operations are salary and health insurance increases for state employees. Salary increases for state employees account for \$45.9 million in FY23-24 and \$75.4 million in FY24-25, while health insurance cost increases is estimated at 4% per year amounts to \$4.5 million in FY 23-24 and \$9.0 million in FY24-25. Significant increases are seen in Health and Human Services (DHHS), Correctional Services (DCS), and the State Patrol, all of which had increases in FY23-24 of more than 9%. This can be attributed to higher negotiated salaries for certain classifications of employees in those agencies and additional budget items, including inmate per diem costs in DCS, technology costs in DHHS, and others. A full listing of approved items is included later in this report.

## State Aid to Local Governments

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Aid to Local Governments accounts for aid payments to local governments that have the authority to levy a property tax such as cities, counties, K-12 schools, community colleges, natural resource districts (NRD's), and educational services units (ESU's).

Aid to local governments declined by \$18.2 million (-1.2%) in FY23-24 and \$100.4 million in FY24-25 (-5.4%). The primary reason for the reduction in aid is a reduction in TEEOSA aid as calculated under existing law due to lower spending and higher valuations.

Homestead Exemption reimbursement increases by 5.5% in FY23-24 and 4.4% in FY24-25. The preliminary recommendation includes a 2% increase per year in aid to community colleges, and a base reduction in aid to counties of \$2 million, as the program was intended to conclude in FY22-23.

The Committee recommendation does not include any changes in other aid to local government programs.

## State Aid to Individuals / Others

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Aid to Individuals/Other includes programs such as Medicaid, public assistance programs, child welfare services and student scholarships where state funds are provided for the direct benefit of an individual. This area also includes aid to quasi-government units, which are those local agencies that do not have the authority to levy property taxes. This would include entities such as area agencies on aging, mental health regions, and developmental disability regions.

This area has a -0.4% reduction in FY23-24 (\$6.2 million) and a 2.0% increase (\$26.4 million) in FY24-25. Increases in aid programs are largely offset by an increase in the Federal Medical Assistance Percentage (FMAP), which results in General Fund savings.

Funding is higher in FY24-25 due to the inclusion of an adjustment to the base in behavioral health aid and developmental disability aid for provider rates authorized in 2022, which were funded with carryover funds for FY22-23, and an increase of \$6.0 million in FY24-25 in child welfare for continuation of provider rates that are funded with ARPA funds in FY22-23 and FY23-24. Additionally, there is an increase of \$3.2 million per year for additional provider rates for child welfare providers that were not included in the 2022 rate increases.

but the growth in valuation used in the formula ie.. equalized districts. This main driver of the large increase in valuation in FY24-25 is in residential property.

## **Homestead Exemption**

The Committee proposed budget includes the requested increase for the homestead exemption. The appropriation for Homestead is \$121.3 million for FY23. The forecast for FY24 and FY25 projects \$6.7 million and \$12.3 million needed, respectively. This projected increase in the cost of the program is due to the projected increase in residential property valuation.

## **Aid to Community Colleges**

A 2.0% per year annual increase is included in the Committee Preliminary Budget reflecting increased state aid to support operations budget increases.

## **Aid to Individuals/Other**

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### **Medicaid**

For the upcoming biennium, the projected General Fund budget is based on the agency request Part D Clawback premium increase, FMAP change, medical assistance mobile crisis intervention, and personal assistance rates rebase. At the present time, the proposed budget does not include any increase in provider rates which were not included in the agency request or Governor's recommendation. This will be considered after the hearings along with other major issues.

The Committee preliminary recommendation includes funding the Part D Clawback premium increase of \$3.1 million in FY24 and \$3.3 million in FY25 and includes the reduction due to the increased FMAP of \$15.9 million in FY24 and \$19.0 million in FY25.

Each year the Federal Medical Assistance Percentage (FMAP) rate changes based on a federal formula based on state personal income and per capita data. The result of these changes are adjustments to the federal government's share of coverage for Medicaid expenses, which in turn impacts the GF for payment of Medicaid services. The actual FFY2022 FMAP was 57.80%, FFY2023 FMAP will be 57.85%, and FFY2024 FMAP will be 58.42%. The significant General Fund savings due to the higher FMAP have been incorporated into the Committee's recommendation.

### **Children's Health Insurance (SCHIP)**

For the upcoming biennium, the projected budget includes no increase in eligibility and utilization (based on the agency request) and a reduction due to an increase in the basic federal match rate (FMAP).

### **Public Assistance**

For the upcoming biennium, a reduction of \$3.1 million in funding each year to this program was requested to fund technology needs in Program 33 (Administration) within DHHS. The Committee included these reductions in the preliminary recommendation.

### **Child Welfare**

For the upcoming biennium, the projected budget includes no increase in eligibility and utilization (based on the agency request) and a reduction due to an increase in the basic federal match rate (FMAP). The Committee includes a provider rate increase pursuant to the agency request of \$3.2 million per year. This increase expands the provider rates that were included in the LB 1011 (2022) to independent living, guardianship, and adoption placements and is equivalent to 7.5%. The increase is intended to help cover increased cost and also to positively impact permanency rates for guardianship and adoption. The Committee also included a \$6 million General Fund appropriation in FY25 to continue provider rates at FY24 levels. For FY23 and FY24, \$6 million of ARPA State Coronavirus Fiscal Recovery Funds are allocated to the Child Welfare Program for provider rates, which DHHS is utilizing in filling gaps in provider rates authorized by the Legislature in 2022 and to incentivize IV-E Foster Care certification.

## Developmental Disability Aid

The agency request includes several items for additional funding including funding for new graduates transitioning (\$1.1 million FY24, \$2.2 million FY25), reduce the waiting list (\$6.9 million FY24, \$13.8 million FY25) and priority one offered cases (\$2.1 million in FY 24 and \$4.3 in FY 25). The Committee Preliminary Budget includes the funding for new graduates and the priority one offered cases. The Committee also includes a base adjustment in FY25 only of \$19.5 million to account for the use of carryover funds for the provider rate increases authorized by LB 1011 (2022).

The request and projected budget also include a reduction in General Funds due to the higher FMAP amounting to \$2.8 million in FY24 and \$3.4 million in FY24.

## Behavioral Health Aid

This area includes substance abuse and mental health aid. Similar to Public Assistance and Child Welfare, the agency request includes no increase for eligibility or utilization. The agency did request \$4.0 million in FY24 and \$4.9 million in FY25 for the Behavioral Health 988 Call Center and funding to increase the base to account for use of carryover funding for provider rates authorized by the Legislature in LB 1011 (2022): a \$10.3 million base adjustment for use of carry over funds; and a \$6.2 million base correction related to the anticipated costs of such provider rates. The preliminary budget includes funding for the 988 Call Center and \$6.2 million per year in funding relative to the previously authorized provider rates. However, the \$10.3 million base adjustment is not included.

## Nebraska Career Scholarships (University, State Colleges, DED)

In the 2020 session, the Governor’s budget recommendation included funding and distribution language for the Nebraska Career Scholarship Program through the University of Nebraska, State Colleges, and Community Colleges (through Dept. of Economic Development). The enacted budget included this proposal with funding provided for the current biennium at \$4 million with intent language that the program would increase to \$16 million in the fourth year. Additionally, in 2022, the Legislature passed LB 902, which codified the Career Scholarship Program and added cooperative programs with Wayne State College to the State Colleges program and a \$50,000 appropriation.

The Governor included the FY24 and FY25 levels as proposed. In addition, the Governors recommendation adds \$1 million in FY24 and \$2 million in FY25 under DED to provide Nebraska Career Scholarship funds for students attending a private, not for profit university or college in the state.

| <u>Nebraska Career Scholarships</u> | <u>FY19-20</u> | <u>FY20-21</u> | <u>FY21-22</u> | <u>FY22-23</u> | <u>FY23-24</u> | <u>FY24-25</u> |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| University of Nebraska              | 0              | 2,000,000      | 4,000,000      | 6,000,000      | 8,000,000      | 8,000,000      |
| State Colleges                      | 0              | 1,000,000      | 2,000,000      | 3,050,000      | 4,107,500      | 4,240,000      |
| DED (Community Colleges)            | 0              | 1,000,000      | 2,000,000      | 3,000,000      | 4,000,000      | 4,000,000      |
| Original proposal                   | 0              | 4,000,000      | 8,000,000      | 12,000,000     | 16,107,500     | 16,240,000     |
| DED (private nonprofit)             | 0              | 0              | 1,000,000      | 2,000,000      | 4,000,000      | 5,000,000      |
| Total GF impact                     | 0              | 4,000,000      | 9,000,000      | 14,050,000     | 20,107,500     | 21,240,000     |

The Committee recommendation includes the amounts for the State Colleges and the University of Nebraska, but does not include the amounts to DED at this point.

# State Agency Operations

## Employee Salary Increases (State Agencies)

The budget instructions had state agencies include a 5% per year increase as a “placeholder.” Details of bargaining agreements with the collective bargaining agreements are below. Overall General Fund costs for the FY24 and FY25 salary increases amount to \$45.8 million in FY23-24 and \$75.4 million in FY24-25. The Committee preliminary budget includes full funding of performance based increases in FY24 and funding for 90% of such increases in FY25.

| Salary and Health Insurance Committee Preliminary                              |                                       |  |  |
|--|---------------------------------------|--|--|
| <b>DETAILS OF BARGAINING AGREEMENTS</b>  |                                       |  |  |
| NAPE: 5% + 2% Performance in FY24, 2% + 3% Performance in FY25.                | FOP: 3% + 2% Performance (both years) |  |  |
| FY24 Hwy Maintenance & Construction: 15% + 2% Performance                      |                                       |  |  |
| FY24 Mechanics: 15% + 2% Performance   | SCATA: 4% each year                   |  |  |
| FY24 Trades & Facility Maintenance: 10% + 2% Performance                       |                                       |  |  |
| FY24 Accountants: 20% + 2% Performance   | SLEBC: 5% each year                   |  |  |
| FY24 Engineers: 15% + 2% Performance   | 22% for State Patrol in FY24.         |  |  |
| FY24 Social Service Workers: 15% + 2% Performance                              |                                       |  |  |
| FY24 Child & Family Services: 10% + 2% Performance                             | Health Insurance: 4% per year         |  |  |
| FY24 Motor Vehicle Examiners: 10% + 2% Performance                             |                                       |  |  |
| FY24 Unemployment Insurance: 15% + 2% Performance                              |                                       |  |  |
| Rules: 4% + 3% Performance in FY24, 2% + 3% Performance in FY25                |                                       |  |  |
| Same FY24 increase for job codes corresponding to NAPE special wage increases. |                                       |  |  |

Nebraska Association of Public Employees (NAPE-AFSCME) Collective bargaining agreements have been reached with NAPE-AFSCME on a labor contract for the upcoming biennium. The agreement calls a 5% cost of living raise in FY24 plus 2% performance raise and a 2% cost of living raise in FY25 plus a 3% performance raise. Additionally, certain job codes within the NAPE bargaining unit will receive a higher raise in FY24 than the cost of living raise, as detailed in Table 7.

State Law Enforcement Bargaining Council (SLEBEC) also reached agreement where the pay increase is the equivalent of 5.0% in FY24 and 5.0% in FY25. However, State Patrol employees within the SLEBEC bargaining unit will receive a 22% raise in FY24 only and then a 5% raise in FY25.

Protective Service Workers (Fraternal Order of Police FOP) This unit basically bargains for correctional services workers. The bargaining agreement calls for a 3% cost of living raise and a 2% performance raise each year.

Non-Bargaining Employees This category covers employees who are not eligible for bargaining. This includes certain supervisory and management positions, and employees under constitutional agencies such as the Legislative Council, Governor, Secretary of State, Attorney General, etc. For budgeting purposes, the Committee preliminary budget (and Governor) included funding at 7% in FY24 and 5% in FY25 with the additional increases for certain jobs codes as negotiated under the NAPE bargaining agreement.

## Employee Health Insurance (State Agencies)

The Governors recommendation included a 4% per year increase, and this was also included in the Committee Preliminary budget. General fund costs amount to \$4.5 million in FY23-24 and \$9.0 million in FY24-25.

## Court System

The Governor's recommendation increases the General Fund appropriation in the Juvenile Justice program by \$3.6 million in FY25 only. This is a base adjustment to account for use of carryover funds in 2022 for provider rate increases. The Committee also includes the same amount in FY25 only.

## Dept. of Correctional Services

The Dept. of Correctional Services included a variety of items included in their request, the largest items being increased salary expenses due to the negotiated salary increases for employees in 24/7 facilities that were authorized in FY21-22, a base adjustment increase due to lack of vacancy savings, which were used to fund part of the increases in previous fiscal years, inmate per diem costs, and additional funds for salary increases. The following table shows the requested items and those included in the projected budget.

| Description                            | Agency Request |            | Committee Preliminary |            |
|--|----------------|------------|-----------------------|------------|
|  | FY23-24        | FY24-25    | FY23-24               | FY24-25    |
| Inmate Per Diem Costs                  | 12,608,671     | 13,253,352 | 12,608,671            | 13,253,352 |
| Rate Changes and Master Lease          | 2,770,575      | 3,173,842  | 2,770,575             | 3,173,842  |
| Base Appropriation Increase            | 3,305,372      | 3,305,372  | 0                     | 0          |
| One-Time Cash Fund Appropriation Incr  | (750,000)      | 0          | (750,000)             | 0          |
| Salary Adjustments - Central Warehouse | 226,150        | 226,150    | 0                     | 0          |
| Salary Increases - 24/7 Raises         | 6,588,625      | 6,588,625  | 0                     | 0          |
| Electronic Health Records              | 750,000        | 750,000    | 0                     | 0          |
| Radio System Upgrade                   | 3,324,469      | 2,576,523  | 0                     | 0          |
|  |                |            |                       |            |
| Total - Issues                         | 28,823,862     | 29,873,864 | 14,629,246            | 16,427,194 |

## University of Nebraska

In the past several biennium, a general overall budget increase has been provided to the University of Nebraska. The Governor included a 2% increase in his recommendation, which is \$12.9 million in FY24 and \$26 million in FY25. In the preliminary budget, a general increase is not included.

The Committee preliminary budget includes \$8.5 million in FY 24 and \$14.5 million in FY25 for the Rural Health Education program in Kearney and the next phase in of the Nebraska Career Scholarships initiated in the 2020 session.

## State Colleges

In the preliminary budget, general increases for operating costs are not included. The State Colleges requested funds for general operating expenses, insurance costs, building openings, and utilities. The State Colleges also requested funds for Risk Loss Trust. None of these were included in the preliminary recommendation.

For salary, a 3.0% per year increase was included a cost of \$2.0 million in FY24 and \$4.1 million in FY25. For health insurance, a 4% increase was included with costs of \$460,205 in FY24 and \$938,818 in FY25. The Governor included a salary increase of \$2.0 million in FY24 and \$4.2 million in FY 25, and a health insurance increase of \$385,328 in FY24 and \$797,629 in FY25 in his recommendation.

The Committee also included funding for RHOP and PHEAST scholarship programs, totaling \$300,000 in FY24 and \$600,000 in FY25. Like the University, the Committee Preliminary Budget also includes the next phase in of the Nebraska Career Scholarships initiated in the 2020 session.

## Defined Benefit Retirement Plans

Funding for the defined benefit retirement plans for schools, judges, and the State Patrol are based on the actuary report from Cavanaugh Macdonald Consultants. Overall, the increase amounts to \$3.1 million in FY24 and \$5.3 million in FY25. The amounts funded are from the November 2022 actuarial experience study and valuations.

| Revised Request                        | Base Year  | Biennial Budget |            | Increase - Biennial Basis |           |
|--|------------|-----------------|------------|---------------------------|-----------|
|  | FY22-23    | FY23-24         | FY24-25    | FY23-24                   | FY24-25   |
| Omaha Service Annuity                  | 1,603,111  | 1,964,600       | 2,000,000  | 361,489                   | 396,889   |
| 2% - State Schools                     | 44,704,077 | 45,821,148      | 47,000,000 | 1,117,071                 | 2,295,923 |
| 2% - Omaha Schools                     | 7,534,456  | 7,798,499       | 8,100,000  | 264,043                   | 565,544   |
| Subtotal Schools                       | 53,841,644 | 55,584,247      | 57,100,000 | 1,742,603                 | 3,258,356 |
| State Patrol - Additional Contribution | 3,752,980  | 4,092,005       | 4,700,000  | 339,025                   | 947,020   |
| Subtotal Patrol                        | 3,752,980  | 4,092,005       | 4,700,000  | 339,025                   | 947,020   |
| Judges - Additional Contribution       | 231,537    | 1,295,917       | 1,339,000  | 1,064,380                 | 1,107,463 |
| Subtotal Judges                        | 231,537    | 1,295,917       | 1,339,000  | 1,064,380                 | 1,107,463 |
| Total Retirement Plans                 | 57,826,161 | 60,972,169      | 63,139,000 | 3,146,008                 | 5,312,839 |

## Capital Construction

Of the General Funds appropriation amounts included in the Committee preliminary budget for capital construction, 100% is to cover the dollar amounts needed to complete funding of projects approved in previous sessions, commonly referred to as reaffirmations.

With respect to new construction, the Governor included funding for a new multicustody level correctional facility with capacity to house approximately 1,512 inmates. This \$335 million project was proposed to be financed by a \$95.85 million transfer from the Cash Reserve Fund to the Nebraska Capital Construction Fund (NCCF). Remaining funding (approximately \$241 million) for the project has been previously transferred to the NCCF in previous session but not appropriated.

The Appropriations Committee preliminary budget does not include any transfers from the Cash Reserve Fund for construction. The budget does include transfers from the General Fund of \$85,273,825 in FY24 and \$25,458,800 to the NCCF to fund approved projects. These are the same transfer amounts from the General Fund as in the Governor's recommendation.

A listing of reaffirmations and new projects follows.

**Capital Construction  
Reaffirmations**

|   |           | Governor   |            |             | Committee  |            |             |
|---|-----------|------------|------------|-------------|------------|------------|-------------|
|   |           | FY23-24    | FY24-25    | Future      | FY23-24    | FY24-25    | Future      |
| <b>50-State Colleges/Board</b>  |           |            |            |             |            |            |             |
| [1] Prog. 903 - Sports Facilities Projects  | General   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Cash      | 300,000    | 300,000    | 3,000,000   | 300,000    | 300,000    | 3,000,000   |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| [2] Prog. 919 - State College Facilities Program  | General   | 1,125,000  | 1,125,000  | 27,955,000  | 1,125,000  | 1,125,000  | 27,955,000  |
|   | Cash      | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 1,440,000  | 1,440,000  | 21,600,000  | 1,440,000  | 1,440,000  | 21,600,000  |
| [3] Prog. 920 - Board Facilities Fee Fund   | General   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Cash      | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 900,000    | 900,000    | 9,000,000   | 900,000    | 900,000    | 9,000,000   |
| [4] Prog. 933 - Chadron State College (CSC) Rangeland Center (Math/Science Renovation)      | General   | 2,216,000  | 2,216,000  | 22,160,000  | 2,216,000  | 2,216,000  | 22,160,000  |
|   | Cash      | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| [5] Prog. 940 - Peru State College Geothermal Utilities                                     | General   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Cash      | 2,101,905  | 2,101,905  | 0           | 2,101,905  | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| <b>51-University of Nebraska</b>  |           |            |            |             |            |            |             |
| [6] Prog. 906 - University of Nebraska Facilities Program                                   | General   | 3,642,928  | 3,642,928  | 111,573,200 | 3,642,928  | 3,642,928  | 111,573,200 |
|   | Cash      | 4,500,000  | 4,500,000  | 0           | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| [7] Prog. 920 - University Facilities Projects  | General   | 13,500,000 | 13,500,000 | 498,055,136 | 13,500,000 | 13,500,000 | 498,055,136 |
|   | Cash      | 13,500,000 | 13,500,000 | 444,500,000 | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| [8] Prog. 930 - Nebraska College of Technical Agriculture (NCTA) at Curtis Education Center | General   | 820,000    | 820,000    | 0           | 820,000    | 820,000    | 0           |
|   | Cash      | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| <b>65-Admin Services</b>  |           |            |            |             |            |            |             |
| [9] Capitol HVAC  | General   | 0          | 0          | 6,110,896   | 0          | 0          | 6,110,896   |
|   | Cash      | 17,463,952 | 15,407,545 | 0           | 17,463,952 | 15,407,545 | 0           |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |
| [10] Task Force for Building Renewal  | General   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Cash      | 21,273,930 | 21,273,930 | 42,547,860  | 21,273,930 | 21,273,930 | 42,547,860  |
|   | Federal   | 0          | 0          | 0           | 0          | 0          | 0           |
|   | Rev/Other | 0          | 0          | 0           | 0          | 0          | 0           |

|                                 |              |                   |                   |                      |                   |                   |                    |
|---------------------------------|--------------|-------------------|-------------------|----------------------|-------------------|-------------------|--------------------|
| <b>Subtotal: Reaffirmations</b> | General      | 21,303,928        | 21,303,928        | 665,854,232          | 21,303,928        | 21,303,928        | 665,854,232        |
|                                 | Cash         | 59,139,787        | 54,981,475        | 490,047,860          | 41,139,787        | 36,981,475        | 45,547,860         |
|                                 | Federal      | 0                 | 0                 | 0                    | 0                 | 0                 | 0                  |
|                                 | Rev/Other    | 2,340,000         | 2,340,000         | 30,600,000           | 2,396,000         | 2,396,000         | 30,600,000         |
|                                 | <b>Total</b> | <b>82,783,715</b> | <b>78,625,403</b> | <b>1,186,502,092</b> | <b>64,783,715</b> | <b>60,625,403</b> | <b>742,002,092</b> |

## New Projects

### 27-Roads

|                                    |           |            |            |   |            |            |   |
|------------------------------------|-----------|------------|------------|---|------------|------------|---|
| [1] Dept of Transportation - Roads | General   | 0          | 0          | 0 | 0          | 0          | 0 |
| Division - Facility Improvements   | Cash      | 15,000,000 | 15,000,000 | 0 | 15,000,000 | 15,000,000 | 0 |
|                                    | Federal   | 0          | 0          | 0 | 0          | 0          | 0 |
|                                    | Rev/Other | 0          | 0          | 0 | 0          | 0          | 0 |

### 31-Military Dept

|                                   |           |         |   |   |         |   |   |
|-----------------------------------|-----------|---------|---|---|---------|---|---|
| [2] 1776 Readiness Center Remodel | General   | 0       | 0 | 0 | 0       | 0 | 0 |
| Division - Facility Improvements  | Cash      | 396,500 | 0 | 0 | 396,500 | 0 | 0 |
|                                   | Federal   | 396,500 | 0 | 0 | 396,500 | 0 | 0 |
|                                   | Rev/Other | 0       | 0 | 0 | 0       | 0 | 0 |

|   |           |        |           |   |        |           |   |
|---|-----------|--------|-----------|---|--------|-----------|---|
| [3] State/Federal Construction –<br>McCook NGRC Organizational<br>Storage Building Construction | General   | 0      | 0         | 0 | 0      | 0         | 0 |
|   | Cash      | 32,625 | 409,625   | 0 | 32,625 | 409,625   | 0 |
|   | Federal   | 97,875 | 1,228,875 | 0 | 97,875 | 1,228,875 | 0 |
|   | Rev/Other | 0      | 0         | 0 | 0      | 0         | 0 |

|   |           |           |   |   |           |   |   |
|---|-----------|-----------|---|---|-----------|---|---|
| [4] State/Federal Construction - Omaha<br>Readiness Center HVAC | General   | 0         | 0 | 0 | 0         | 0 | 0 |
|   | Cash      | 1,525,000 | 0 | 0 | 1,525,000 | 0 | 0 |
|   | Federal   | 1,525,000 | 0 | 0 | 1,525,000 | 0 | 0 |
|   | Rev/Other | 0         | 0 | 0 | 0         | 0 | 0 |

|  |           |           |   |   |           |   |   |
|--|-----------|-----------|---|---|-----------|---|---|
| [5] State/Federal Construction –<br>Penterman Readiness Center Latrine | General   | 0         | 0 | 0 | 0         | 0 | 0 |
|  | Cash      | 1,525,000 | 0 | 0 | 1,525,000 | 0 | 0 |
|  | Federal   | 640,500   | 0 | 0 | 640,500   | 0 | 0 |
|  | Rev/Other | 0         | 0 | 0 | 0         | 0 | 0 |

|   |           |           |   |   |           |   |   |
|---|-----------|-----------|---|---|-----------|---|---|
| [6] State/Federal Construction - Wahoo<br>Readiness Center Addition | General   | 0         | 0 | 0 | 0         | 0 | 0 |
|   | Cash      | 1,941,630 | 0 | 0 | 1,941,630 | 0 | 0 |
|   | Federal   | 1,941,630 | 0 | 0 | 1,941,630 | 0 | 0 |
|   | Rev/Other | 0         | 0 | 0 | 0         | 0 | 0 |

|   |           |           |   |   |           |   |   |
|---|-----------|-----------|---|---|-----------|---|---|
| [6] State/Federal Construction - Lincoln<br>Readiness Center Addition | General   | 0         | 0 | 0 | 0         | 0 | 0 |
|   | Cash      | 1,708,000 | 0 | 0 | 1,708,000 | 0 | 0 |
|   | Federal   | 1,708,000 | 0 | 0 | 1,708,000 | 0 | 0 |
|   | Rev/Other | 0         | 0 | 0 | 0         | 0 | 0 |

### 33-Game and Parks

|  |           |         |         |   |         |         |   |
|--|-----------|---------|---------|---|---------|---------|---|
| [8] STATE PARK SYSTEM FACILITY<br>IMPROVEMENTS | General   | 0       | 0       | 0 | 0       | 0       | 0 |
|  | Cash      | 925,000 | 925,000 | 0 | 925,000 | 925,000 | 0 |
|  | Federal   | 0       | 0       | 0 | 0       | 0       | 0 |
|  | Rev/Other | 0       | 0       | 0 | 0       | 0       | 0 |

|  |           |           |           |   |           |           |   |
|--|-----------|-----------|-----------|---|-----------|-----------|---|
| [9] STATE PARKS FACILITIES<br>DEFERRED MAINTENANCE | General   | 0         | 0         | 0 | 0         | 0         | 0 |
|  | Cash      | 4,175,000 | 4,175,000 | 0 | 4,175,000 | 4,175,000 | 0 |
|  | Federal   | 0         | 0         | 0 | 0         | 0         | 0 |
|  | Rev/Other | 0         | 0         | 0 | 0         | 0         | 0 |

|  |           |            |             |             |            |           |           |
|--|-----------|------------|-------------|-------------|------------|-----------|-----------|
| [15] State Recreation Areas                                      | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 500,000    | 500,000     | 0           | 0          | 0         | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [20] Emergency Repairs - Parks                                   | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 750,000    | 750,000     | 0           | 500,000    | 500,000   | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [23] Aquatic Habitat Enhancement and Restoration                 | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 3,000,000  | 3,000,000   | 0           | 3,000,000  | 3,000,000 | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [24] Outdoor Venture Parks                                       | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 0          | 0           | 0           | 5,000,000  | 0         | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| <b>46-Correctional Services</b>                                  |           |            |             |             |            |           |           |
| [25] NSP Replacement Project                                     | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 70,000,000 | 120,083,000 | 145,000,000 | 0          | 0         | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [26] Security System   | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 2,500,000  | 2,500,000   | 0           | 2,500,000  | 2,500,000 | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [27] Infrastructure and Maintenance                              | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 4,000,000  | 4,000,000   | 0           | 4,000,000  | 4,000,000 | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [28] Agency Wide Fire Alarm System                               | General   | 0          | 0           | 8,030,000   | 0          | 0         | 8,030,000 |
|  | Cash      | 13,132,343 | 0           | 0           | 13,132,343 | 0         | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| <b>47-Educational Television</b>                                 |           |            |             |             |            |           |           |
| [29] Tower Lighting Projects - KPNE (N. Platte) & KCNE (Chadron) | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 0          | 280,000     | 0           | 0          | 280,000   | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [30] Remote Production Truck Trailer Project                     | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 600,000    | 0           | 0           | 600,000    | 0         | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |
| [31] Radio Automation & Audio System Project                     | General   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Cash      | 0          | 320,000     | 0           | 0          | 320,000   | 0         |
|  | Federal   | 0          | 0           | 0           | 0          | 0         | 0         |
|  | Rev/Other | 0          | 0           | 0           | 0          | 0         | 0         |

|   |                |                    |                    |                    |                     |                     |                  |
|---|----------------|--------------------|--------------------|--------------------|---------------------|---------------------|------------------|
| [32] Facility Routing System Project  | General        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Cash           | 1,400,000          | 600,000            | 0                  | 1,400,000           | 600,000             | 0                |
|   | Federal        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Rev/Other      | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
| <b>65-Admin Services</b>  |                |                    |                    |                    |                     |                     |                  |
| [36] DAS Building Division - Troop A Headquarters (Prog 921)                    | General        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Cash           | 32,200,000         | 0                  | 0                  | 32,200,000          | 0                   | 0                |
|   | Federal        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Rev/Other      | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
| [37] DAS Building Division - Nebraska State Office Building Electrical Upgrades | General        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Cash           | 8,000,000          | 0                  | 0                  | 8,000,000           | 0                   | 0                |
|   | Federal        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Rev/Other      | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
| <b>78-Crime Commission</b>  |                |                    |                    |                    |                     |                     |                  |
| [38] Base Adjustment (ARPA Issue)   | General        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Cash           | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Federal        | 0                  | 0                  | 0                  | (47,500,000)        | (47,500,000)        | 0                |
|   | Rev/Other      | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
| [39] Reappropriate ARPA funds for Training Center                               | General        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Cash           | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Federal        | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
|   | Rev/Other      | 0                  | 0                  | 0                  | 0                   | 0                   | 0                |
| <b>Subtotal: New Projects</b>   | <b>General</b> | <b>0</b>           | <b>0</b>           | <b>8,030,000</b>   | <b>0</b>            | <b>0</b>            | <b>8,030,000</b> |
|   | <b>Cash</b>    | <b>160,057,968</b> | <b>154,484,255</b> | <b>145,000,000</b> | <b>94,307,968</b>   | <b>33,651,255</b>   | <b>0</b>         |
|   | <b>Federal</b> | <b>4,367,875</b>   | <b>3,170,505</b>   | <b>0</b>           | <b>(43,132,125)</b> | <b>(44,329,495)</b> | <b>0</b>         |

## FY22-23 Deficit Adjustments

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There was a total of \$31.9 million of General Fund appropriations included in the Committee's deficit adjustments.

| <u>Agy #</u>                         | <u>Agency Name</u> | <u>Issue</u>                           | <u>Type</u> | <u>Governor</u> | <u>Committee Prelim</u> |
|--------------------------------------|--------------------|--|-------------|-----------------|-------------------------|
| 9                                    | Secretary of State | Elections Personnel                    | Oper        | 0               | 0                       |
| 10                                   | Auditor            | LB 781 Treasurer Training              | Oper        | 0               | 126,652                 |
| 13                                   | Education          | DAS Purchasing Assessment              | Oper        | 4,309           | 4,309                   |
| 13                                   | Education          | TEEOSA; revised Insurance Premium tax  | Aid         | (4,139,147)     | (4,139,147)             |
| 13                                   | Education          | TEEOSA Aid Reduced Appropriation       | Aid         | (34,446)        | (34,446)                |
| 13                                   | Education          | KRONOS Payroll Increase                | Oper        | 2,515           | 0                       |
| 13                                   | Education          | School Breakfast                       | Aid         | 52,291          | 52,291                  |
| 13                                   | Education          | Rent Increase                          | Oper        | 380,033         | 380,033                 |
| 13                                   | Education          | Retiree Payout                         | Oper        | 0               | 64,920                  |
| 13                                   | Education          | Center for Blind and Visually Impaired | Oper        | 166,710         | 166,710                 |
| 14                                   | PSC                | Shift Grain Funds to Cash              | Oper        | (49,500)        | (49,500)                |
| 16                                   | Revenue            | Homestead exemption deficit            | Aid         | (1,800,000)     | (1,800,000)             |
| 25                                   | DHHS               | Hardware Refresh (Prog 33)             | Oper        | 6,287,287       | 6,287,287               |
| 25                                   | DHHS               | Hardware Refresh (Prog 347)            | Oper        | (6,287,287)     | (6,287,287)             |
| 25                                   | DHHS               | Health Information Exchange Cynchealth | Oper        | 11,021,795      | 11,021,795              |
| 25                                   | DHHS               | Technology Costs (Prog 33)             | Oper        | 1,000,000       | 1,000,000               |
| 25                                   | DHHS               | Technology Costs (Prog 347)            | Oper        | (1,000,000)     | (1,000,000)             |
| 46                                   | Corrections        | Inmate Per Diem                        | Oper        | 12,837,008      | 12,837,008              |
| 46                                   | Corrections        | Salary Increases 24/7 Raises           | Oper        | 12,088,445      | 12,088,445              |
| 50                                   | State Colleges     | Adjunct Pay Funding                    | Oper        | 254,109         | 423,515                 |
| 50                                   | State Colleges     | Operating Expense Inflation            | Oper        | 735,604         | 735,604                 |
| 50                                   | State Colleges     | Insurance                              | Oper        | 176,078         | 0                       |
| CHANGE IN FY22-23 NEW APPROPRIATIONS |                    |  |             | 31,695,804      | 31,878,189              |

## American Rescue Plan Act

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The Appropriations Committee preliminary budget includes reappropriation of all amounts appropriated in the current biennium pursuant to agency budget requests. The budget also includes an increase of \$4 million in FY22-23 to the appropriation to the Military Department for administrative costs for DHHS technology costs. This \$4 million became available because the Department of Agriculture did not request reappropriation of funding for purposes of LB805 (2022) for the upcoming biennium. The initial appropriation pursuant to LB805A of \$2 million is being spent in accordance with the legislation.

The Governor's recommendation included an additional appropriation for \$2.4 million to the Department of Natural Resources, which would utilize nearly all of the unappropriated ARPA funds. The Committee's preliminary budget did not include this amount.

**Table 9 General Fund Appropriations by Agency  
Appropriations Committee Preliminary Budget**

|     |                     | Committee Preliminary |               |               |               |          |            |         |
|-----|---------------------|-----------------------|---------------|---------------|---------------|----------|------------|---------|
|     |                     | FY22-23               |               |               | FY23-24       | FY24-25  | 2 Yr Total |         |
|     |                     | w/o Deficits          | Prelim        | Prelim        | %             | %        | %          |         |
|     |                     | FY2022-23             | FY2023-24     | FY2024-25     | Change        | Change   | % Change   |         |
|     | Type                |                       |               |               |               |          |            |         |
| #03 | Legislative Council | Oper                  | 24,042,798    | 24,903,721    | 26,406,013    | 3.58%    | 6.03%      | 4.81%   |
| #03 | Legislative Council | Total                 | 24,042,798    | 24,903,721    | 26,406,013    | 3.58%    | 6.03%      | 4.81%   |
| #05 | Supreme Court       | Aid                   | 270,000       | 270,000       | 270,000       | 0.00%    | 0.00%      | 0.00%   |
| #05 | Supreme Court       | Oper                  | 204,357,073   | 211,480,832   | 220,568,521   | 3.49%    | 4.30%      | 3.89%   |
| #05 | Supreme Court       | Total                 | 204,627,073   | 211,750,832   | 220,838,521   | 3.48%    | 4.29%      | 3.89%   |
| #07 | Governor            | Oper                  | 2,310,976     | 2,351,495     | 2,458,418     | 1.75%    | 4.55%      | 3.15%   |
| #07 | Governor            | Total                 | 2,310,976     | 2,351,495     | 2,458,418     | 1.75%    | 4.55%      | 3.15%   |
| #08 | Lt. Governor        | Oper                  | 156,422       | 158,750       | 160,870       | 1.49%    | 1.34%      | 1.41%   |
| #08 | Lt. Governor        | Total                 | 156,422       | 158,750       | 160,870       | 1.49%    | 1.34%      | 1.41%   |
| #09 | Secretary of State  | Oper                  | 2,126,915     | 2,189,535     | 2,240,736     | 2.94%    | 2.34%      | 2.64%   |
| #09 | Secretary of State  | Total                 | 2,126,915     | 2,189,535     | 2,240,736     | 2.94%    | 2.34%      | 2.64%   |
| #10 | State Auditor       | Oper                  | 3,132,140     | 3,315,099     | 3,455,002     | 5.84%    | 4.22%      | 5.03%   |
| #10 | State Auditor       | Total                 | 3,132,140     | 3,315,099     | 3,455,002     | 5.84%    | 4.22%      | 5.03%   |
| #11 | Attorney General    | Oper                  | 7,356,990     | 8,869,867     | 9,208,814     | 20.56%   | 3.82%      | 12.19%  |
| #11 | Attorney General    | Total                 | 7,356,990     | 8,869,867     | 9,208,814     | 20.56%   | 3.82%      | 12.19%  |
| #12 | State Treasurer     | Aid                   | 2,000,000     | 0             | 0             | -100.00% | 0.00%      | -50.00% |
| #12 | State Treasurer     | Oper                  | 1,226,555     | 1,280,827     | 1,321,507     | 4.42%    | 3.18%      | 3.80%   |
| #12 | State Treasurer     | Total                 | 3,226,555     | 1,280,827     | 1,321,507     | -60.30%  | 3.18%      | -28.56% |
| #13 | Education           | Aid                   | 1,311,105,386 | 1,286,065,544 | 1,196,046,903 | -1.91%   | -7.00%     | -4.45%  |
| #13 | Education           | Oper                  | 30,245,296    | 31,383,408    | 31,991,040    | 3.76%    | 1.94%      | 2.85%   |
| #13 | Education           | Total                 | 1,341,350,682 | 1,317,448,952 | 1,228,037,943 | -1.78%   | -6.79%     | -4.28%  |
| #14 | Public Service Comm | Aid                   | 19,795,788    | 19,795,788    | 19,795,788    | 0.00%    | 0.00%      | 0.00%   |
| #14 | Public Service Comm | Oper                  | 2,550,729     | 2,504,512     | 2,589,136     | -1.81%   | 3.38%      | 0.78%   |
| #14 | Public Service Comm | Total                 | 22,346,517    | 22,300,300    | 22,384,924    | -0.21%   | 0.38%      | 0.09%   |
| #15 | Parole Board        | Oper                  | 8,402,902     | 8,784,574     | 9,767,232     | 4.54%    | 11.19%     | 7.86%   |
| #15 | Parole Board        | Total                 | 8,402,902     | 8,784,574     | 9,767,232     | 4.54%    | 11.19%     | 7.86%   |
| #16 | Revenue             | Aid                   | 121,300,000   | 128,000,000   | 133,600,000   | 5.52%    | 4.38%      | 4.95%   |
| #16 | Revenue             | Oper                  | 30,222,159    | 31,555,250    | 32,830,012    | 4.41%    | 4.04%      | 4.23%   |
| #16 | Revenue             | Total                 | 151,522,159   | 159,555,250   | 166,430,012   | 5.30%    | 4.31%      | 4.81%   |
| #18 | Agriculture         | Aid                   | 1,006,000     | 1,006,000     | 1,006,000     | 0.00%    | 0.00%      | 0.00%   |
| #18 | Agriculture         | Oper                  | 7,146,588     | 6,437,344     | 6,605,416     | -9.92%   | 2.61%      | -3.66%  |
| #18 | Agriculture         | Total                 | 8,152,588     | 7,443,344     | 7,611,416     | -8.70%   | 2.26%      | -3.22%  |
| #21 | Fire Marshal        | Oper                  | 4,557,974     | 4,795,381     | 4,972,756     | 5.21%    | 3.70%      | 4.45%   |
| #21 | Fire Marshal        | Total                 | 4,557,974     | 4,795,381     | 4,972,756     | 5.21%    | 3.70%      | 4.45%   |
| #23 | Labor               | Aid                   | 0             | 0             | 0             | N/A      | N/A        | N/A     |
| #23 | Labor               | Oper                  | 680,670       | 724,861       | 758,990       | 6.49%    | 4.71%      | 5.60%   |
| #23 | Labor               | Total                 | 680,670       | 724,861       | 758,990       | 6.49%    | 4.71%      | 5.60%   |
| #25 | DHHS                | Aid                   | 1,569,287,020 | 1,570,705,653 | 1,603,247,958 | 0.09%    | 2.07%      | 1.08%   |
| #25 | DHHS                | Oper                  | 291,885,024   | 327,447,037   | 334,116,470   | 12.18%   | 2.04%      | 7.11%   |
| #25 | DHHS                | Total                 | 1,861,172,044 | 1,898,152,690 | 1,937,364,428 | 1.99%    | 2.07%      | 2.03%   |

|     |                       | Committee Preliminary |             |             |             |          |            |          |
|-----|-----------------------|-----------------------|-------------|-------------|-------------|----------|------------|----------|
|     |                       | FY22-23               |             |             | FY23-24     | FY24-25  | 2 Yr Total |          |
|     |                       | w/o Deficits          | Prelim      | Prelim      | %           | %        | %          |          |
|     |                       | FY2022-23             | FY2023-24   | FY2024-25   | Change      | Change   | % Change   |          |
|     | Type                  |                       |             |             |             |          |            |          |
| #28 | Veterans Affairs      | Oper                  | 39,858,125  | 42,760,828  | 44,829,995  | 7.28%    | 4.84%      | 6.06%    |
| #28 | Veterans Affairs      | Total                 | 39,858,125  | 42,760,828  | 44,829,995  | 7.28%    | 4.84%      | 6.06%    |
| #29 | Natural Resources     | Aid                   | 1,806,112   | 1,806,112   | 1,806,112   | 0.00%    | 0.00%      | 0.00%    |
| #29 | Natural Resources     | Oper                  | 11,311,269  | 11,954,469  | 12,241,592  | 5.69%    | 2.40%      | 4.04%    |
| #29 | Natural Resources     | Total                 | 13,117,381  | 13,760,581  | 14,047,704  | 4.90%    | 2.09%      | 3.49%    |
| #31 | Military Dept         | Aid                   | 5,852,793   | 5,852,793   | 5,852,793   | 0.00%    | 0.00%      | 0.00%    |
| #31 | Military Dept         | Oper                  | 4,650,086   | 5,110,713   | 5,206,611   | 9.91%    | 1.88%      | 5.89%    |
| #31 | Military Dept         | Total                 | 10,502,879  | 10,963,506  | 11,059,404  | 4.39%    | 0.87%      | 2.63%    |
| #32 | Ed Lands & Funds      | Oper                  | 436,967     | 462,359     | 481,798     | 5.81%    | 4.20%      | 5.01%    |
| #32 | Ed Lands & Funds      | Total                 | 436,967     | 462,359     | 481,798     | 5.81%    | 4.20%      | 5.01%    |
| #33 | Game & Parks          | Aid                   | 50,000      | 52,500      | 52,500      | 5.00%    | 0.00%      | 2.50%    |
| #33 | Game & Parks          | Oper                  | 12,289,028  | 12,911,359  | 13,283,339  | 5.06%    | 2.88%      | 3.97%    |
| #33 | Game & Parks          | Total                 | 12,339,028  | 12,963,859  | 13,335,839  | 5.06%    | 2.87%      | 3.97%    |
| #34 | Library Commission    | Aid                   | 1,367,061   | 1,367,061   | 1,367,061   | 0.00%    | 0.00%      | 0.00%    |
| #34 | Library Commission    | Oper                  | 2,906,583   | 3,078,497   | 3,201,257   | 5.91%    | 3.99%      | 4.95%    |
| #34 | Library Commission    | Total                 | 4,273,644   | 4,445,558   | 4,568,318   | 4.02%    | 2.76%      | 3.39%    |
| #35 | Liquor Control        | Oper                  | 1,847,798   | 1,950,586   | 1,994,438   | 5.56%    | 2.25%      | 3.91%    |
| #35 | Liquor Control        | Total                 | 1,847,798   | 1,950,586   | 1,994,438   | 5.56%    | 2.25%      | 3.91%    |
| #36 | Racing Commission     | Oper                  | 177         | 0           | 0           | -100.00% | N/A        | -100.00% |
| #36 | Racing Commission     | Total                 | 177         | 0           | 0           | -100.00% | N/A        | -100.00% |
| #46 | Correctional Services | Aid                   | 4,000,000   | 4,000,000   | 4,000,000   | 0.00%    | 0.00%      | 0.00%    |
| #46 | Correctional Services | Oper                  | 289,961,758 | 316,329,587 | 327,978,970 | 9.09%    | 3.68%      | 6.39%    |
| #46 | Correctional Services | Total                 | 293,961,758 | 320,329,587 | 331,978,970 | 8.97%    | 3.64%      | 6.30%    |
| #47 | NETC                  | Oper                  | 10,775,854  | 11,175,955  | 11,428,901  | 3.71%    | 2.26%      | 2.99%    |
| #47 | NETC                  | Total                 | 10,775,854  | 11,175,955  | 11,428,901  | 3.71%    | 2.26%      | 2.99%    |
| #48 | Coordinating Comm     | Aid                   | 9,093,430   | 9,093,430   | 9,093,430   | 0.00%    | 0.00%      | 0.00%    |
| #48 | Coordinating Comm     | Oper                  | 1,423,401   | 1,517,411   | 1,574,147   | 6.60%    | 3.74%      | 5.17%    |
| #48 | Coordinating Comm     | Total                 | 10,516,831  | 10,610,841  | 10,667,577  | 0.89%    | 0.53%      | 0.71%    |
| #50 | State Colleges        | Aid                   | 3,050,000   | 4,407,500   | 4,840,000   | 44.51%   | 9.81%      | 27.16%   |
| #50 | State Colleges        | Oper                  | 60,289,787  | 62,785,814  | 65,354,040  | 4.14%    | 4.09%      | 4.12%    |
| #50 | State Colleges        | Total                 | 63,339,787  | 67,193,314  | 70,194,040  | 6.08%    | 4.47%      | 5.27%    |
| #51 | Univ. of Nebraska     | Aid                   | 6,000,000   | 8,000,000   | 8,000,000   | 33.33%   | 0.00%      | 16.67%   |
| #51 | Univ. of Nebraska     | Oper                  | 643,842,701 | 652,342,746 | 658,342,746 | 1.32%    | 0.92%      | 1.12%    |
| #51 | Univ. of Nebraska     | Total                 | 649,842,701 | 660,342,746 | 666,342,746 | 1.62%    | 0.91%      | 1.26%    |
| #54 | Historical Society    | Oper                  | 5,338,950   | 5,621,483   | 5,770,357   | 5.29%    | 2.65%      | 3.97%    |
| #54 | Historical Society    | Total                 | 5,338,950   | 5,621,483   | 5,770,357   | 5.29%    | 2.65%      | 3.97%    |
| #57 | Oil & Gas Comm.       | Oper                  | 175,000     | 175,000     | 175,000     | 0.00%    | 0.00%      | 0.00%    |
| #57 | Oil & Gas Comm.       | Total                 | 175,000     | 175,000     | 175,000     | 0.00%    | 0.00%      | 0.00%    |
| #64 | State Patrol          | Oper                  | 70,282,670  | 76,946,722  | 80,850,085  | 9.48%    | 5.07%      | 7.28%    |
| #64 | State Patrol          | Total                 | 70,282,670  | 76,946,722  | 80,850,085  | 9.48%    | 5.07%      | 7.28%    |
| #65 | Admin Services        | Oper                  | 9,671,699   | 9,596,840   | 9,778,885   | -0.77%   | 1.90%      | 0.56%    |
| #65 | Admin Services        | Total                 | 9,671,699   | 9,596,840   | 9,778,885   | -0.77%   | 1.90%      | 0.56%    |

|      |                           | Committee Preliminary |             |             |             |          |            |          |
|------|---------------------------|-----------------------|-------------|-------------|-------------|----------|------------|----------|
|      |                           | FY22-23               |             |             |             |          |            |          |
|      |                           | w/o Deficits          | Prelim      | Prelim      | FY23-24     | FY24-25  | 2 Yr Total |          |
|      |                           |                       |             |             | %           | %        | %          |          |
| Type |                           | FY2022-23             | FY2023-24   | FY2024-25   | Change      | Change   | % Change   |          |
| #67  | Equal Opportunity         | Oper                  | 1,358,170   | 1,443,415   | 1,458,367   | 6.28%    | 1.04%      | 3.66%    |
| #67  | Equal Opportunity         | Total                 | 1,358,170   | 1,443,415   | 1,458,367   | 6.28%    | 1.04%      | 3.66%    |
| #68  | Latino Amer. Comm.        | Oper                  | 273,586     | 288,554     | 299,442     | 5.47%    | 3.77%      | 4.62%    |
| #68  | Latino Amer. Comm.        | Total                 | 273,586     | 288,554     | 299,442     | 5.47%    | 3.77%      | 4.62%    |
| #69  | Arts Council              | Aid                   | 9,405,346   | 1,905,346   | 1,905,346   | -79.74%  | 0.00%      | -39.87%  |
| #69  | Arts Council              | Oper                  | 696,706     | 693,159     | 722,615     | -0.51%   | 4.25%      | 1.87%    |
| #69  | Arts Council              | Total                 | 10,102,052  | 2,598,505   | 2,627,961   | -74.28%  | 1.13%      | -36.57%  |
| #70  | Foster Care Review        | Aid                   | 500,000     | 500,000     | 500,000     | 0.00%    | 0.00%      | 0.00%    |
| #70  | Foster Care Review        | Oper                  | 2,266,151   | 2,393,740   | 2,492,644   | 5.63%    | 4.13%      | 4.88%    |
| #70  | Foster Care Review        | Total                 | 2,766,151   | 2,893,740   | 2,992,644   | 4.61%    | 3.42%      | 4.02%    |
| #72  | DED                       | Aid                   | 40,147,622  | 40,130,862  | 40,130,862  | -0.04%   | 0.00%      | -0.02%   |
| #72  | DED                       | Oper                  | 8,304,408   | 8,787,552   | 9,144,544   | 5.82%    | 4.06%      | 4.94%    |
| #72  | DED                       | Total                 | 48,452,030  | 48,918,414  | 49,275,406  | 0.96%    | 0.73%      | 0.85%    |
| #76  | Indian Affairs Comm.      | Oper                  | 264,199     | 280,214     | 292,665     | 6.06%    | 4.44%      | 5.25%    |
| #76  | Indian Affairs Comm.      | Total                 | 264,199     | 280,214     | 292,665     | 6.06%    | 4.44%      | 5.25%    |
| #77  | Industrial Relations      | Oper                  | 313,831     | 325,401     | 334,304     | 3.69%    | 2.74%      | 3.21%    |
| #77  | Industrial Relations      | Total                 | 313,831     | 325,401     | 334,304     | 3.69%    | 2.74%      | 3.21%    |
| #78  | Crime Commission          | Aid                   | 12,305,805  | 12,305,805  | 12,305,805  | 0.00%    | 0.00%      | 0.00%    |
| #78  | Crime Commission          | Oper                  | 6,118,421   | 6,559,868   | 6,501,152   | 7.22%    | -0.90%     | 3.16%    |
| #78  | Crime Commission          | Total                 | 18,424,226  | 18,865,673  | 18,806,957  | 2.40%    | -0.31%     | 1.04%    |
| #81  | Blind & Visually Impaired | Aid                   | 311,790     | 311,790     | 311,790     | 0.00%    | 0.00%      | 0.00%    |
| #81  | Blind & Visually Impaired | Oper                  | 1,761,676   | 1,996,909   | 2,149,452   | 13.35%   | 7.64%      | 10.50%   |
| #81  | Blind & Visually Impaired | Total                 | 2,073,466   | 2,308,699   | 2,461,242   | 11.34%   | 6.61%      | 8.98%    |
| #82  | Deaf & Hard of Hearing    | Oper                  | 1,100,351   | 1,164,268   | 1,213,445   | 5.81%    | 4.22%      | 5.02%    |
| #82  | Deaf & Hard of Hearing    | Total                 | 1,100,351   | 1,164,268   | 1,213,445   | 5.81%    | 4.22%      | 5.02%    |
| #83  | Community Colleges        | Aid                   | 109,804,330 | 111,939,172 | 114,116,711 | 1.94%    | 1.95%      | 1.94%    |
| #83  | Community Colleges        | Total                 | 109,804,330 | 111,939,172 | 114,116,711 | 1.94%    | 1.95%      | 1.94%    |
| #84  | Envir. & Energy           | Aid                   | 100,000     | 0           | 0           | -100.00% | N/A        | -100.00% |
| #84  | Envir. & Energy           | Oper                  | 5,618,429   | 5,850,926   | 5,934,264   | 4.14%    | 1.42%      | 2.78%    |
| #84  | Envir. & Energy           | Total                 | 5,718,429   | 5,850,926   | 5,934,264   | 2.32%    | 1.42%      | 1.87%    |
| #85  | Retirement Board          | Oper                  | 57,826,161  | 60,972,169  | 63,139,000  | 5.44%    | 3.55%      | 4.50%    |
| #85  | Retirement Board          | Total                 | 57,826,161  | 60,972,169  | 63,139,000  | 5.44%    | 3.55%      | 4.50%    |
| #87  | Account/Disclosure        | Oper                  | 618,857     | 653,612     | 673,884     | 5.62%    | 3.10%      | 4.36%    |
| #87  | Account/Disclosure        | Total                 | 618,857     | 653,612     | 673,884     | 5.62%    | 3.10%      | 4.36%    |
| #90  | African American Affairs  | Oper                  | 262,599     | 277,053     | 288,164     | 5.50%    | 4.01%      | 4.76%    |
| #90  | African American Affairs  | Total                 | 262,599     | 277,053     | 288,164     | 5.50%    | 4.01%      | 4.76%    |
| #93  | TERC                      | Oper                  | 945,551     | 1,001,646   | 1,044,438   | 5.93%    | 4.27%      | 5.10%    |
| #93  | TERC                      | Total                 | 945,551     | 1,001,646   | 1,044,438   | 5.93%    | 4.27%      | 5.10%    |

## Detailed List – Specific General Fund Adjustments

(Appropriations Committee Preliminary Budget – Amounts are \$ change from FY23 Base)

| #  | Agency           | Prog | Type | Issue   | Year         |               |
|----|------------------|------|------|---|--------------|---------------|
|    |                  |      |      |   | FY24         | FY25          |
| 3  | Legislature      | 122  | Oper | Long/Short Session                                | (278,001)    | 0             |
| 3  | Legislature      | 122  | Oper | General Increase/Decrease                         | 66,400       | 107,900       |
| 3  | Legislature      | 123  | Oper | Long/Short Session                                | (121,412)    | 5,000         |
| 3  | Legislature      | 123  | Oper | General Increase/Decrease                         | 245,924      | 241,644       |
| 3  | Legislature      | 126  | Oper | General Increase/Decrease                         | (103,472)    | (103,472)     |
| 3  | Legislature      | 127  | Oper | General Increase/Decrease                         | 5,590        | 32,090        |
| 3  | Legislature      | 129  | Oper | General Increase/Decrease                         | (79,266)     | (77,966)      |
| 3  | Legislature      | 501  | Oper | General Increase/Decrease                         | 31,613       | 38,219        |
| 3  | Legislature      | 504  | Oper | General Increase/Decrease                         | 22,670       | 22,770        |
| 3  | Legislature      | 638  | Oper | General Increase/Decrease                         | (277,226)    | (277,226)     |
| 5  | Supreme Court    | 52   | Oper | Annualize Impact of LB 922A                       | (9,394)      | (9,394)       |
| 5  | Supreme Court    | 437  | Oper | Probation: FY23 Provider Rate Increase            | 0            | 3,590,367     |
| 7  | Governor         | 125  | Oper | Transition Expenses                               | (99,047)     | (99,047)      |
| 9  | Sec. of State    | 20   | Oper | Appropriations Clean Up                           | (3,361)      | (3,361)       |
| 11 | Attorney General | 496  | Oper | Interstate Water Litigation                       | 500,000      | 500,000       |
| 11 | Attorney General | 507  | Oper | Trial Preparation Coordinator                     | 102,917      | 107,840       |
| 11 | Attorney General | 507  | Oper | Three Satellite Prosecutors Throughout Nebraska   | 377,834      | 396,056       |
| 11 | Attorney General | 507  | Oper | Additional AENR Bureau Attorney                   | 125,944      | 132,018       |
| 12 | Treasurer        | 24   | Oper | Building rent expenses                            | 1,109        | 1,109         |
| 12 | Treasurer        | 149  | Aid  | Remove funding from Program 149 - Aid to Counties | (2,000,000)  | (2,000,000)   |
| 13 | Education        | 25   | Oper | Building Rental Agreement Increase                | 276,439      | 271,559       |
| 13 | Education        | 158  | Aid  | TEEOSA Aid  | (25,039,842) | (115,058,483) |
| 13 | Education        | 401  | Oper | Building Rental Agreement Increase                | 217          | 213           |
| 13 | Education        | 402  | Oper | Building Rental Agreement Increase                | 217          | 213           |
| 14 | PSC              | 54   | Oper | Shift Grain general funds to cash funds           | (87,075)     | (94,221)      |
| 14 | PSC              | 54   | Oper | Shift Communications to NUSF                      | (76,884)     | (80,399)      |
| 15 | Board of Parole  | 358  | Oper | Transitional Living Facility Staffing             | 0            | 688,461       |
| 16 | Revenue          | 102  | Oper | Annualize LB1273 Law Enforcement Tax Credit       | (105,660)    | (105,660)     |
| 16 | Revenue          | 102  | Oper | Annualize LB984 Increase Sales Tax Collection Fee | (22,188)     | (22,188)      |
| 16 | Revenue          | 102  | Oper | Annualize LB917 Wages Paid to Convicted Felony    | (202,931)    | (202,931)     |
| 16 | Revenue          | 102  | Oper | Annualize LB1150 Nebraska ImagiNE Act             | (26,250)     | (26,250)      |
| 16 | Revenue          | 102  | Oper | Annualize LB1218 Teach in Nebraska Today Act      | (107,760)    | (107,760)     |
| 16 | Revenue          | 102  | Oper | Annualize LB1261 NE Advantage Rural Dev Act       | (217,596)    | (212,596)     |
| 16 | Revenue          | 102  | Oper | Replace Purchased PCs with Leased PCs             | 36,444       | 72,889        |
| 16 | Revenue          | 108  | Aid  | Additional Forecasted Homestead Appropriation     | 6,700,000    | 12,300,000    |
| 16 | Revenue          | 112  | Oper | Replace Purchased PCs with Leased PCs             | 2,573        | 5,145         |
| 18 | Agriculture      | 78   | Oper | Decrease Base Appropriation for LB848A            | (1,000,000)  | (1,000,000)   |
| 18 | Agriculture      | 78   | Oper | PSL Decrease                                      | (51,818)     | (51,818)      |
| 18 | Agriculture      | 78   | Oper | Fallbrook Move Rent Increase                      | 53,503       | 56,286        |
| 21 | Fire Marshal     | 193  | Oper | TSB Mileage Rate Increase                         | 17,021       | 17,021        |

| #  | Agency       | Prog | Type | Issue   | Year         |              |
|----|--------------|------|------|---|--------------|--------------|
|    |              |      |      |   | FY24         | FY25         |
| 21 | Fire Marshal | 340  | Oper | TSB Mileage Rate Increase                                     | 6,202        | 6,202        |
| 25 | DHHS         | 33   | Oper | Annualization of LB376 - DD Waiver                            | 510,131      | 510,131      |
| 25 | DHHS         | 33   | Oper | Annualization of LB1173                                       | (28,546)     | (264,358)    |
| 25 | DHHS         | 33   | Oper | Annualization of LB752 -Staff for Advisory Council            | 19,774       | 19,774       |
| 25 | DHHS         | 33   | Oper | Annualization of LB741 Child/Maternal Death Review            | 0            | 130,000      |
| 25 | DHHS         | 33   | Oper | IT Hardware Refresh   | 3,137,551    | 3,137,551    |
| 25 | DHHS         | 33   | Oper | Agency Service Area Renovation                                | 431,210      | 431,210      |
| 25 | DHHS         | 33   | Oper | Economic Assistance Call Center                               | 3,000,000    | 3,000,000    |
| 25 | DHHS         | 33   | Oper | DD Case Management Contract                                   | 11,402       | 45,608       |
| 25 | DHHS         | 33   | Oper | DD Services Coordination                                      | 538,545      | 1,103,965    |
| 25 | DHHS         | 33   | Oper | Developmental Disabilities Liberty Contract                   | 1,169,514    | 1,169,514    |
| 25 | DHHS         | 33   | Oper | MLTC Contracted Services Appropriation Alignment              | 2,324,690    | 2,371,183    |
| 25 | DHHS         | 33   | Oper | Federal Medical Assistance Percent (FMAP) Increase            | (155,859)    | (185,744)    |
| 25 | DHHS         | 33   | Oper | CFSS New Worker and In-Service Training                       | 1,330,000    | 1,330,000    |
| 25 | DHHS         | 33   | Oper | Protection and Safety Workforce                               | 705,562      | 740,840      |
| 25 | DHHS         | 33   | Oper | Public Health Lab Equipment                                   | 445,000      | 0            |
| 25 | DHHS         | 33   | Oper | Office Consolidation  | (279,017)    | (279,017)    |
| 25 | DHHS         | 38   | Aid  | BH Base Correction for Provider Rates                         | 6,194,049    | 6,194,049    |
| 25 | DHHS         | 38   | Aid  | Behavioral Health 988 Call Center                             | 4,000,000    | 4,877,000    |
| 25 | DHHS         | 344  | Aid  | Federal Medical Assistance Percent (FMAP) Increase            | (726,017)    | (864,666)    |
| 25 | DHHS         | 347  | Aid  | IT Hardware Refresh   | (3,137,551)  | (3,137,551)  |
| 25 | DHHS         | 348  | Aid  | Annualization of LB698 - Cont. Glucose Monitoring             | 329,662      | 329,662      |
| 25 | DHHS         | 348  | Aid  | Part D Clawback Premium Increase                              | 3,143,162    | 3,300,320    |
| 25 | DHHS         | 348  | Aid  | Federal Medical Assistance Percent (FMAP) Increase            | (15,921,062) | (18,973,887) |
| 25 | DHHS         | 348  | Aid  | DD Case Management Contract                                   | 108,321      | 433,285      |
| 25 | DHHS         | 348  | Aid  | Aduhelm Mandated Coverage (Alzheimer's drug)                  | 0            | 6,843,809    |
| 25 | DHHS         | 354  | Aid  | Annualization of LB1173                                       | 15,110       | 15,110       |
| 25 | DHHS         | 354  | Aid  | Child Welfare Base Adj. for FY23 Provider Rate Inc            | 3,200,000    | 3,200,000    |
| 25 | DHHS         | 354  | Aid  | Federal Medical Assistance Percent (FMAP) Increase            | (241,814)    | (322,418)    |
| 25 | DHHS         | 354  | Aid  | Fund ongoing Child Welfare Rate Increase following ARPA lapse | 0            | 6,000,000    |
| 25 | DHHS         | 365  | Oper | Annualization LB921 Reimburse for LRC Admissions              | (217,630)    | (214,797)    |
| 25 | DHHS         | 421  | Oper | DD Services Coordination                                      | (295,502)    | (605,778)    |
| 25 | DHHS         | 421  | Oper | Federal Medical Assistance Percent (FMAP) Increase            | (24,482)     | (29,177)     |
| 25 | DHHS         | 424  | Aid  | Annualization of LB376 - DD Waiver                            | 1,508,507    | 1,508,507    |
| 25 | DHHS         | 424  | Aid  | DD New Graduates  | 1,088,958    | 2,177,916    |
| 25 | DHHS         | 424  | Aid  | DD Priority One Offers  | 1,568,789    | 3,137,578    |
| 25 | DHHS         | 424  | Aid  | Federal Medical Assistance Percent (FMAP) Increase            | (2,849,032)  | (3,395,327)  |
| 25 | DHHS         | 424  | Aid  | DD Base Adjustment for FY23 Provider Rate Increase            | 0            | 19,500,000   |
| 31 | Military     | 544  | Oper | ARNG-FP (1) FTE Maintenance Specialist I                      | 13,203       | 13,773       |
| 31 | Military     | 544  | Oper | State Tuition Assistance Program Database                     | 80,000       | 0            |
| 31 | Military     | 545  | Oper | Transfer of DAS - COOP position to NEMA                       | 42,343       | 42,343       |
| 33 | Game & Parks | 336  | Oper | Increases to key expenditure areas                            | 1,767        | 1,767        |
| 33 | Game & Parks | 338  | Aid  | Adjustments to Distribution of Aid needs                      | 2,500        | 2,500        |
| 34 | Library Comm | 252  | Oper | Accounting Assessment   | 1,923        | 1,923        |
| 34 | Library Comm | 252  | Oper | Office Space Lease  | 5,048        | 12,337       |

| #  | Agency                   | Prog | Type | Issue  | Year        |             |
|----|--------------------------|------|------|--|-------------|-------------|
|    |                          |      |      |  | FY24        | FY25        |
| 36 | Racing & Gaming          | 81   | Oper | Adjust General Fund Appropriation in Program 081   | (177)       | (177)       |
| 46 | Corrections              | 200  | Oper | Rate Changes & Master Lease                        | 2,770,575   | 3,173,842   |
| 46 | Corrections              | 200  | Oper | Inmate Per Diem Costs                              | 12,608,671  | 13,253,352  |
| 46 | Corrections              | 200  | Oper | One-Time Cash Fund Appropriation Increase          | (750,000)   | 0           |
| 46 | Corrections              | 200  | Oper | Annualize LB 896A Funding                          | (14,300)    | (14,300)    |
| 47 | NET                      | 533  | Oper | DAS Assessments and Fees                           | 30,067      | 30,067      |
| 48 | Coordinating<br>Comm.    | 640  | Oper | Administrative Inflationary Increases              | 8,691       | 10,011      |
| 48 | Coordinating<br>Comm.    | 640  | Oper | Increase in Travel Funds                           | 8,600       | 8,600       |
| 50 | State Colleges           | 48   | Aid  | Career Scholarship                                 | 1,057,500   | 1,190,000   |
| 50 | State Colleges           | 48   | Aid  | RHOP and PHEAST Scholarships                       | 300,000     | 600,000     |
| 51 | University               | 515  | Oper | Rural Health Education                             | 8,500,000   | 14,500,000  |
| 51 | University               | 515  | Aid  | Nebraska Career Scholarships                       | 2,000,000   | 2,000,000   |
| 64 | State Patrol             | 100  | Oper | Increased Wages for Officer Candidates             | 22,933      | 22,933      |
| 64 | State Patrol             | 100  | Oper | Changes in Facility Rental Costs                   | 79,186      | 81,749      |
| 64 | State Patrol             | 100  | Oper | Crime Laboratory Expansion                         | 68,022      | 885,393     |
| 64 | State Patrol             | 100  | Oper | Increased Cost of Crime Laboratory Supplies        | 260,331     | 260,331     |
| 64 | State Patrol             | 100  | Oper | Aviation Insurance                                 | 24,449      | 24,449      |
| 64 | State Patrol             | 100  | Oper | Vehicle Purchases                                  | 1,560,000   | 1,560,000   |
| 64 | State Patrol             | 100  | Oper | Increased Gasoline Prices                          | 687,649     | 687,649     |
| 64 | State Patrol             | 100  | Oper | Increase Advertising and Recruitment Budget        | 45,000      | 0           |
| 64 | State Patrol             | 850  | Oper | Changes in Facility Rental Costs                   | 5,118       | 5,118       |
| 65 | DAS                      | 171  | Oper | Eliminate General Fund Base Approp in Materiel     | (400,000)   | (400,000)   |
| 67 | EEOC                     | 59   | Oper | Retirement payoff Bsns Mgr                         | 28,921      | 2,024       |
| 68 | Latin Amer Comm          | 537  | Oper | Increases in Office Operation cost                 | 1,409       | 1,658       |
| 69 | Arts Council             | 323  | Aid  | One-time funds for Museum of NE Art                | (7,500,000) | (7,500,000) |
| 69 | Arts Council             | 326  | Oper | One-time retirement pay-out                        | (41,946)    | (41,946)    |
| 72 | DED                      | 603  | Oper | Annualize LB450A IHub Small Business Grants - OPS  | 16,760      | 16,760      |
| 72 | DED                      | 603  | Aid  | Annualize LB450A IHub Small Business Grants - Aid  | (16,760)    | (16,760)    |
| 78 | Crime Comm.              | 199  | Oper | Training Center Increases in Rent and Depreciation | 113,301     | 113,301     |
| 78 | Crime Comm.              | 199  | Oper | LB 1241A Annualization                             | (80,000)    | (80,000)    |
| 78 | Crime Comm.<br>Community | 215  | Oper | Server Upgrades                                    | 200,000     | 2,024       |
| 83 | Colleges                 | 151  | Aid  | Community College Aid                              | 2,134,842   | 4,312,381   |
| 84 | Envir. & Energy          | 106  | Aid  | Reduce appropriation for LIHEAP WAP                | (100,000)   | (100,000)   |
| 85 | Retirement Board         | 515  | Oper | Additional Contribution Requirement-Judges Plan    | 1,064,380   | 1,107,463   |
| 85 | Retirement Board         | 515  | Oper | Omaha Service Annuity Contribution                 | 361,489     | 396,889     |
| 85 | Retirement Board         | 515  | Oper | Additional Contribution Requirement-State Patrol   | 339,025     | 947,020     |
| 85 | Retirement Board         | 515  | Oper | 2% of Salary-Class V Schools-Omaha                 | 264,043     | 565,544     |
| 85 | Retirement Board         | 515  | Oper | 2% of Salary-State Schools                         | 1,117,071   | 2,295,923   |
|    | All Agencies             |      |      | Salaries   | 45,855,693  | 75,420,713  |
|    | All Agencies             |      |      | Health Insurance                                   | 4,452,962   | 9,070,445   |
|    | All Agencies             |      |      | DAS Rate Adjustments                               | 14,660,937  | 17,479,936  |
|    |                          |      |      | Total Increase from FY23 Base                      | 81,458,085  | 84,241,557  |

# STATUTORY CHANGES REQUIRED

## New Bill Introduction, Rule 5

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Rule 5 of the “Rules of the Nebraska Unicameral Legislature” authorizes the Appropriations Committee to introduce new bills in conjunction with the issuance of their Preliminary Report. The intent of the rule is to give the Committee the opportunity to review budget requests, develop an initial recommendation and then proceed to hearing on proposed funding levels while other standing Committees can hear the new bills that enable the recommendation.

THE SPECIFICS OF THE COMMITTEE PRELIMINARY BUDGET DO NOT REQUIRE INTRODUCTION OF NEW BILLS. Any statutory changes required to carry out the Appropriations Committee Preliminary Budget could be accomplished with bills already introduced as noted below.

## Appropriations Committee Preliminary Budget

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None

## Governor Recommendation

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The following were listed in the Governor’s budget document.

- LB 427 (Riepe) – Eliminate fees relating to nonresident contractors under the Contractor Registration Act
- LB 465 (Moser) – Change the allocation of fees for operators’ licenses and state identification cards
- LB 583 (Sanders) – Provide for foundation aid and special education supplemental aid under the Tax Equity and Education Opportunities Support Act
- LB 589 (Briese) – Adopt the School District Property Tax Limitation Act
- LB 641 (Kauth) – Change provisions relating to the taxation of social security benefits
- LB 671 (Hansen, B.) – Allow the Nebraska Training and Support Cash Fund to be used for retention of existing employees of Nebraska businesses
- LB 681 (Clements) – Change provisions relating to a fund and provide for transfers under the Tax Equity and Educational Opportunities Support Act
- LB 689 (Linehan) – Change provisions relating to an income tax credit for community college taxes paid
- LB 723 (Bostleman) – Adopt the Public Water and Natural Resources Project Contracting Act
- LB 750 (Albrecht) – Change provisions relating to the valuation of agricultural and horticultural land
- LB 753 (Linehan) – Adopt the Opportunity Scholarships Act and provide tax credits
- LB 754 (Linehan) – Reduce individual and corporate income tax rates
- LB 804 (von Gillern) – Change corporate income tax rates
- LB 806 (von Gillern) – Change individual income tax rates

## Mainline Appropriations Bills

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The following bills are the standard appropriations bills as introduced by the Governor that authorize the bulk of state government expenditures. They are listed here for information only.

- LB 813** Provide for deficit appropriations (Speaker Arch, at the request of the Governor)
- LB 814** Appropriate funds for state government expenses (Speaker Arch, at the request of the Governor)
- LB 815** Appropriations for legislative salaries (Speaker Arch, at the request of the Governor)
- LB 816** Appropriate funds, salaries of constitutional officers (Speaker Arch, at the request of the Governor)
- LB 817** Provide appropriations for capital construction (Speaker Arch, at the request of the Governor)
- LB 818** Provide, change, and eliminate fund transfers (Speaker Arch, at the request of the Governor)
- LB 819** Cash Reserve Fund transfers (Speaker Arch, at the request of the Governor)

## **Notice to County Clerk of School Board Vacancy**

A vacancy on the Southern Board of Education was created on May 8, 2023. The office vacated was that of a school board member. The term of this position will expire on the first Thursday after the first Tuesday in January, 2025.

### **RECEIPT**

The undersigned acknowledges receipt of the above Notice of School Board Vacancy this 8 day of May, 2023.

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County Clerk

### **32-570. School board; vacancy; how filled.**

(1) A vacancy in the membership of a school board shall occur as set forth in section 32-560 or in the case of absences, unless excused by a majority of the remaining members of the board, when a member is absent from the district for a continuous period of sixty days at one time or from more than two consecutive regular meetings of the board. The resignation of a member or any other reason for a vacancy shall be made a part of the minutes of the school board. The school board shall give notice of the date the vacancy occurred, the office vacated, and the length of the unexpired term (a) in writing to the election commissioner or county clerk and (b) by a notice published in a newspaper of general circulation in the school district.

(2) A person appointed to fill a vacancy on the school board of a Class I school district by the remaining members of the board shall hold office until the beginning of the next school year. A board member of a Class I school district elected to fill a vacancy at a regular or special school district meeting shall serve for the remainder of the unexpired term or until a successor is elected and qualified.

(3) Except as provided in subsection (4) of this section, a vacancy in the membership of a school board of a Class II, III, IV, V, or VI school district resulting from any cause other than the expiration of a term shall be filled by appointment of a qualified registered voter by the remaining members of the board for the remainder of the unexpired term. A registered voter appointed pursuant to this subsection shall meet the same requirements as the member whose office is vacant.

(4) Any vacancy in the membership of a school board of a school district described in section 79-549 which does not nominate candidates at a primary election and elect members at the following general election shall be filled by appointment of a qualified registered voter by the remaining members of the board for the remainder of the unexpired term.

(5) If any school board fails to fill a vacancy on the board, the vacancy may be filled by election at a special election or school district meeting called for that purpose. Such election or meeting shall be called in the same manner and subject to the same procedures as other special elections or school district meetings.

(6) If there are vacancies in the offices of one-half or more of the members of a school board, the Secretary of State shall conduct a special school district election to fill such vacancies.

**Source:** Laws 1994, LB 76, § 166; Laws 1999, LB 272, § 15; Laws 2010, LB965, § 1; Laws 2012, LB878, § 3; Laws 2013, LB125, § 3; Laws 2016, LB874, § 1.

**Operative Date: July 21, 2016**



## *2023-2024 Extra Duty Assignments*

### **Activities Director**

Jeff Murphy

### **Fall Sports:**

#### **Football**

Head Coach – Shane Saathoff

Assist. Coach – Jarod Remmers

Assist. Coach – Greg Iverson

#### **Softball**

Head Coach – Shelby Thernes

Assist. Coach – Josie Hulse

#### **Volleyball**

Head Coach – Shannon Burgess

Assist. Coach – Kylie Betten

#### **JH Football**

Head Coach – Preston Jurgens

Assist. Coach – Chaysen Bednar

#### **JH Volleyball**

Head Coach – Jolene Bartels

Assist. Coach – Beth Willet

### **Winter Sports:**

#### **Boys Basketball**

Head Coach – Aaron Whitwer

Assist. Coach – Atreyu King

#### **Girls Basketball**

Head Coaches – Hanah Baumgartner

Assist. Coach – Chaysen Bednar

#### **Wrestling**

Head Coach – Preston Jurgens

Assist. Coach – Jason Allington

#### **JH Boys Basketball**

Head Coach – Jarod Remmers

Assist. Coach – Jeremy Doose

#### **JH Girls Basketball**

Head Coach – Jamie Schluter

Assist. Coach – Shelby Thernes

## **JH Wrestling**

Head Coach – Preston Jurgens

## **Spring Sports:**

### **Golf**

Head Coach – Beth Willet

### **HS Track**

Head Coach – Greg Iverson

Head Coach – **Kylie Betten**

Assist. HS Coach – **Ashley McConnell**

### **JH Track**

Junior High Coach – Jolene Bartels

Junior High Coach – Taylor Landenberger

### **Activity Sponsors**

Drug Free Youth – Dee Bednar

Concessions – Jeff Murphy

Cheerleading – Taylor Landenberger

eSports – Gavin Nielson & Jeremy Doose

FBLA – Jamie Schluter

Future Farmers of America – Brady Meyer

Instrumental Music/Band – Gavin Nielson

National Honor Society – Pam Trauernicht

Play Production – Deb Bachmann-Clasen

Quiz Bowl (Junior High) – Dominique Clay

Quiz Bowl (Senior High) – Jeff Tunink

Senior Slide Show – Chelesy Fralin

Speech – Valerie Barnhart

Student Council – Jeff Tunink

Vocal Music – **Jake Voorhis**

Yearbook – **Chelesy Fralin**

### **Class Sponsors**

Seventh Grade Class Sponsor – Hanah Baumgartner

Eighth Grade Class Sponsor – Shelby Thernes

Freshman Class Sponsor – Heather McKinney

Sophomore Class Sponsor – Valerie Barnhart

Junior Class Sponsors – Shannon Mick & Josie Hulse

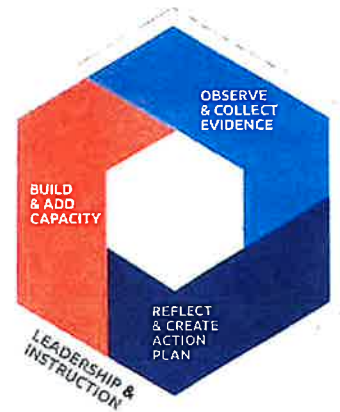
Senior Class Sponsor – Pam Trauernicht

## Cohort 2: The Math Acceleration Project

**WHY:** Nationwide, study after study show that student learning in elementary and middle levels in mathematics during the pandemic lags behind pre-pandemic gains, especially for historically marginalized populations. Nebraska is not an exception. NDE continues to provide support to accelerate learning in many ways. One is shoulder-to-shoulder work with ESU/district pairs to implement and leverage HQIM in elementary and middle school mathematics, The Math Acceleration Project.

**PARTNERSHIP:** Working with ESU leads, Instruction Partners supports two districts in the region who are in the first or second year of math K-8 HQIM adoption. This support would last for 2 years for each district. Instruction Partners shares and models research-based tools and practices that support effective HQIM implementation. The goal is to not only support the schools implementing HQIM, but also prepare the ESU leads to replicate this service to many of their schools. Instruction Partners customizes the support to fit ESUs and their districts needs.

**MODEL:** Instruction Partners uses data-driven cycles of improvement. We begin by understanding the context, work, successes, and challenges in HQIM implementation of our ESU and district partners. From there, we collect evidence and observe classrooms shoulder-to-shoulder with our ESU and district/building leaders. Together, we debrief, reflect, analyze and action-plan using the three levers for HQIM implementation: instructional vision-setting, unit-internalization, and feedback and coaching. Capacity-building for administrators is a natural extension of the action-plan, supporting and empowering them as instructional leaders. We work side-by-side with our ESU colleagues so they can begin leading the cycles of improvement with our support in year 2 of the project.



### OVERVIEW:

| Year 1<br>2021 - 2022      |    |    |    | Year 2<br>2022 - 2023      |    |  |    | Year 3<br>2023 - 2024 |    |  |    |
|----------------------------|----|----|----|----------------------------|----|--|----|-----------------------|----|--|----|
| Q1                         | Q2 | Q3 | Q4 | Q1                         | Q2 | Q3   | Q4 | Q1                    | Q2 | Q3   | Q4 |
| <b>COHORT 1</b>            |    |    |    |                            |    |  |    |                       |    |  |    |
| Instruction Partners Leads |    |    |    | Gradual Release            |    | ESU Leads —<br>Instruction<br>Partners Coaches |    |                       |    |  |    |
| <b>COHORT 2</b>            |    |    |    |                            |    |  |    |                       |    |  |    |
|                            |    |    |    | Instruction Partners Leads |    |  |    | Gradual Release       |    | ESU Leads —<br>Instruction<br>Partners Coaches |    |

**ROLES:**

| Actor   | Role   |
|---|--|
| ESU Administrator   | Awareness and support  |
| ESU Lead<br>Math or professional learning staff developer | Chief learner and district support for 2 years (22-23 and 23-24)<br>In year 1 of The Math Acceleration Project, the ESU lead will learn shoulder-to-shoulder next to the Instruction Partners team. In year 2, the ESU lead will receive support from the Instruction Partners team, but will be primarily leading the work. |
| District and Building Leaders                             | District and building leaders (from 2 districts) committed to and will fully participate in 2 years HQIM implementation support: instructional vision, unit-planning, and teacher feedback and coaching.   |

**TIME COMMITMENTS:**

| Actor  | Time Commitments   |
|--|--|
| ESU Administrator                            | A meeting at the start of The Math Acceleration Project  |
| ESU Leads                                    | Annual 8/year ESU Lead Coaching by Instruction Partners (1 hour/session)<br>Annual Quarterly ESU Collaborative Meetings (1.5 hours each)   |
| ESU Leads &<br>District and Building Leaders | These are for districts 1 and 2 (2 years of support for each district)<br><br>District and School Launches (1.5 hours/each)<br>Annual Fall and Spring Walkthroughs (1 day each/school)<br>Annual Fall and Spring Action-Planning (.5 day each/school)<br>Annual Fall and Spring Professional Learning (1 day each/school)<br>Annual Winter and Spring Progress Monitoring (1.5 hours each) |

**NEBRASKA TESTIMONIALS:**

“The camaraderie and willingness to work toward a common vision is most appreciated. [The Instruction Partners] team is personable, professional, and highly knowledgeable - all things that are equally important when working on a project like this.”

“An impactful moment for me was the realization that after schools choose an HQIM, teachers will need support implementing the new materials for many years, not just one or two. Teachers are more likely to go back to the traditional way of teaching math if they don't receive the support and encouragement from leaders and their friendly professional development coordinators at the ESU.”

Current Cohort 1 ESU Leads and Districts:

ESU 2: Kelly Georgius, Lyons and Wahoo

ESU 13: Kristen Kasten, Hemingford

ESU 16: Alison Smith, Perkins and Sutherland

ESU 17: Patty Finney, Valentine

**6005**  
**Academic Credits and Graduation**

Graduation from Southern High School requires that students must earn all credit hours before the time of graduation. Students will not be permitted to participate in Commencement Exercises if they have not successfully completed all credit hours and paid all bills before the Commencement Exercises. Students must have completed 230 credit hours including credits in required areas as listed below:

|   |                  |
|---|------------------|
| English   | 40 credits       |
| Mathematics   | 30 credits       |
| Science   | 30 credits       |
| Social Studies  | 30 credits       |
| Personal Finance  | 10 credits       |
| Physical Education/Health                               | 10 credits       |
| Vocational Education (Ag. or Business Classes)          | 10 credits       |
| <b>Computer Science &amp; Technology (2026-2027 SY)</b> | <b>5 credits</b> |
| Fine Arts   | 5 credits        |

Remaining credits are considered to be electives and may be chosen by the student.

Adopted on: 2-11-2019

Revised on: 3-14-2022

Reviewed on: \_\_\_\_\_

## LEGISLATIVE BILL 1112

Approved by the Governor April 18, 2022

Introduced by McKinney, 11; Slama, 1; Vargas, 7.

A BILL FOR AN ACT relating to schools; to amend sections 79-729, 79-760.01, and 79-3003, Revised Statutes Supplement, 2021; to adopt the Computer Science and Technology Education Act; to provide and change graduation requirements; to change duties relating to academic content standards; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Sections 1 to 5 of this act shall be known and may be cited as the Computer Science and Technology Education Act.

Sec. 2. The Legislature finds and declares that it is the policy of this state to promote computer science and technology education in each school district in order to (1) provide students the skills and competencies to compete in a twenty-first-century workforce, (2) develop skills that translate to high-skill, high-wage jobs, and (3) encourage the creation and retention of new, high-paying jobs in Nebraska.

Sec. 3. For purposes of the Computer Science and Technology Education Act, computer science and technology education includes, but is not limited to, knowledge and skills regarding computer literacy, educational technology, digital citizenship, information technology, and computer science.

Sec. 4. Beginning with school year 2024-25, each school district, in consultation with the State Department of Education, shall include computer science and technology education in the instructional program of its elementary and middle schools, as appropriate, and beginning in school year 2026-27, require each student attending a public school to complete at least one five-credit high school course or the equivalent of a one-semester high school course in computer science and technology prior to graduation. Such computer science and technology education course offered by a school district may be made available in a traditional classroom setting, a blended-learning environment, or an online-based or other technology-based format that is tailored to meet the need of each participating student.

Sec. 5. On or before December 1, 2025, and on or before December 1 of each year thereafter, in order to promote and support computer science and technology education, each school district shall provide an annual computer science and technology education status report to its school board and the State Department of Education, including, but not limited to, student progress in computer science and technology courses and other district-determined measures of computer science and technology education progress from the previous school year.

Sec. 6. Section 79-729, Revised Statutes Supplement, 2021, is amended to read:

79-729 The Legislature recognizes the importance of assuring that all persons who graduate from Nebraska high schools possess certain minimum levels of knowledge, skills, and understanding. Each high school student shall complete a minimum of two hundred high school credit hours prior to graduation. At least eighty percent of the minimum credit hours shall be core curriculum courses prescribed by the State Board of Education. For students attending a public school, beginning Beginning in school year 2023-24, at least five of the minimum credit hours shall be a high school course in personal finance or financial literacy, and beginning in school year 2026-27, at least five of the minimum credit hours shall be a high school course or the equivalent of a one-semester high school course in computer science and technology. The State Board of Education may establish recommended statewide graduation guidelines. This section does not apply to high school students whose individualized education programs prescribe a different course of instruction. This section does not prohibit the governing board of any high school from prescribing specific graduation guidelines as long as such guidelines do not conflict with this section. For purposes of this section, high school means grades nine through twelve and credit hour shall be defined by appropriate rules and regulations of the State Board of Education but shall not be less than the amount of credit given for successful completion of a course which meets at least one period per week for at least one semester.

Sec. 7. Section 79-760.01, Revised Statutes Supplement, 2021, is amended to read:

79-760.01 (1) The State Board of Education shall adopt measurable academic content standards for at least the grade levels required for statewide assessment pursuant to section 79-760.03. The standards shall cover the subject areas of reading, writing, mathematics, science, and social studies.

(2) The board shall also adopt measurable academic content standards for financial literacy as part of the social studies standards. The board shall also adopt measurable academic content standards for computer science and technology education under the mathematics, science, or career and technical education standards.

(3) Academic content standards adopted or recommended pursuant to this

section shall be sufficiently clear and measurable to be used for testing student performance with respect to mastery of the content described in the state standards.

(4) The State Board of Education shall develop a plan to review and update standards for each subject area every seven years. The state board plan shall include a review of commonly accepted standards adopted by school districts.

Sec. 8. Section 79-3003, Revised Statutes Supplement, 2021, is amended to read:

79-3003 Beginning with school year 2023-24, each school district, in consultation with the State Department of Education, shall include financial literacy instruction, as appropriate, in the instructional program of its elementary and middle schools and require each student attending a public school to complete at least one five-credit high school course in personal finance or financial literacy prior to graduation.

Sec. 9. Original sections 79-729, 79-760.01, and 79-3003, Revised Statutes Supplement, 2021, are repealed.

## **6027 Field Trips**

The board encourages instructional staff to incorporate field trips into the curriculum. These trips should normally be conducted during the school day.

### **1. General Conditions**

All trips must be pre-approved by the teacher's building principal. Out-of-state and overnight trips require pre-approval by the board. The superintendent and principals will develop guidelines for approval of trips and communicate those guidelines to teaching staff.

### **2. Parental Permission**

Each student must submit a signed parental permission slip prior to being allowed to attend a field trip. A new permission slip must be submitted for each trip. Caregivers, as that term is defined in the Nebraska Strengthening Families Act, shall be permitted to sign parental permission slips.

### **3. Supervision**

Sponsoring teachers must ensure that students are adequately supervised and chaperoned by a responsible adult at all times during field trips. Whether paid staff or volunteers, chaperones are prohibited from drinking alcoholic beverages of any kind at any time during any field trip. All chaperones must be at least 21 years of age. Any chaperone who drives students must possess a valid driver's license. Chaperones who drive students in private vehicles must possess adequate insurance coverage. Chaperones do not have any property right in or to a chaperone assignment. The school district may deny or terminate a chaperone assignment for any reason that is not unconstitutional or unlawful. The superintendent's decision shall be final. All chaperones must pass a background check prior to them being permitted to attend the event (Unless a chaperone is going for every child and they are just supervising their own child).

### **4. Student Conduct**

Students must comply with the student code of conduct, any applicable extracurricular conduct codes, and all directives by trip chaperones.

Adopted on: 3-11-2019

Revised on: \_\_\_\_\_

Reviewed on: \_\_\_\_\_

February 20, 2023

Dear Parents/Guardians,

Here are the guidelines for your child to attend the Worlds of Fun field trip at the end of the year, scheduled for May 12th. One of our goals, as educators, is to help prepare your student(s) for junior high. To help achieve these goals, students need to demonstrate their maturity and responsibility in order to attend our out-of-state field trip to Worlds of Fun. We believe these guidelines will help attain this goal. For your child to go, you and your child must sign this sheet and return to us by March 17, 2023. Your student will need to meet the criteria below to be able to travel with us to Worlds of Fun. Parents are encouraged to attend. However you must pass a background check, and provide your own transportation to Worlds of Fun.

Thank You,

6<sup>th</sup> Grade teachers

### Worlds of Fun Guidelines

Effective as of **March 20, 2023**

- Core subjects for the year must have an average of **70 or above**
- Any zeros during 2<sup>nd</sup> semester** is a loss of Worlds Of Fun
- All assignments must be handed in on time--- Students will be allowed **ONE** pass for a late assignment. The second late assignment will result in a loss of **WOF**.
- All assignments are due the morning after they are assigned. Failure to turn in any assignment on time will result in a late assignment.
- Automatic Loss of Worlds of Fun
  - **Three times after school for behavior**
  - **Sent to the office by a teacher for behavior is an automatic loss.**
- Students and parents have signed this sheet and returned by **March 17, 2023**. **If it is not signed or turned in by due date, it will result in a loss of WOF.**

Student Signature \_\_\_\_\_

Parent Signature \_\_\_\_\_

Date \_\_\_\_\_

**Section 1. Term of Contract.** The Principal shall be employed for 1 year beginning on August 1, 2023, and expiring on July 31, 2024. During this and any subsequent year under this contract, the Principal shall render at least 220 working days of service in the performance of his duties as Principal. "Working days" typically will not include Saturdays, Sundays, and legal holidays, but it shall include all days on which the Principal actually and necessarily completes his contractual duties. shall consist of all days except those on which: there are scheduled school holidays and when school is not in session and teachers and/or staff are not required to be at school; school is cancelled; the Principal's illness makes attendance impossible or impracticable; or the Board otherwise excuses the Principal. The Principal agrees to work sufficient hours and days to satisfactorily complete the duties of this contract. The Principal shall keep complete and accurate records of his working days and shall provide the Superintendent with a report of his accumulated working days at least yearly.