

POTENTIAL BUDGETARY IMPLICATIONS OF LR 6 IN NEBRASKA

LR 6 will harm Nebraskans if passed, steeply raising taxes as a result of slashed budgets of the services and agencies crucial of Nebraska's success. The passage of LR 6 creates great cause for concern for Nebraska taxpayers. In 2015 federal funding accounted for approximately 31.8% of Nebraska's total budget.¹ Furthermore, of the 77 agencies² in Nebraska, nearly half of agencies receive some sort of federal funding.³

Major agencies crucial to the success and growth of Nebraska receive and rely heavily upon federal funding. The Department of Education, Department of Labor, the DHHS, the University of Nebraska, and the Nebraska State College System are all crucial to Nebraska's success. If federal funding were to be pulled from these agencies, further financial burdens would be placed on Nebraska families, making it more difficult for these families working towards college degrees, career advancement, and success. Pulling federal funding from these crucial services places the future civic health of our state in jeopardy.

In 2014/2015 nearly 12% of Nebraska's education budget (NDEA) was federally funded. In 2015/2016 this number was increased to nearly 13%.⁴ Cutting funding for K-12 education in Nebraska limits our ability to provide our youth with the best education possible. Cutting education funding leads to losses in human capital, a risk no Nebraskan should be willing to take.

In 2013 the largest chunks of federal spending in Nebraska were social security retirement benefits and Medicare, an estimated \$4.67 billion and \$2.8 billion dollars, respectively.⁵ Over 250,000 Nebraskans are over the age of 65⁶ and rely on these programs. LR 6 proposes upheaving these vital programs, putting the welfare and health of America's greatest generation at risk.

Rural communities directly benefit from federal dollars. In 2011, Nebraska received over \$31.6 million federal dollars to invest in our rural schools, hospitals, and communities to increase broadband access – a key to success for new business and quality of life.⁷

¹ State of Nebraska FY2015-16/FY2016-17 Biennial Budget, page 81

² 34 of 77 state agencies in Nebraska receive some sort of federal funding. State of Nebraska FY2015-16/FY2016-17 Biennial Budget, page 86.

³ State of Nebraska FY2015-16/FY2016-17 Biennial Budget, page 86.

⁴ State of Nebraska FY2015-16/FY2016-17 Biennial Budget, page 81

⁵ PEW Charitable Trust, "Federal Spending in the State", State-by-State Distribution

⁶ Nebraska Blue Book, "The People" pages 42-44

⁷ Congressional Research Service, *Distribution of Broadband Stimulus Grants and Loans: Applications and Awards*.

Federal funding is necessary for building infrastructure. A recent vote in Congress is sending \$1.5 billion dollars for highway spending to Nebraska. A constitutional convention aimed at restricting federal spending would put future infrastructure funding in jeopardy – a chance we cannot take with aging roads and crumbling bridges.⁸

Federal Funding: A Breakdown per Nebraskans for Civic Reform

Federal Funds	Fiscal Year 2014/2015	Percentage	of NE Population ⁹ 18+
DHHS System	\$1,801,648,328	61.69%	\$1,273.35
University of Nebraska	\$543,597,650.00	18.61%	\$384.20
Education	\$346,193,577.00	11.85%	\$244.68
Labor	\$51,983,996.00	1.78%	\$36.74
State Colleges	\$46,739,698.00	1.60%	\$33.03
Environmental Quality	\$30,247,375.00	1.04%	\$21.38
Economic Development	\$26,234,366	0.90%	\$18.54
Military Department	\$23,555,268.00	0.81%	\$16.65
Crime Commission	\$10,489,043.00	0.36%	\$7.41
Energy Office	\$7,780,992.00	0.27%	\$5.50
All Other	\$35,276,751.00	1.21%	\$24.93
Total	\$2,920,649,443.00		\$2,064.22

Above is a chart detailing all federal funding to Nebraska for the fiscal year of 2014-2015. Education funding alone (K-12 in addition to public and state colleges) accounted for 32% of all federal funding in Nebraska. Were there no federal funding for education,, Nebraskans would be forced to provide an additional \$662 per citizen. DHHS receives a great deal of federal funding. If there were no federal funding here, Nebraskans would be forced to provide an additional \$1,273 a citizen for DHHS' services. Altogether, if federal funding were to cease, Nebraskans would owe approximately \$2,064 more a year to the State of Nebraska to keep things going as they are.

⁸ Omaha World Herald, *Midland Voices: Highway bill puts Nebraska, nation on right road*, Published 12/6/2015.

⁹ Population based on 2014 U.S. Census (<http://quickfacts.census.gov/qfd/states/31000.html>)