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 **Capitol View
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**Caregivers and Property Tax Payers Likely Big Winners**

 **in Budget Outcome**

The state’s cash reserve fund, caregivers, people who pay property tax and job training programs will apparently be the big winners in the $9.7 billion two-year state budget being debated by the Nebraska Legislature.

That’s the word from the Legislature’s Appropriations Committee Vice Chair Sen. Anna Wishart of Lincoln. She said those “winners” follow the priorities of the committee whose sole job is to craft a state budget using guidelines from the Legislature’s Fiscal Office and recommendations from the Governor.

Senators head into the budget debate buoyed by a much more positive picture than when they left the pandemic-interrupted contentious session last year, Wishart said. The state’s Economic Forecasting Advisory Board said earlier this year they projected revenue of $349.5 million. That board meets again April 29 and could revise those projections.

As a result, the committee was able to fund its priorities and still have $211 million left for other senator’s priority bills. Of course, they don’t have to spend all of that cash, but the requests already exceed the availability. The best news, the Cash Reserve Fund will go from $412 million up to $763 million. Wishart says that’s an increase of 14.2 percent, still short of the committee’s 16 percent goal.

The Cash Reserve Fund, set-aside for emergency needs, was the brainchild of the late longtime former state Senator and Appropriations Committee Chairman Jerome Warner of Waverly. As a farmer he emphasized the importance of having the money available for those rainy days. History has proven it was a wise choice as it has kept the state solvent at times when others struggled.

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While the committee recommendations allow the Governor to keep his promised property tax relief, they do differ with him on providing an increase in funding caregivers who work with the disabled. Wishart said the committee amount would at least allow caregivers to break-even, something that previously hasn’t been possible.

Another departure with the Governor was on a request for so-called replacement funding to allow construction of a new prison facility. Originally seen as a response to prison overcrowding, the Department of Corrections now says a new building is necessary to replace the aging Nebraska State Penitentiary at Lincoln.

Wishart said the committee set aside $115 million for the request. More due diligence is necessary before the prison is in emergency status because of infrastructure. Instead of authorizing money for a new prison, it’s set aside in the Capital Construction area while lawmakers await yet another report on alternatives to brick and mortar for easing things at the nation’s second most-overcrowded prison system. She said she expects extensive floor debate on the replacement prison construction measure.

She said she’s proud of the sustainable health care cash fund made possible by settlement funds from a tobacco lawsuit. That is allowing the increase in provider rates to one of the most dedicated group of workers who care for children and seniors with disabilities.

In addition to covering the basic requests, Wishart said the committee was also impressed with funding requests for bills dealing with: the creation of arts and cultural districts; law enforcement education in response to racial justice issues and alternatives to use of force; weatherization for low- income housing; seed money for start-ups (micro enterprise loans); funding for public health programs – and this whole pandemic has shown us how important they are; wildlife management issues; agribility which works with the University to develop and provide tools for disabled farmers; funding of a tribal health center; and increasing the number of auditors to allow for agency audits every three years.

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As with all bills, the budget bills face three rounds of debate by the full legislature. The first two should go smoothly. The final reading will be delayed and shaped by the Forecasting Board’s April 29 meeting and the approval of funding bills from senator’s priorities.

Still to be determined is the impact of federal dollars on the state. Several pandemic - caused revenue streams will be available and lawmakers need to follow the federal guidelines on their use, when they become available.

Nebraska’s budget is in good hands with a very thoughtful nine-member committee setting the pace. Let’s hope their colleagues and the Governor respect that.

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