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democracy for all Nebraskans.

## Article V Constitutional Convention **Federal Money at Risk**

### State assistance will be the first to go

In 2018, federal funding accounted for approximately 30.4% of Nebraska's total budget.<sup>1</sup> A balanced budget amendment or any substantial cuts to federal spending would put this money at risk. COS supporters stake their entire argument on the assumption that the federal government is not going to reign in its own power, or regulate its own spending. This is a reasonable assumption. But if the federal government is, in fact, so fiscally irresponsible, and they are handed a directive by the states to trim its budget, why do we assume those cuts will come from large federal programs? The impact of these fiscal restraints will be passed directly on to the states when the federal government reduces or eliminates federal aid to Nebraska and our neighbors. In addition to the impact on education, infrastructure, and DHHS outlined in our issue summary, here are some additional funding streams that could devastate Nebraska's budget:

#### Farm subsidies

Since 1995, Nebraska farmers received \$21.3 billion in federal subsidies.<sup>2</sup> In 2017 alone, federal subsidies topped 1 billion. A massive loss in federal income, like the elimination of all income tax proposed by the 2016 simulated convention of states, would put these funds at risk.<sup>3</sup>

#### Disaster relief

Following the 2011 Missouri River flood, Federal Emergency Management Agency (FEMA) gave Nebraska counties along the Missouri river over \$3 million in public assistance funding. Along with providing the affected counties with \$3,362,486 in public assistance funds, FEMA also gave \$623,653 in emergency work funding immediately following the incident. All of these funds were given within the span of three days, from June 19-June 21 of 2011. This funding was essential to an expedient recovery from the flood. Between May 24, 2011 to August 1, 2011, FEMA gave \$4,311,497 in individual and housing assistance, as well as \$65,016,636 in public assistance. Individual assistance was given to residents in Boyd, Burt, Cass, Dakota, Dixon, Douglas, Garden, Knox, Lincoln, Nemaha, Otoe, Richardson, Sarpy, Scotts Bluff, Thurston, and Washington county.<sup>4</sup>

During a prolonged period of severe weather in June 2014, including a tornado that destroyed much of the town of Pilger, NE on June 16, 2014, FEMA provided \$12,418,089 in public assistance to residents of Cedar, Cuming, Dixon, Dakota, Franklin, Furnas, Kearney, Phelps, Scotts Bluff, Stanton, Thurston, and Wayne county.<sup>5</sup>

1. Policy Basics: Where do Federal Tax Revenues Come From? Published by the Center on Budget and Policy Priorities. [cbpp.org/research](http://cbpp.org/research)

2. "Nebraska Farm Subsidy Information, 1995-2017." EWG. <https://farm.ewg.org/region.php?fips=31000&statername=Nebraska>

3. Official Proposals of the Simulated Convention of States. Adopted September 23, 2016. Published online by Convention of States Action. <https://conventionofstates.com/cos-simulation>

4. Nebraska Flooding (DR-4013). [www.fema.gov/disaster/4013](http://www.fema.gov/disaster/4013).

5. Nebraska Severe Storms, Tornadoes, Straight-line Winds, and Flooding (DR-4183). [www.fema.gov/disaster/4183](http://www.fema.gov/disaster/4183)