

## LEGISLATIVE BILL 713

Approved by the Governor April 24, 2019

Introduced by Vargas, 7.

A BILL FOR AN ACT relating to the Legislature; to amend section 50-419, Reissue Revised Statutes of Nebraska; to state findings; to provide duties for the Legislative Fiscal Analyst; and to repeal the original section.  
Be it enacted by the people of the State of Nebraska,

Section 1. The Legislature finds and declares that:

(1) Research conducted since 2009 by the University of Nebraska at the request of the Legislature's Planning Committee shows (a) the population of Nebraska is becoming more concentrated in the most populous counties, with two-thirds of the counties showing dramatic and sustained population loss, (b) the population of Nebraska is aging, and (c) the population of Nebraska is becoming more racially and ethnically diverse;

(2) It is in the best interest of the economy of Nebraska to anticipate long-term fiscal trends;

(3) The Legislative Fiscal Analyst, in partnership with the Legislature's Planning Committee and the University of Nebraska, has a tool to project the long-term fiscal impact of revenue and expenditure measures and changes in federal policy; and

(4) The state is constitutionally prohibited from incurring debt, which, due to downturns in revenue, has caused the Legislature to deplete the cash reserves by more than one-half during the last two biennial budgets. The restoration of cash reserves over the next two biennial budgets is essential if the state is to meet its obligations and adapt to the challenges projected by data accumulated by the Legislature's Planning Committee.

Sec. 2. Section 50-419, Reissue Revised Statutes of Nebraska, is amended to read:

50-419 (1) The Legislative Fiscal Analyst shall provide fiscal and budgetary information and assistance to the Legislature and the Appropriations Committee. During sessions of the Legislature he or she shall work under the direction of the Appropriations Committee of the Legislature. During the interim between legislative sessions he or she shall work under the direction of the Executive Board of the Legislative Council.

The Legislative Fiscal Analyst shall provide:

(a) Factual information and recommendations concerning the financial operations of state government;

(b) Evaluation of the requests for appropriations contained in the executive budget and recommendations thereon;

(c) Studies of capital outlay needs for the orderly and coordinated development of state institutions and institutional programs authorized, if not otherwise provided by law; ~~and~~

(d) Plans for legislative appropriation and control of funds, with pre-session analysis of budgetary requirements; ~~and~~ -

(e) The following cycle of analyses of long-term fiscal sustainability, beginning in FY2020-21:

(i) In even-numbered years, the joint revenue volatility report required under section 50-419.02;

(ii) In odd-numbered years, a budget stress test comparing estimated future revenue to and expenditure from major funds and tax types under various potential economic conditions; and

(iii) Every four years, a long-term budget for programs appropriated for major funds and tax types.

(2) His or her duties shall also include examining or auditing functions or services authorized by the Legislature to determine if funds are expended according to legislative intent and whether improvements in organization and performance are possible. The examining function shall also include the appraisal of functions for needed reforms.

(3) His or her duties shall be to coordinate his or her activities with the budget officer of the Department of Administrative Services.

(4) All information and reports of the fiscal analyst and Appropriations Committee shall be available to any and all members of the Legislature.

(5) The Legislative Fiscal Analyst shall provide revenue-forecasting information and assistance to the Legislature, the Revenue Committee of the Legislature, and the Appropriations Committee of the Legislature. For the purposes of this subsection, he or she shall work under the direction of the Revenue Committee of the Legislature and the Appropriations Committee of the Legislature. The revenue-forecasting information provided under this subsection shall include:

(a) The estimated revenue receipts for each year of the following biennium, including comparisons of current estimates for: ÷

(i) Each major tax type to long-term trends for that tax type;

(ii) Federal fund receipts to long-term federal fund trends; and

(iii) Tax collections and federal fund receipts to long-term trends;

(b) General Fund reserve requirements;

(c) A list of express obligations; and

(d) A summary of economic conditions affecting the State of Nebraska.

Sec. 3. Original section 50-419, Reissue Revised Statutes of Nebraska, is repealed.