

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE RESOLUTION 550

Introduced by Conrad, 46.

PURPOSE: The purpose of this resolution is to examine the impact of the federal cuts to Nebraska anticipated due to the Budget Control Act of 2011, Public Law 112-25.

The study committee shall examine the potential impact of the Budget Control Act of 2011 to Nebraska. As part of the passage of this law, Congress raised the debt limit to pay its bills in exchange for direct budget cuts and spending control mechanisms. Funding cuts are expected to equal approximately two trillion dollars over the next decade. Just under half of the cuts will be achieved through spending limits; the other half will be taken by automatic cuts of about nine percent in 2013 followed by reductions in each of the following eight years.

Because the bipartisan "Super Committee" failed to come to agreement on how to achieve the cuts within the specified time, services are to be reduced through across-the-board budget cuts, a process known as "sequestration." Sequestration is set to begin in January 2013. The cuts to programs in 2013 are to be across-the-board but allow Congress more flexibility in 2014 through 2021. It will therefore be harder for Nebraska to predict the impact of the Budget Control Act of 2011 in future years.

The purpose of this study is to improve the Legislature's understanding of these potential federal budget cuts. Specifically, the committee shall estimate Nebraska's potential loss of federal funds in 2013

and beyond at the program level, as well as any potential impact on the number of Nebraskans served.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE ONE HUNDRED SECOND LEGISLATURE OF NEBRASKA, SECOND SESSION:

1. That the Appropriations Committee of the Legislature shall be designated to conduct an interim study to carry out the purposes of this resolution.

2. That the committee shall upon the conclusion of its study make a report of its findings, together with its recommendations, to the Legislative Council or Legislature.