

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB713

Hearing Date: Thursday February 28, 2019
Committee On: Executive Board
Introducer: Vargas
One Liner: Provide for long-term accountability from the Legislative Fiscal Analyst

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:
Aye: 6 Senators Bolz, Hilgers, Kolterman, Lowe, McCollister, Vargas
Nay:
Absent: 3 Senators Scheer, Hughes, Chambers
Present Not Voting:

Oral Testimony:

Proponents:
Senator Tony Vargas
Adam Levin
Renee Fry

Representing:
Self
Pew Charitable Trusts
Open Sky Policy Institute

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB713 provides additional duties for the Legislative Fiscal Analyst. As part of its fiscal and budgetary responsibilities, the Legislative Fiscal Analyst would be required to analyze long-term fiscal sustainability.

Beginning in FY2020-21, a cycle of analyses would begin and include:

In even-numbered years, a joint revenue volatility report, as required in 50-419.02.

50-419.02.

(1) On November 15, 2016, the Legislative Fiscal Analyst shall prepare and electronically submit a revenue volatility report to the Appropriations Committee of the Legislature. Every two years thereafter the Legislative Fiscal Analyst shall prepare a revenue volatility report to append to the annual report required under section 77-2715.01. The report shall also be posted on the Legislature's web site.

(2) The report shall:

- (a) Evaluate the tax base and the tax revenue volatility of revenue streams that provide funding for the state General Fund budget;
- (b) Identify federal funding included in the state budget and any projected changes in the amount or value of federal funding or potential areas in which federal funding could be lost;
- (c) Identify current and projected balances of the Cash Reserve Fund;
- (d) Analyze the adequacy of current and projected balances of the Cash Reserve Fund in relation to the tax revenue volatility and the risk of a reduction in the amount or value of federal funding or potential areas in which federal funding could be lost;
- (e) Include revenue projections for the ensuing two fiscal years included in the impending biennial budget; and
- (f) Contain any other recommendations that the Legislative Fiscal Analyst determines are necessary.

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.

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

In addition, as part of its revenue forecasting function, the Legislative Fiscal Analyst would be required to include comparisons of current estimates to certain specified long-term trends.

Mike Hilgers, Chairperson