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RECEIVED

JAN 14 2010

STATE BUDGET DIVISION

TO: Sen. Lavon Heidemann, Chairperson, Appropriations Committee
FROM: Annette Hord, Commission of Industrial Relations *Annette Hord*
DATE: January 12, 2010
RE: Agency Implementation of Budget Reductions for FY10 and FY11

The Commission of Industrial Relations operates two programs. These will be addressed separately in this report as to the changes that have been made to comply with the reductions that came about as a result of the 2009 Special Session. The Commission is entirely funded from the General Fund.

Program 531, Administration

FY10: Appropriations were reduced by \$5,680. These reductions were taken from Health Insurance, \$3,705 (due to a change in an employee's selection); Conference Registration, \$500; Legal Related Expense, \$1,200; Dues and Subscriptions, \$275.

FY 10: Reappropriations were reduced by \$45,159. This reduction was taken completely from Other Operating Expense, where most of the reappropriations had been budgeted to be used as needed to fund the needs of the agency. If these funds are not needed, they will be returned to the General Fund at the end of the biennium.

FY 11: Appropriations were reduced by \$11,359. This reduction will be taken from the same accounts as FY10, as much as possible. We can only reduce our health insurance expenditure to the level that the three employees' selections allow. The administration budget contains little money for travel, but that could be reduced or eliminated. Depending upon our case load, we may not need as much funding for court reporters (legal related expense). In reality, however, we will probably rely upon the unused reappropriations that will move forward from FY10 to support our administrative expenses, most of which are primarily fixed costs (accounting, rent, etc.)

Impacts: There is not expected to be an impact on staffing at the Commission during FY10 and FY11. We have only three full-time employees, with separate and distinct duties. We also do not anticipate any reduction in the services provided to our customers, who are the public employees of the State of Nebraska. Our budget is usually prepared with the "worst-case scenario" in mind. Thankfully, that rarely happens, thus the money is returned to the general fund.

Sen. Lavon Heidemann, Chairperson
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The Commission does not receive any federal funds, so there would be no impact. Currently, the only fee collected by the Commission is the \$100.00 filing fee. This amount is set in statute, and there is no movement to increase that, at the present time.

Program 490-Commissioner Expenses

FY10: Appropriations were reduced by \$2,644. These reductions were taken from Mileage, \$1,144; and Board and Lodging, \$1,500.

FY10: Reappropriations were reduced by \$4,534. These reductions were taken from OASDI, \$1,000; Board and Lodging, \$1,500; Commercial Transportation, \$400.00; Misc. Travel, \$23.59; and Other Operating Expense, \$1,610.41

FY11: Appropriations were reduced by \$5,289. These reductions will be taken from the various travel accounts, and if necessary, from the Per Diem and OASDI accounts.

Impacts: There is not expected to be an impact on staffing in this program. The five commissioners' positions are required by statute, so it seems unlikely that a position would not be filled. These positions are per diem positions. The only possible reduction in services to our customers would be if we could not pay the commissioner salaries, or pay their travel to Lincoln to attend hearings. This seems unlikely since, as stated before, we budget for the highest number of cases we might have, and we spend frugally, so we are usually left with funds to be returned to the General Fund.