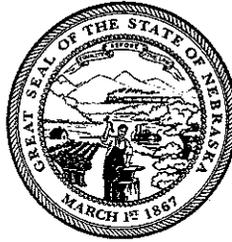


# State of Nebraska Accountability and Disclosure Commission

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RECEIVED

January 12, 2010

The Honorable Lavon Heidemann  
Chairman, Appropriations Committee  
State Capitol  
Lincoln, Nebraska  
INTEROFFICE

JAN 13 2010

STATE BUDGET DIVISION

Re: LB 1 Report

Dear Senator Heidemann:

The Nebraska Accountability and Disclosure Commission has evaluated its fiscal situation in light of LB 1 passed during the 2009 Special Session of the Legislature. LB 1 had three major components as applied to the Commission. First, it transferred money from the Campaign Finance Limitation Fund to the General Fund. Second, it transferred money from the Nebraska Accountability and Disclosure Cash fund to the General Fund. Third, it reduced the Commission's General Fund appropriation. The Commission plans to cope with these reductions as follows:

#### CFLA Cash Fund Transfer

The transfer of funds from the CFLA Cash fund has the effect of reducing the amount of funds available to qualified candidates during the 2010 Primary and General Elections. There is no way to predict in advance how many candidates will apply for and qualify for public funds. Therefore, there is no way to know if the post transfer balance is adequate or not. However, Title 4, Chapter 10, Rules and Regulations Governing Campaign Practices as amended in 2006, includes provisions as to how the Commission will function in the event that the fund is inadequate to meet qualified demand. It essentially requires the Commission to distribute funds to candidates in the order that they meet the qualifications until such time as the fund is depleted.

### NADC Cash Fund

Over the last several biennia, the Commission has advised the Appropriations Committee that it was shifting certain expenses from the General Fund appropriation to the NADC Cash Fund. The purpose has been to draw down the fund balance. However, the Appropriations Committee has also been regularly advised that the fund was not sustainable at the current rate of expenditure. The transfer of money from the NADC Cash Fund to the General Fund pursuant to LB 1 means the fund will reach a \$0 balance sooner than previously predicted.

### Reduction in General Fund Appropriation

FY09/10- Pursuant to LB 1, the Commission needs to reduce its General Fund by \$10,661. Its current plan is to make reductions in the following areas:

Printing- The Commission will reduce the number of forms and publications that are printed. The public will be encouraged view the publications on and download forms from the Commission's website. (Potential savings- \$2,100)

Postage- The Commission intends to rely more heavily on email and less on standard mail. In addition, moving the public to web based forms and publications will reduce the need to use the U.S. Postal system. (Potential savings-\$1,800)

Non-capital equipment- The Commission replaces three of its computers each biennium. These replacements will be deferred. (Potential savings-\$2,400)

Meetings- Every meeting of the Commission results in expenditures of about \$2,300. This is based upon per diems and travel expenses paid to Commissioners. If needed toward the end of the fiscal year, one meeting can be eliminated. (Potential savings- \$2,300)

Other Contractual and Legal Services- By law, the Commission is required to investigate formal complaints alleging violations of the Nebraska Political Accountability and Disclosure Act. It is difficult to predict how many investigations the Commission will be required to conduct in a fiscal year. However, a low number of investigations would permit savings on investigators, hearing officers, court reporters and the like.

IT Consulting- The Commission has in the past and will continue to seek grants which may help to defray certain IT costs. (Potential savings- \$1,000)

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Travel- All non-essential travel by Commission employees will be eliminated. This will not include direct service related travel. (Potential savings- \$1,200)

FY10/11- Pursuant to LB 1, the Commission needs to reduce its General Fund by \$22,069. The Commission will continue to make use of such strategies as are outlined above and continuously seek other areas in which savings can be made.

#### Expected Effect on Staffing

FY09/10- LB 1 is expected to have no effect on staffing during the current fiscal year.

FY10/11- The effect of LB 1 on staffing in FY10/11 is uncertain at this time. The Commission has eight FTEs. There may be a need to lay-off one employee. The position which will be subject to lay-off has not yet been determined. In the event that a vacancy occurs, the Commission will make use of vacancy savings rather than a lay-off to achieve fiscal goals.

#### Impact on Services to the Public and Agency Functions

FY09/10- Impact on services to the public will be minimal

FY10/11- Unable to determine at this time

#### Impact on Receipt of Federal Funds

FY09/10- No impact. The Commission receives no federal funds.

FY10/11- No impact. The Commission receives no federal funds.

#### Fee Increases

FY09/10- All fees received by the Commission are set by statute. The Commission does not contemplate requesting increases.

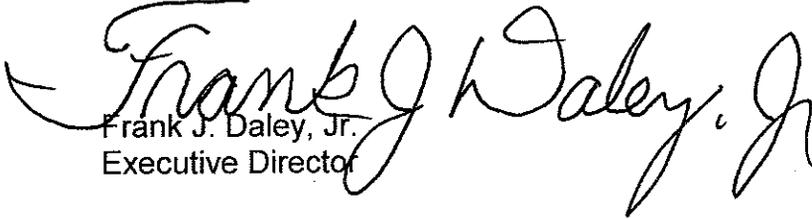
FY10/11- All fees received by the Commission are set by statute. The Commission does not contemplate requesting increases.

The Nebraska Accountability and Disclosure Commission recognizes the fiscal realities faced by State Government. Accordingly, the Commission is committed to operating as efficiently as possible within the new budget established by LB 1.

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If you or members of the Appropriations Committee have questions, please feel free to contact us.

Sincerely,



Frank J. Daley, Jr.  
Executive Director

xc: Senator John Harms  
Senator Tony Fulton  
Senator Tom Hansen  
Senator Heath Mello  
Senator Danielle Conrad  
Senator John Nelson  
Senator Jeremy Nordquist  
Senator John Wightman  
Scott Danigole, Legislative Fiscal Office  
Dave Spatz, DAS Budget Division