

OPEN SESSION
MINUTES OF THE MEETING OF THE
NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION

Friday, August 23, 2024
State Capitol Room 1525

Lincoln, Nebraska

Call to Order – Chairman Davis called the meeting to order at 9:00 a.m. and announced the location in the meeting room of a copy of the Open Meetings Law. He stated that notice of the meeting was posted on the Commission’s website and on the State’s Public Meeting Calendar.

Roll Call –

Roderic Anderson – Present
Marty Callahan – Present
Janet Chung – Present
Jeffery Davis – Present
Robert Evnen – Present
Andrew Reuss – Excused for Late Arrival
Kate Sullivan – Present

Approval of the Open Session Minutes of the June 7, 2024 Meeting – Chairman Davis referred the Commissioners to their copies of the Open Session minutes of the previous meeting.

Motion by Anderson, second by Callahan, that the Open Session Minutes of the June 7, 2024 meeting be approved - Roll Call Vote: Commissioners Anderson, Callahan, Chung, Davis, Evnen voted yes. Commissioner Sullivan abstained. Motion carried (5-0-1).

Report on late filing fees and requests for relief: Protect Nebraska Children PAC - The Executive Director indicated we had received a request for relief from Protect Nebraska Children PAC. The PAC failed to timely file a Report of Late Contribution (NADC Form B-5) due on May 10, 2024, and filed on June 24, 2024. A late fee of \$1,100 was assessed. The Executive Director denied the request for relief based upon the fact that the entity paid \$1,176.32 in late filing fees in connection with a Report of Late Independent Expenditure (NADC Form B-11) which was due May 9, 2024 and filed June 22, 2024.

Open Session Minutes
August 23, 2024

Discussion followed.

Motion by Evnen, second by Sullivan, that the Commission reduce the late filing fee from \$1,100.00 to \$250.00 – Roll Call Vote: Commissioners Anderson, Callahan, Chung, Evnen, and Sullivan voted yes. Commissioner Davis voted no. Motion carried (5-1-0).

Commissioner Evnen stated Commissioner Reuss was present at 9:10 a.m.

Report on late filing fees and requests for relief: Fox Bryant, LLC - The Executive Director indicated that this was a request for relief from Fox Bryant, LLC. The business failed to timely file a Report of Political Contribution of a Corporation, Union or Other Entity (NADC Form B-7). The report was due on June 10, 2024 and filed on July 8, 2024. Late fees of \$700.00 were assessed. The Executive Director denied the request for relief based upon the fact that the report did not show less than \$5,000 in receipts and expenditures, making it ineligible for relief under §49-1463.01.

Discussion followed.

Chairman Davis indicated that after discussion, no action was taken by the Commission and the late fee amount of \$700 will stand.

Executive Director's Report (includes personnel activity, budget status, budget process and litigation status) – Executive Director Hunter reported to the Commission that the term of Commissioner Marty Callahan expired on June 30, 2024. He is not eligible for reappointment and will continue to serve on the Commission until a successor is appointed. The Director indicated that a list of five names had been provided to the Governor by the Legislature for his selection of a successor. There are currently two vacancies on the Commission to be selected by the Secretary of State.

The Executive Director indicated that the agency in joint effort with State Personnel -Training and Development had recorded a video as a part of an ethics in government project. The topics included gifts, conflicts of interest, use of public resources, nepotism, campaign activity, contracts, enforcement, and the Federal Hatch Act. The completed video will be available on the Training and Development website.

Executive Director Hunter reported that on July 11th, accompanied by General Counsel Neil Danberg, gave a presentation to Legislative Staff on the provisions of the Nebraska Political Accountability and Disclosure Act applicable to them and to the senators they serve. Topics included gifts, conflicts of interest, use of public resources, use of campaign funds, and the Statement of Financial Interest (NADC Form C-1).

Open Session Minutes
August 23, 2024

Executive Director Hunter announced the opening of a staff auditor position. Mr. Hunter explained that the auditor the agency hired in March, had left the Commission for a new, higher paying job, within the state.

The Executive Director indicated that one month into the current fiscal year the Commission had expended approximately 4% of the agency budget.

Executive Director Hunter explained that the State of Nebraska budget is for 2 fiscal years and is called a biennium. The upcoming biennium will cover the fiscal years 25/26 and 26/27. The Executive Director indicated he had prepared a proposed budget for the upcoming biennium and that it was a separate agenda item to be discussed later in the meeting. The Commission's budget is due September 15th 2024.

Executive Director Hunter indicated that Lobbyist and Principal Reports for the 2nd Quarter are due July 30, 2024, Lobbyist Statement of Activity Reports are due June 3rd and Special Session Lobbyist Statements of Activity are due October 4th, 2024. Reports that are filed will be available for review on the Clerk of the Legislature's website.

The Executive Director indicated that the Post Primary Campaign Statements were due June 24th. The 1st General Election Campaign Statements are due October 7th. Statements that are filed will be available for review on the FirstTuesday website.

The Executive Director indicated that there is no litigation.

Executive Director Hunter indicated that upcoming meeting dates are September 13, 2024 if needed for approval of the budget, and October 18, 2024.

Discussion followed.

Consideration and action on proposed budget for the upcoming Biennium (FY25/26 and FY26/27) – The Executive Director indicated the matter before the Commission is the proposed budget for fiscal years 25/26 and 26/27. It is a continuation budget request. It does not ask for additional funds, and there are no significant changes from the current biennium other than those outlined in the budget instructions issued by the Budget Office. Mr. Hunter described the budget process, the Personal Services Limitation (PSL), and the agency funding from the State's General Fund and the NADC Cash Fund, He also explained the required Modification Budget. The Commission may approve the proposed budget or direct the staff to make specific changes. Mr. Hunter prepared the budget per budget instructions issued by the Budget Division of the Department of Administrative Services.

Open Session Minutes
August 23, 2024

Discussion followed.

Motion by Evnen, second by Reuss, that the Commission approve the budget as submitted - Roll Call Vote: Commissioners Anderson, Callahan, Chung, Davis, Evnen, Reuss, and Sullivan voted yes. Motion carried (7-0-0).

Chairman Davis announced that the September meeting has been cancelled.

Consideration and action on proposed Resolution #24-01, Modification of the filing dates for the 2025 Lincoln City Election, and Resolution #24-02, Modification of the filing dates for the 2025 Omaha City Election – Chairman Davis indicated that the proposed Resolutions would modify the Primary and General Election dates for campaign statements filed in connection with the 2025 Lincoln City Elections, and the 2025 Omaha City Elections. The Chairman pointed out that if the statutory schedule is followed, the reporting periods for campaign statements would overlap. Mr. Davis recommended that the Commission modify the filing dates pursuant to its statutory authority found in §49-14,129.

Discussion followed.

Motion by Anderson, second by Callahan, that the Commission adopt Resolution #24-01, and #24-02 - Roll Call Vote: Commissioners Anderson, Callahan, Chung, Davis, Evnen, Reuss, and Sullivan voted yes. Motion carried (7-0-0).

2024 Legislative Update including consideration of position on new legislative bills – The Executive Director next discussed the legislative bills that are of interest to the Commission.

LB 3 – A bill by Senator Clements. Currently the NADC earns investment interest which is then credited back into our cash fund. Originally, this bill would have given the Accounting Administrator of the Accounting Division of the Department of Administrative Services authority to credit the interest earned by our cash fund into the state General Fund. He noted however, that the final version of LB 3 only applied to certain specific agencies and the NADC was not included among these specific agencies and was no longer indirectly covered by the bill.

Discussion followed.

LR 384 – By Senator Linehan is a study of nonprofit organizations, their nonprofit status, how these organizations use their nontaxable income, and the ways such organizations use their nontaxable income for political purposes. The NADC has been invited to testify in September on LR 384.

Report of Executive Director Search Committee – Chairman Davis indicated that Commissioner Sullivan and Commissioner Anderson joined him on the Search Committee for the new Executive Director. He indicated that Mr. Danberg and Mr. Hunter had put together a job description and it has been posted to the State website, League of Nebraska Municipalities, and the Nebraska State Bar Association. The due date for applications is November 8th 2024. Once received the committee will review the applications and make recommendation to the Commission as to whom among the applicants would be invited for an interview. Chairman Davis noted 23 applicants had been received and it was encouraging that there does seem to be interest in the position.

Discussion followed.

Report of Conflicts Committee – Commissioner Callahan indicated that there were no objections or concerns to report.

Report of Executive Committee – Commissioner Davis indicated that there are no issues to report.

Closed Session - Motion by Sullivan, second by Reuss, that the NADC go into Closed Session pursuant to the confidentiality provisions of the NPADA – Roll Call Vote: Commissioners Anderson, Callahan, Chung, Davis, Evnen, Reuss, and Sullivan voted yes. Motion carried (7-0-0).

The NADC went into Closed Session at 9:37 a.m.

The NADC returned to Open Session at 9:50 a.m.

Announcements from Closed Session - Executive Director Hunter indicated that there was nothing to report from closed session.

Adjournment – Motion by Callahan, second by Anderson, that the NADC adjourn. Roll Call Vote: Commissioners Anderson, Callahan, Chung, Davis, Evnen, Reuss, and Sullivan voted yes. Motion carried (7-0-0).

Chairman Davis declared the meeting adjourned at 9:50 a.m.