

State Board's Budget and Cash Fund Reduced

The Nebraska Board of Public Accountancy (State Board) was among the many Nebraska state agencies and commissions which felt the financial effects of the Nebraska legislatures' Special Session held in early November, 2009.

The legislature was called into a special Session by Nebraska Governor Dave Heinemann on November 4, 2009. The session was called to close the state's \$334 million budget gap.

The Governor recommended to the Legislature a package of cuts and cash transfers but no tax increases. After a couple of weeks of debate, the Legislature gave final approval to the budget reduction package on November 20 before adjourning until the 2010 session begins on Wednesday January 6, 2010.

The Governor's recommendations included an almost \$68,000 direct transfer from the State Board's Cash Fund into the State of Nebraska's General Fund and a total appropriations reduction over the next biennium (FY 2010-2011) of just over \$32,000. Prior to these reductions, the State Board's Cash Fund was just over \$455,000 on November 9, 2009. The State Board was among a long list of agencies, boards and commission having some cash funds transferred to the State's General Fund.

At a public hearing before the Appropriation's Committee on November 10, State Board Executive Director Dan Sweetwood testified on behalf of the State Board and explained that the State Board's funds come from fees paid by CPAs to renew Nebraska licenses and certificates. Any future reductions in the State Board's cash fund could result in the increasing of licensing fees in future years, he noted.

Sweetwood also pointed out that the State Board attempts to keep an adequate cash fund reserve to cover unexpected costs of complex and extensive enforcement cases that may come before the State Board.

The Governor had also requested a reduction of just over \$16,000 in the State Board's re-appropriated funds for FY 2008-2009. The Appropriations Committee restored those funds at the request of the State Board and the Legislature agreed.

(prepared by: Dan Vodvarka)