

ASSEMBLY BILL NO. 525—ASSEMBLYMEN EVANS, ARBERRY, GOLDWATER, GIUNCHIGLIANI, HUMKE, DINI, BUCKLEY, SEGERBLUM, NOLAN, BERMAN, PERKINS, LEE, CLABORN, GIBBONS, NEIGHBORS, MARVEL, BACHE, CHOWNING, ANDERSON, FREEMAN, LESLIE, DE BRAGA, PARNELL, COLLINS, MCCLAIN, MANENDO, KOIVISTO, THOMAS, PARKS AND OHRENSCHALL

MARCH 15, 1999

Referred to Concurrent Committees on Taxation
and Ways and Means

SUMMARY—Creates task force for long-term financial analysis and planning. (BDR 17-1205)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: Yes.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to state financial administration; creating the office of financial analysis and planning within the fiscal analysis division of the legislative counsel bureau; creating a task force for financial analysis and planning; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** Chapter 218 of NRS is hereby amended by adding thereto
2 a new section to read as follows:
3 ***1. The office of financial analysis and planning is hereby created***
4 ***within the fiscal analysis division of the legislative counsel bureau. The***
5 ***senate fiscal analyst and the assembly fiscal analyst shall appoint such***
6 ***personnel as the fiscal analysts determine are necessary for the office to***
7 ***carry out the duties of the office.***
8 ***2. The office of financial analysis and planning shall assist the***
9 ***legislature in long-term financial analysis and planning, including,***
10 ***without limitation, long-term economic planning and forecasting of***
11 ***future state revenues.***

1 **Sec. 2.** 1. There is hereby created a task force for financial analysis
2 and planning consisting of 13 members.

3 2. Five members of the task force must be appointed as follows:

4 (a) One member appointed by the speaker of the assembly;

5 (b) One member appointed by the majority leader of the senate; and

6 (c) Three members appointed by the governor.

7 The members appointed pursuant to this subsection must not be elected
8 officers, state officers or employees of this state or any political
9 subdivision of this state, including, without limitation, an institution of
10 higher education that receives public money.

11 3. In addition to the members appointed pursuant to subsection 2, the
12 task force consists of:

13 (a) The chief of the budget division of the department of administration
14 or his designee;

15 (b) The chief of the bureau of research and analysis of the department
16 of employment, training and rehabilitation, or his designee, or, if that
17 position ceases to exist, the position deemed by the director of the
18 department of employment, training and rehabilitation to be the equivalent
19 of that position;

20 (c) The executive director of the department of taxation or his designee;

21 (d) The superintendent of public instruction or his designee;

22 (e) The state director of the bureau of business and economic research
23 of the University of Nevada, Reno, or his designee;

24 (f) The director of the center for business and economic research of the
25 University of Nevada, Las Vegas, or his designee;

26 (g) An employee of a county in Nevada, appointed by the Nevada
27 Association of Counties; and

28 (h) An employee of a city in Nevada, appointed by the Nevada League
29 of Cities.

30 4. Each of the members who is appointed to the task force pursuant to
31 subsection 2 and paragraphs (g) and (h) of subsection 3 must have
32 expertise and demonstrated ability in the field of economics, taxation,
33 demography or urban planning or another field that is necessary for
34 economic planning and forecasting.

35 5. The members who are appointed pursuant to subsection 2 shall
36 select from among themselves a person to serve as chairman of the task
37 force.

38 6. Each member of the task force who is appointed pursuant to
39 subsection 2 is entitled to receive a salary of \$80 for each day or portion of
40 a day during which he attends a meeting of the task force.

41 7. Each member of the task force is entitled to receive the per diem
42 allowance and travel expenses provided for state officers and employees
43 generally for each day or portion of a day during which he attends a

1 meeting of the task force or is otherwise engaged in the business of the
2 task force.

3 8. The compensation, per diem allowances and travel expenses of the
4 members of the task force must be paid from the legislative fund.

5 9. The office of financial analysis and planning created pursuant to
6 section 1 of this act shall provide technical expertise and administrative
7 support to the task force.

8 **Sec. 3.** 1. The task force for financial analysis and planning shall
9 develop a process for the preparation and periodic update of long-term
10 forecasts of and recommendations concerning future state revenues for use
11 in planning and budgeting state programs. The long-term forecasts must
12 include periods of 6 years and 10 years. The process developed by the task
13 force must provide for, without limitation, the compilation and periodic
14 update of reports that include:

15 (a) Economic and demographic trends and forecasts at the national,
16 regional, state and local levels;

17 (b) The sources of revenue in this state, including, without limitation, an
18 analysis of the elements of this state's revenue structure that may be
19 vulnerable or unreliable in the long-term;

20 (c) Forecasts and projections of the needs of state and local agencies
21 that provide human services and services relating to public education,
22 criminal justice and infrastructure;

23 (d) An analysis of revenues and expenditures to determine whether
24 long-term growth in revenue may reasonably be expected to meet the
25 demands of expenditures; and

26 (e) An analysis of the feasibility and desirability of using alternative
27 procedures for the review and approval of budgets and expenditures of
28 departments, institutions and agencies of the state government, including,
29 without limitation, the feasibility and desirability of adopting a system of
30 performance-based budgets.

31 2. In carrying out its duties, the task force shall:

32 (a) Use estimates and forecasts prepared by the demographer who is
33 employed pursuant to NRS 360.283;

34 (b) Use reports, projections of economic indicators and estimates of
35 future state revenues made by the economic forum;

36 (c) Use any other official forecasts, estimates and publications prepared
37 by agencies of this state or political subdivisions of this state and
38 institutions of higher education; and

39 (d) Solicit recommendations and information from the budget division
40 of the department of administration, agencies and officers of this state,
41 local governments, other states, national organizations, private
42 organizations and the general public.

43 3. In carrying out its duties, the task force may:

1 (a) Consider any other information, including, without limitation,
2 information prepared by the office of financial analysis and planning
3 created pursuant to section 1 of this act.

4 (b) Request information from an agency of this state. The task force
5 may direct the office of financial analysis and planning to make the request
6 on its behalf. An agency that receives a reasonable request for information
7 shall comply with the request as soon as is reasonably practicable after
8 receipt of the request.

9 **Sec. 4.** On or before September 15, 2000, the task force for financial
10 analysis and planning shall submit a written report to the director of the
11 legislative counsel bureau for immediate transmission to the members of
12 the 70th regular session of the legislature. The report must include:

13 1. A summary of the progress of the task force in developing a process
14 for the preparation and periodic update of long-term forecasts and
15 recommendations in accordance with subsection 1 of section 3 of this act.

16 2. Recommendations for legislation concerning the appropriate
17 composition and duties of a permanent committee to prepare long-term
18 forecasts of future state revenues and otherwise continue the preliminary
19 work done by the task force. The recommendations must specifically
20 address the appropriate number, qualifications and terms of the members
21 of the permanent committee.

22 3. Recommendations for legislation concerning the composition and
23 prescription of duties for the office of financial analysis and planning in
24 relation to the continuing work on these issues.

25 4. Any other recommendations for related legislation.

26 **Sec. 5.** On or before September 1, 1999, the speaker of the assembly,
27 the majority leader of the senate and the governor shall make appointments
28 to the task force for financial analysis and planning in accordance with
29 subsection 2 of section 2 of this act. Members appointed to the task force
30 remain eligible for appointment to a permanent committee to prepare long-
31 term forecasts of future state revenues.

32 **Sec. 6.** 1. This act becomes effective on July 1, 1999.

33 2. Sections 2, 3 and 4 of this act expire by limitation on June 30, 2001.