Assembly Bill No. 525–Assemblymen Evans, Arberry, Goldwater, Giunchigliani, Humke, Dini, Buckley, Segerblom, Nolan, Berman, Perkins, Lee, Claborn, Gibbons, Neighbors, Marvel, Bache, Chowning, Anderson, Freeman, Leslie, de Braga, Parnell, Collins, McClain, Manendo, Koivisto, Thomas, Parks and Ohrenschall

CHAPTER........

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:

Section 1. Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The office of financial analysis and planning is hereby created within the fiscal analysis division of the legislative counsel bureau. The senate fiscal analyst and the assembly fiscal analyst shall appoint such personnel as the fiscal analysts determine are necessary for the office to carry out the duties of the office.

2. The office of financial analysis and planning shall assist the legislature in long-term financial analysis and planning, including, without limitation, long-term economic planning and forecasting of future state revenues.

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

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

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

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

(c) Three members appointed by the governor.

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

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

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

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

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

(d) The superintendent of public instruction or his designee;
(e) The state director of the bureau of business and economic research of the University of Nevada, Reno, or his designee;
(f) The director of the center for business and economic research of the University of Nevada, Las Vegas, or his designee;
(g) An employee of a county in Nevada, appointed by the Nevada Association of Counties; and
(h) An employee of a city in Nevada, appointed by the Nevada League of Cities.

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

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

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

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

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

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

Sec. 3. 1. The task force for financial analysis and planning shall develop a process for the preparation and periodic update of long-term forecasts of and recommendations concerning future state revenues for use in planning and budgeting state programs. The long-term forecasts must include periods of 6 years and 10 years. The process developed by the task force must provide for, without limitation, the compilation and periodic update of reports that include:
(a) Economic and demographic trends and forecasts at the national, regional, state and local levels;
(b) The sources of revenue in this state, including, without limitation, an analysis of the elements of this state’s revenue structure that may be vulnerable or unreliable in the long-term;
(c) Forecasts and projections of the needs of state and local agencies that provide human services and services relating to public education, criminal justice and infrastructure;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4. Any other recommendations for related legislation

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

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

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

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