

SENATE BILL NO. 162—SENATOR RHOADS

FEBRUARY 10, 1999

Referred to Committee on Finance

SUMMARY—Establishes program for payment of bonuses to employees of state agencies from certain savings realized by those state agencies. (BDR 31-201)

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; establishing a program for the payment of bonuses to the employees of state agencies that realize a savings during a fiscal year; requiring those bonuses to be paid from the savings realized by those agencies; 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 353 of NRS is hereby amended by adding thereto
2 the provisions set forth as sections 2 to 6, inclusive, of this act.
- 3 **Sec. 2.** *As used in sections 2 to 6, inclusive, of this act, unless the*
4 *context otherwise requires, the words and terms defined in sections 3 and*
5 *4 of this act have the meanings ascribed to them in those sections.*
- 6 **Sec. 3.** *“Agency” means an agency, board, bureau, commission,*
7 *department, division, institution or office of the State of Nevada.*
- 8 **Sec. 4.** *“Employee” means an employee of an agency who is in the*
9 *classified or unclassified service of this state.*
- 10 **Sec. 5. 1.** *If an agency that is funded by appropriation from the*
11 *state general fund does not expend the entire amount of money*
12 *appropriated for its operating expenses during a fiscal year, the agency*
13 *shall:*
- 14 **(a)** *Within 90 days after the end of that fiscal year, request from the*
15 *chief of the budget division of the department of administration:*
- 16 **(1)** *A report of the cash flow of money for the agency for that fiscal*
17 *year; and*

1 (2) *The form adopted by the interim finance committee to report the*
2 *savings of the agency; and*

3 (b) *Complete the report of the savings of the agency on the form*
4 *adopted by the interim finance committee and return the report to the*
5 *chief of the budget division.*

6 2. *The chief of the budget division shall submit the completed report*
7 *of the savings of the agency on behalf of the agency to the interim*
8 *finance committee within 30 days after receiving the completed report.*

9 3. *After receiving a report of the savings of an agency, the interim*
10 *finance committee shall:*

11 (a) *Review the report at its next meeting;*

12 (b) *Determine what portion of the unexpended money reported is a*
13 *savings and may be returned to the agency for the payment of bonuses*
14 *pursuant to subsection 4, excluding money that does not qualify as a*
15 *savings pursuant to subsection 2 of section 6 of this act; and*

16 (c) *Require the amount of the savings to be returned to the agency.*

17 4. *Money returned to the agency pursuant to subsection 3 must be*
18 *used to pay bonuses to those persons chosen by the head of the agency*
19 *who are employed by the agency on the date the bonuses are to be paid.*
20 *To determine which employees of the agency are entitled to receive a*
21 *bonus, the head of the agency shall first give consideration to those*
22 *employees whose work was most instrumental in realizing the savings.*
23 *The determination of the head of the agency concerning which*
24 *employees are entitled to receive bonuses and the amounts of those*
25 *bonuses is not subject to approval and may not be appealed.*

26 5. *A bonus paid pursuant to this section must not exceed 10 percent*
27 *of the salary of an employee for the preceding 6 months or \$2,500,*
28 *whichever is less.*

29 6. *If the money returned to an agency exceeds the amount required*
30 *to pay bonuses pursuant to subsection 4, the agency shall deposit the*
31 *excess amount with the state treasurer for credit to the fund to stabilize*
32 *the operation of the state government.*

33 Sec. 6. 1. *The interim finance committee shall adopt a form to be*
34 *used by agencies for reporting savings. The form must include:*

35 (a) *The amount of money appropriated to an agency for its work*
36 *program for the fiscal year;*

37 (b) *The amount of money expended by the agency;*

38 (c) *A description of the manner in which the savings were realized,*
39 *including, without limitation:*

40 (1) *The amount of the savings;*

41 (2) *The program used to realize the savings;*

42 (3) *The date on which the program was initiated;*

43 (4) *The time required for carrying out that program; and*

1 **(5) The manner in which the program improved the efficiency of**
2 **the agency or the services provided by the agency, or both; and**

3 **(d) Any other information deemed necessary by the interim finance**
4 **committee to determine whether the savings were realized because of**
5 **increased efficiency, and not from money that does not qualify for**
6 **consideration as savings pursuant to subsection 2.**

7 **2. Unexpended money of an agency does not qualify for**
8 **consideration as savings if the money is:**

9 **(a) From funds, other than the state general fund, made available to**
10 **the agency for the fiscal year;**

11 **(b) Set aside as a reserve pursuant to NRS 353.225;**

12 **(c) Realized from the deferred payment of a capital expense or**
13 **equipment purchased by the agency;**

14 **(d) Received from supplemental appropriations;**

15 **(e) Realized from the shifting of costs to another agency or**
16 **governmental entity;**

17 **(f) Realized from the failure of the agency to fill a position which is**
18 **not eliminated;**

19 **(g) Realized from a grant that is not expended; or**

20 **(h) Realized from reducing the amount or quality of services provided**
21 **by the agency.**

22 **Sec. 7.** NRS 353.253 is hereby amended to read as follows:

23 353.253 1. Every agency, department and institution of the State of
24 Nevada shall deposit all money received from the Federal Government, the
25 counties or other sources, in the state treasury as provided in NRS 353.250
26 unless otherwise provided by law. These deposits must be made to work
27 program accounts directly or to other budget accounts.

28 2. Except **as otherwise provided in section 5 of this act and except** for
29 the balance in any proprietary fund and appropriated or authorized
30 reserves, any balance remaining at the end of a fiscal year in a budget
31 account of an agency, department or institution of the State of Nevada,
32 whether or not authorized for expenditure under a work program, reverts to
33 the source of funding supporting the agency, department or institution. If
34 that source of funding is federal money or a source of revenue the use of
35 which is restricted by statute, then the balance may be authorized for
36 expenditure under a work program for the subsequent fiscal year in
37 accordance with the provisions of this chapter.

38 3. No provision of this chapter may be construed to authorize or direct
39 the transfer, expenditure or reversion of any money received from the
40 Federal Government contrary to the conditions upon which that money was
41 received or to any federal law or regulation respecting the accountability
42 therefor.

- 1 4. This section does not apply to the board of regents of the University
- 2 of Nevada and the Nevada state museum.
- 3 **Sec. 8.** This act becomes effective on July 1, 1999.

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