

SENATE BILL NO. 71—COMMITTEE ON FINANCE

FEBRUARY 1, 1999

Referred to Committee on Finance

SUMMARY—Provides for preparation of legislative proposal for budget for state government. (BDR 17-1136)

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 the legislature; requiring the fiscal analysis division of the legislative counsel bureau to prepare a legislative proposal for the budget for the state government; requiring the chief of the budget division of the department of administration to provide certain information to the fiscal analysis division of the legislative counsel bureau; repealing the provision that creates the budget subcommittee of the legislative commission; 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
3 the provisions set forth as sections 2 and 3 of this act.
4 **Sec. 2. 1. *The fiscal analysis division shall prepare the legislative***
5 ***proposal for the budget for the state government for each biennium for***
6 ***presentation to the legislature for its consideration not later than the***
7 ***second day of each regular session of the legislature.***
8 **2. *The legislative proposal for the budget must include:***
9 ***(a) A complete financial plan for the next 2 fiscal years;***
10 ***(b) All proposed expenditures for the administration, operation and***
11 ***maintenance of the departments, institutions and agencies of the state***
12 ***government, including, without limitation, those operating on money***
13 ***designated for specific purposes by the constitution or otherwise;***
14 ***(c) All interest and debt redemption charges during the next 2 fiscal***
15 ***years;***

1 *(d) All expenditures for capital projects to be undertaken and executed*
2 *during the next 2 fiscal years; and*

3 *(e) The anticipated revenue of the state government and any other*
4 *additional means of financing the expenditures proposed for the next 2*
5 *fiscal years.*

6 **Sec. 3. The interim finance committee shall:**

7 **1. Advise the fiscal analysis division on matters pertaining to the**
8 **preparation of the legislative proposal for the budget for the state**
9 **government pursuant to section 2 of this act;**

10 **2. Review fiscal issues that may require consideration by the**
11 **legislature at the next regular session of the legislature; and**

12 **3. Carry out the duties set forth in this section before the**
13 **commencement of the next regular session of the legislature.**

14 **Sec. 4. NRS 218.610 is hereby amended to read as follows:**

15 218.610 As used in NRS 218.610 to 218.735, inclusive, **and sections 2**
16 **and 3 of this act**, “agency of the state” includes all offices, departments,
17 boards, commissions or institutions of the state, and the state industrial
18 insurance system.

19 **Sec. 5. NRS 218.686 is hereby amended to read as follows:**

20 218.686 1. The fiscal analysis division consists of the senate fiscal
21 analyst, the assembly fiscal analyst and such additional staff as the
22 performance of their duties may require.

23 2. The fiscal analysis division shall:

24 (a) Thoroughly examine all agencies of the state with special regard to
25 their activities and the duplication of efforts between them.

26 (b) Recommend to the legislature any suggested changes looking toward
27 economy and the elimination of inefficiency in government.

28 (c) Ascertain facts and make recommendations to the legislature
29 concerning the budget of the state and the estimates of the expenditure
30 requirements of the agencies of the state.

31 **(d) Prepare the legislative proposal for the budget for the state**
32 **government pursuant to section 2 of this act.**

33 **(e) Make projections of future public revenues for the use of the**
34 **legislature.**

35 ~~[(e)]~~ **(f)** Analyze the history and probable future trend of the state’s
36 financial position ~~[in order]~~ so that a sound fiscal policy may be developed
37 and maintained for the State of Nevada.

38 ~~[(f)]~~ **(g)** Analyze appropriation bills, revenue bills, and bills having a
39 fiscal impact upon the operation of the government of the State of Nevada
40 or its political subdivisions.

41 ~~[(g)]~~ **(h)** Advise the legislature and the members and committees thereof
42 regarding matters of a fiscal nature.

1 ~~{(h)}~~ (i) Perform such other functions as may be assigned to the fiscal
2 analysis division by the legislature, the legislative commission or the
3 director of the legislative counsel bureau.

4 **Sec. 6.** NRS 353.205 is hereby amended to read as follows:

5 353.205 ~~{1.}~~ The proposed budget for the executive department of
6 the state government for each fiscal year must be set up in three parts:

7 ~~{(a)}~~ 1. Part 1 must consist of a budgetary message by the governor
8 ~~{which}~~ **that** outlines the financial policy of the executive department of the
9 state government for the next 2 fiscal years, describing in connection
10 therewith the important features of the financial plan. It must also embrace
11 a general summary of the proposed budget setting forth the aggregate
12 figures of the proposed budget in such a manner as to show the balanced
13 relations between the total proposed expenditures and the total anticipated
14 revenues, together with the other means of financing the proposed budget
15 for the next 2 fiscal years, contrasted with the corresponding figures for the
16 last completed fiscal year and fiscal year in progress. The general summary
17 of the proposed budget must be supported by explanatory schedules or
18 statements, classifying the expenditures contained therein by organizational
19 units, objects and funds, and the income by organizational units, sources
20 and funds.

21 ~~{(b)}~~ 2. Part 2 must embrace the detailed budgetary estimates both of
22 expenditures and revenues as provided in NRS 353.150 to 353.246,
23 inclusive. The information must be presented in a manner which sets forth
24 separately the cost of continuing each program at the same level of service
25 as the current year and the cost, by budgetary issue, of any
26 recommendations to enhance or reduce that level of service. Revenues must
27 be summarized by type, and expenditures must be summarized by category
28 of expense. Part 2 must include a mission statement and measurement
29 indicators for each program. It must also include statements of the bonded
30 indebtedness of the state government, showing the requirements for
31 redemption of debt, the debt authorized and unissued, and the condition of
32 the sinking funds, and any statements relative to the financial plan which
33 the governor may deem desirable, or which may be required by the
34 legislature.

35 ~~{(c)}~~ 3. Part 3 must include a recommendation to the legislature for the
36 drafting of a general appropriation bill authorizing, by departments,
37 institutions and agencies, and by funds, all expenditures of the executive
38 department of the state government for the next 2 fiscal years, and may
39 include recommendations to the legislature for the drafting of such other
40 bills as may be required to provide the income necessary to finance the proposed
41 budget and to give legal sanction to the financial plan if adopted
42 by the legislature.

1 ~~[2.— Except as otherwise provided in NRS 353.211, as soon as each part~~
2 ~~of the proposed budget is prepared, a copy of the part must be transmitted~~
3 ~~to the fiscal analysis division of the legislative counsel bureau for~~
4 ~~confidential examination and retention.~~

5 ~~—3.— Except for the information provided to the fiscal analysis division of~~
6 ~~the legislative counsel bureau pursuant to NRS 353.211, parts 1 and 2 of~~
7 ~~the proposed budget are confidential until the governor transmits the~~
8 ~~proposed budget to the legislature pursuant to NRS 353.230, regardless of~~
9 ~~whether those parts are in the possession of the executive or legislative~~
10 ~~department of the state government. Part 3 of the proposed budget is~~
11 ~~confidential until the bills which result from the proposed budget are~~
12 ~~introduced in the legislature.]~~

13 **Sec. 7.** NRS 353.211 is hereby amended to read as follows:

14 353.211 1. On or before October 15 of each even-numbered year, the
15 chief shall provide to the fiscal analysis division of the legislative counsel
16 bureau:

17 (a) Computerized budget files containing the actual data regarding
18 revenues and expenditures for the previous year;

19 (b) The work programs for the current year; and

20 (c) Each agency's requested budget for the next 2 fiscal years.

21 2. On or before December ~~[31]~~ 15 of each even-numbered year, the
22 chief shall provide to the fiscal analysis division ~~[:]~~ ***in printed form, in a***
23 ***form available for access by computer and in any other form or on any***
24 ***other medium requested by the fiscal analysis division:***

25 (a) Each agency's adjusted base budget by budgetary account for the
26 next 2 fiscal years ~~[:]~~ ***and any readily available, related information***
27 ***requested by the fiscal analysis division; and***

28 (b) An estimated range of the costs for:

29 (1) Continuing the operation of state government; and

30 (2) Providing elementary, secondary and higher public education,
31 at the current level of service.

32 3. ***The chief shall:***

33 (a) ***Consult with the fiscal analysis division when preparing the***
34 ***proposed budget of the executive department of the state government to***
35 ***establish identical organizational coding schemes and coding schemes***
36 ***for the computer to be used in the proposed budget of the executive***
37 ***department of the state government and the legislative proposal for the***
38 ***budget prepared pursuant to section 2 of this act.***

39 (b) ***As soon as each part of the proposed budget of the executive***
40 ***department of the state government is prepared, provide that part to the***
41 ***fiscal analysis division.***

1 *(c) Provide to the fiscal analysis division, not later than 14 days before*
2 *the commencement of the regular session of the legislature, the final*
3 *version of the proposed budget of the executive department of the state*
4 *government that will be transmitted to the legislature by the governor*
5 *pursuant to NRS 353.230.*

6 *4. The chief shall provide each part of the proposed budget and the*
7 *final version of the proposed budget pursuant to subsection 3 in printed*
8 *form, in a form available for access by computer, and in any other form*
9 *or on any other medium requested by the fiscal analysis division. The*
10 *final version of the proposed budget must be available in a form that*
11 *allows automated comparison with the legislative proposal for the budget*
12 *prepared pursuant to section 2 of this act.*

13 *5. The fiscal analysis division shall not:*

14 *(a) Disclose the contents of parts 1 and 2 of the final version of the*
15 *proposed budget described in subsections 1 and 2 of NRS 353.205 until*
16 *the governor transmits the final version of the proposed budget to the*
17 *legislature pursuant to NRS 353.230.*

18 *(b) Disclose the contents of part 3 of the final version of the proposed*
19 *budget described in subsection 3 of NRS 353.205 until the bills that result*
20 *from the final version of the proposed budget are introduced in the*
21 *legislature.*

22 *6. The information provided to the fiscal analysis division pursuant to*
23 *subsections 1 and 2 is open for public inspection.*

24 ~~*[4.—As soon as practicable after receipt of the material provided*~~
25 ~~*pursuant to subsections 1 and 2, the fiscal analysis division shall provide a*~~
26 ~~*synopsis of the information to the members of the budget subcommittee of*~~
27 ~~*the legislative commission. The synopsis must include the levels of*~~
28 ~~*requested expenditures of all of the departments, institutions and agencies,*~~
29 ~~*major budgetary issues, approximate available revenues, historical data and*~~
30 ~~*any other information the fiscal analysts deem appropriate.]*~~

31 **Sec. 8.** NRS 218.6824 is hereby repealed.

TEXT OF REPEALED SECTION

218.6824 Legislative commission: Budget subcommittee.

1. There is hereby created a budget subcommittee of the legislative commission.

2. The chairman of the legislative commission shall appoint to the subcommittee the persons designated by the speaker designate of the assembly to be members of the assembly standing committee on ways and

means and the persons designated by the majority leader designate of the senate to be members of the senate standing committee on finance for the next ensuing session of the legislature.

3. The budget subcommittee shall conclude its activities before the next regular legislative session is convened.

4. The budget subcommittee shall:

(a) Review the synopsis of the state budget prepared by the fiscal analysis division of the legislative counsel bureau pursuant to NRS 353.211; and

(b) Consider other fiscal issues that may require consideration by the legislature at the next ensuing session.

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