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STATE OF NEVADA  
2004-2005 BIENNIAL BUDGET REQUEST  
PROGRAM NARRATIVE

6, I

Budget Account Title:	Office of the Lieutenant Governor
Budget Account Number:	1020
Name of Agency or Program:	Office of the Lieutenant Governor

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#### BASE BUDGET

The base budget continues funding for the Office of the Lieutenant Governor and six full-time unclassified positions as well as associated operating support. Salary for the Lieutenant Governor and in-state travel line items have been increased in the second year of the biennium to reflect legislative responsibilities. One-shots, discontinued services, and work program adjustments in the base year have been removed.

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#### NEW PROGRAMS

There are no new programs for this budget account.

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#### MAINTENANCE UNITS

There are two maintenance units in this budget request, M-100 and M-300. The M-100 decision unit includes inflationary increases of \$3,284 in FY04 and \$3,051 in FY05 as calculated by the budget office for property and tort insurance; state owned building rent, DoIT communications and contract charges; and purchasing assessments. The M-300 decision unit includes increases an additional \$16,644 in FY04 and \$20,549 in FY05 to cover changes in employee costs for fringe benefits.

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#### ENHANCEMENT UNITS

The Office of the Lieutenant Governor operates on a conservative budget just shy of \$500,000 a year. In order to fulfill its constitutional duties, the office must apply the dollars *that are available* to their highest and best use. The FY04-05 budget requests a realignment of line-item authority from the operating category to the travel categories. These

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adjustments will be addressed shortly in decision units E-500 and E-600. The first enhancement unit I will address is E-175.

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E-175	SFY 2004: \$1,000	SFY 2005: \$0
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The budget for the Office of the Lieutenant Governor contains a legislatively authorized host fund. The money in the fund is used to host domestic and foreign dignitaries while discussing new strategies promoting economic development, trade and tourism to Nevada. The amount in the fund fluctuates from year to year and can range from \$800 to \$5,000 depending on business trends and industry needs. As the Lieutenant Governor said, China is emerging and has great potential as an international trade and tourism market for Nevada. Millions of affluent and middle-class Chinese now travel outside China each year and they are expressing a strong interest in business and industry in Nevada. This budget request includes an increase of \$1,000 in FY04 to bring the host fund authority to up \$1,850. There are no increases requested in FY05.

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E-500	SFY 2004: \$23,080	SFY 2005: \$14,362
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The E-500 decision unit reflects an increase and places more importance on in-state and out-of-state travel for the next two years. The requested authority in out-of-state travel will afford the Lieutenant Governor, who serves on the executive committee of the National Lieutenant Governor's Association, as well as Western Regional Chair, an opportunity to attend and represent Nevada at both conferences, consulting with the Nevada delegation, key White House officials, the president and vice president in Washington DC. Although the request includes only two additional out-of-state trips per year, it also includes the Lieutenant Governor and two staff members per trip. It is imperative for staff to accompany the Lt. Governor to allow her office to efficiently and effectively cover all the issues at hand, including transportation, alternative energies, public lands, and homeland security. The need to maintain an active travel schedule in FY05 still exists, however, the time served as President of the Senate overrides travel in a legislative year.

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We are also requesting an increase in In-state travel. The authority will allow the Lieutenant Governor and staff to maintain and foster developing business relationships in rural Nevada. In FY02, the base year, three-quarters of the in-state travel budget was spent in rural Nevada. The remaining quarter was used to support the Lieutenant Governor's active representation on various committees and commissions throughout the state.

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**BUDGET REDUCTIONS**

In FY02, Governor Guinn asked agencies to reduce their FY02 and FY03 budgets by 3%. The same 3% reduction - amounting to \$13,559 - has been carried forward to each year of the new biennium and is recorded in the E-600 decision unit. The amount was calculated per the budget instructions using the FY03 legislatively approved work program amount of \$454,173, less one-time line-item authority in the amount of \$2,200, for an adjusted work program amount of \$451,973.

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**E 710 Replacement Equipment**

SFY 2004: \$2,449

SFY 2005: \$6,869

The E-710 decision unit provides funding for computer hardware replacements and software upgrades. The request follows the guidelines provided by the Department of Information Technology. Two computers in FY04 and three in FY05 will reach their maximum usefulness and will need to be replaced @ \$1,500 each for \$3,000. Three computers in FY05 will need to be replaced at \$1,500 each for \$4,500. Additionally the request includes software upgrades in FY05 for Microsoft Office, Windows, and Norton Antivirus for the seven office computers currently in use.