
ASSEMBLY BILL NO. 517—COMMITTEE ON WAYS AND MEANS

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

MARCH 28, 2011

Referred to Committee on Ways and Means

SUMMARY—Revises provisions governing the proposed budget for the Executive Department of the State Government. (BDR 31-1164)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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; revising provisions governing the proposed budget for the Executive Department of the State Government; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The State Budget Act prescribes the contents and process for preparation of the
2 proposed budget for the Executive Department of the State Government. (NRS
3 353.150-353.246) **Section 1** of this bill requires the inclusion of long-term
4 performance goals and additional information about measurement indicators in the
5 proposed executive budget. **Section 1** also changes the manner in which
6 expenditures are indicated in the proposed budget from summarization by category
7 of expenses to summarization by program. **Section 3** of this bill eliminates
8 requirements related to base budgets.

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

1 **Section 1.** NRS 353.205 is hereby amended to read as follows:
2 353.205 1. The proposed budget for the Executive
3 Department of the State Government for each fiscal year must be set
4 up in three parts:
5 (a) Part 1 must consist of a budgetary message by the Governor
6 which outlines the financial policy of the Executive Department of



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the State Government for the next 2 fiscal years, describing in connection therewith the important features of the financial plan. It must also embrace a general summary of the proposed budget ~~[setting]~~ :

(1) *Setting* forth the aggregate figures of the proposed budget in such a manner as to show the balanced relations between the total proposed expenditures and the total anticipated revenues, together with the other means of financing the proposed budget for the next 2 fiscal years, contrasted with the corresponding figures for the last completed fiscal year and fiscal year in progress ~~[]~~ ; and

(2) *Specifying the long-term performance goals of the Executive Department of the State Government.*

↪ The general summary of the proposed budget must be supported by explanatory schedules or statements, classifying the expenditures contained therein by organizational units, objects and funds, and the income by organizational units, sources and funds.

(b) Part 2 must embrace the detailed budgetary estimates both of expenditures and revenues as provided in NRS 353.150 to 353.246, inclusive. The information must be presented in a manner which sets forth separately the cost of continuing each program at the same level of service as the current year and the cost, by budgetary issue, of any recommendations to enhance or reduce that level of service. Revenues must be summarized by type . ~~[] and expenditures must be summarized by category of expense.~~ Part 2 must include a mission statement and measurement indicators for each program ~~[] that articulate the intermediate objectives and long-term performance goals to be achieved by the program and the specific measurement indicators to be tracked to determine whether the program is successful in achieving those intermediate objectives and long-term performance goals, provided in sufficient detail to assist the Governor and the Legislature in performing an analysis of the relative costs and benefits of programs and in determining priorities for expenditures. If available, information regarding such measurement indicators must be provided for each of the previous 4 fiscal years. If a measurement indicator is being added, the rationale for adding the indicator must be provided. If a measurement indicator is being modified, information must be provided regarding the modified indicator and the indicator as it existed before modification. If a measurement indicator is being deleted, the rationale for deleting the indicator and information regarding the deleted indicator must be provided.~~ Part 2 must also include statements of the bonded indebtedness of the State Government, showing the requirements for redemption of debt, the debt authorized and unissued, and the condition of the sinking funds, and any statements relative to the financial plan which the



1 Governor may deem desirable, or which may be required by the
2 Legislature.

3 (c) Part 3 must include a recommendation to the Legislature for
4 the drafting of a general appropriation bill authorizing, by
5 departments, institutions and agencies, and by funds, all
6 expenditures of the Executive Department of the State Government
7 for the next 2 fiscal years, and may include recommendations to the
8 Legislature for the drafting of such other bills as may be required to
9 provide the income necessary to finance the proposed budget and to
10 give legal sanction to the financial plan if adopted by the
11 Legislature.

12 2. Except as otherwise provided in NRS 353.211, as soon as
13 each part of the proposed budget is prepared, a copy of the part must
14 be transmitted to the Fiscal Analysis Division of the Legislative
15 Counsel Bureau for confidential examination and retention.

16 3. Except for the information provided to the Fiscal Analysis
17 Division of the Legislative Counsel Bureau pursuant to NRS
18 353.211, parts 1 and 2 of the proposed budget are confidential until
19 the Governor transmits the proposed budget to the Legislature
20 pursuant to NRS 353.230, regardless of whether those parts are in
21 the possession of the Executive or Legislative Department of the
22 State Government. Part 3 of the proposed budget is confidential
23 until the bills which result from the proposed budget are introduced
24 in the Legislature.

25 **Sec. 2.** NRS 353.210 is hereby amended to read as follows:

26 353.210 1. Except as otherwise provided in subsection 6, on
27 or before September 1 of each even-numbered year, all departments,
28 institutions and other agencies of the Executive Department of the
29 State Government, and all agencies of the Executive Department of
30 the State Government receiving state money, fees or other money
31 under the authority of the State, including those operating on money
32 designated for specific purposes by the Nevada Constitution or
33 otherwise, shall prepare, on blanks furnished them by the Chief, and
34 submit to the Chief:

35 (a) The number of positions within the department, institution or
36 agency that have been vacant for at least 12 months, the number of
37 months each such position has been vacant and the reasons for each
38 such vacancy;

39 (b) Any existing contracts the department, institution or agency
40 has with consultants or temporary employment services, the
41 proposed expenditures for such contracts in the next 2 fiscal years
42 and the reasons for the use of such consultants or services; and

43 (c) Estimates of their expenditure requirements, together with all
44 anticipated income from fees and all other sources, for the next 2
45 fiscal years compared with the corresponding figures of the last



1 completed fiscal year and the estimated figures for the current fiscal
2 year.

3 2. The Chief shall direct that one copy of the forms submitted
4 pursuant to subsection 1, accompanied by every supporting schedule
5 and any other related material, be delivered directly to the Fiscal
6 Analysis Division of the Legislative Counsel Bureau on or before
7 September 1 of each even-numbered year.

8 3. The Budget Division of the Department of Administration
9 shall give advance notice to the Fiscal Analysis Division of the
10 Legislative Counsel Bureau of any conference between the Budget
11 Division of the Department of Administration and personnel of
12 other state agencies regarding budget estimates. A Fiscal Analyst of
13 the Legislative Counsel Bureau or his or her designated
14 representative may attend any such conference.

15 4. The estimates of expenditure requirements submitted
16 pursuant to subsection 1 must be classified to set forth the data of
17 funds, organizational units ~~{} and {}~~ and ~~{the character and objects of}~~
18 expenditures ~~{} by program~~ and must include a mission statement
19 and measurement indicators for each program. The organizational
20 units may be subclassified by functions and activities, or in any
21 other manner at the discretion of the Chief.

22 5. If any department, institution or other agency of the
23 Executive Department of the State Government, whether its money
24 is derived from state money or from other money collected under
25 the authority of the State, fails or neglects to submit estimates of its
26 expenditure requirements as provided in this section, the Chief may,
27 from any data at hand in the Chief's office or which the Chief may
28 examine or obtain elsewhere, make and enter a proposed budget for
29 the department, institution or agency in accordance with the data.

30 6. Agencies, bureaus, commissions and officers of the
31 Legislative Department, the Public Employees' Retirement System
32 and the Judicial Department of the State Government shall submit to
33 the Chief for his or her information in preparing the proposed
34 executive budget the budgets which they propose to submit to the
35 Legislature.

36 **Sec. 3.** NRS 353.211 is hereby amended to read as follows:

37 353.211 1. On or before October 15 of each even-numbered
38 year, the Chief shall provide to the Fiscal Analysis Division of the
39 Legislative Counsel Bureau:

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

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

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

44 2. On or before December 31 of each even-numbered year, the
45 Chief shall provide to the Fiscal Analysis Division ~~{}:~~



- 1 ~~—(a) Each agency's adjusted base budget by budgetary account~~
2 ~~for the next 2 fiscal years; and~~
3 ~~—(b) An~~ **an** estimated range of the costs for:
4 ~~{(1)}~~ **(a)** Continuing the operation of State Government; and
5 ~~{(2)}~~ **(b)** Providing elementary, secondary and higher public
6 education,
7 ↪ at the current level of service.
8 3. The information provided to the Fiscal Analysis Division
9 pursuant to subsections 1 and 2 is open for public inspection.

