

SENATE BILL NO. 73—COMMITTEE ON FINANCE

(ON BEHALF OF THE DIVISION OF BUDGET AND PLANNING)

PREFILED DECEMBER 15, 2010

Referred to Committee on Finance

SUMMARY—Makes various changes concerning state financial administration. (BDR 31-427)

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

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; authorizing the State Board of Examiners to delegate certain authority to a person designated by the Clerk of the Board; revising provisions concerning the approval of requests for the revision of work programs, the acceptance of certain gifts and grants, allocations of certain money from federal block grants and certain changes of positions; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the State Board of Examiners to delegate to its ex officio Clerk, the Chief of the Budget Division of the Department of Administration, the authority to approve the payment of claims from the State Claims Account and the Reserve for Statutory Contingency Account under such circumstances as the Board deems appropriate. (NRS 353.097, 353.190, 353.264)

Sections 1 and 3 of this bill authorize the Board to also delegate the authority to approve the payment of such claims to a person designated by the Clerk.

Existing law prescribes certain thresholds at which or conditions under which a state agency, department or commission of the Executive Department of State Government is required to obtain approval before revising work programs and allocating certain money from federal block grants. (NRS 353.220, 353.345)

Sections 2 and 5 of this bill remove these thresholds and conditions prescribed in existing law and instead require the State Board of Examiners and the Interim Finance Committee, upon the joint recommendation of the Chief, the Senate Fiscal Analyst and the Assembly Fiscal Analyst, to establish criteria for such approval.

Section 2.5 of this bill revises the prohibition against certain agencies in the Executive Department of State Government changing a position from one occupational group to another if money for the position was appropriated or



* S B 7 3 R 1 *

19 authorized by the Legislature unless the Legislature itself or the Interim Finance
20 Committee approves the change. The revision makes approval by the Interim
21 Finance Committee required only if the change in the position would result in
22 increased salary cost to the state agency. Therefore, those agencies may carry out
23 such changes of positions without legislative approval unless an increase in salary
24 cost would result.

25 **Section 4** of this bill increases the threshold amounts for acceptance of gifts
26 and grants by state agencies without the approval of the Interim Finance
27 Committee.

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

Section 1. NRS 353.097 is hereby amended to read as follows:

353.097 1. As used in this section, "stale claim" means a
claim which is presented by a state agency to the State Board of
Examiners after the date on which it is provided by law that money
appropriated to that state agency for the previous fiscal year reverts
to the fund from which appropriated.

2. There is hereby created a Stale Claims Account in the State
General Fund. Money for the Account must be provided by direct
legislative appropriation.

3. Upon the approval of a stale claim as provided in this
section, the claim must be paid from the Stale Claims Account.
Payments of stale claims for a state agency must not exceed the
amount of money reverted to the fund from which appropriated by
the state agency for the fiscal year in which the obligations
represented by the stale claims were incurred.

4. A stale claim must be approved for payment from the Stale
Claims Account by the State Board of Examiners, except that the
State Board of Examiners may authorize its Clerk **or a person
designated by the Clerk**, under such circumstances as it deems
appropriate, to approve stale claims on behalf of the Board. A state
agency that is aggrieved by a determination of the Clerk **or his or
her designee** to deny all or any part of a stale claim may appeal that
determination to the State Board of Examiners.

5. A stale claim may be approved and paid at any time, despite
the age of the claim, if payable from available federal grants or from
a permanent fund in the State Treasury other than the State General
Fund.

Sec. 2. NRS 353.220 is hereby amended to read as follows:

353.220 1. The head of any department, institution or agency
of the Executive Department of the State Government, whenever he
or she deems it necessary because of changed conditions, may
request the revision of the work program of his or her department,
institution or agency at any time during the fiscal year, and submit



1 the revised program to the Governor through the Chief with a
2 request for revision of the allotments for the remainder of that fiscal
3 year.

4 2. Every request for revision must be submitted to the Chief on
5 the form and with supporting information as the Chief prescribes.

6 3. Before encumbering any appropriated or authorized money,
7 every request for revision must be approved or disapproved in
8 writing by the Governor or the Chief, if the Governor has by written
9 instrument delegated this authority to the Chief.

10 4. Whenever a request for the revision of a work program of a
11 department, institution or agency ~~[in an amount more than \$20,000~~
12 ~~would, when considered with all other changes in allotments for that~~
13 ~~work program made pursuant to NRS 353.215 and subsections 1, 2~~
14 ~~and 3 of this section, increase or decrease by 10 percent or \$50,000,~~
15 ~~whichever is less, the expenditure level approved by the Legislature~~
16 ~~for any of the allotments within the work program,]~~ *meets the*
17 *criteria established pursuant to this subsection,* the request must be
18 approved as provided in subsection 5 before any appropriated or
19 authorized money may be encumbered for the revision. *The State*
20 *Board of Examiners and the Interim Finance Committee shall,*
21 *upon the joint recommendation of the Chief, the Senate Fiscal*
22 *Analyst and the Assembly Fiscal Analyst, establish criteria to be*
23 *used in determining whether a request for the revision of a work*
24 *program requires approval as provided in subsection 5. The*
25 *criteria established must require such approval if the proposed*
26 *revision of the work program could potentially conflict with the*
27 *intent of the Legislature in approving the budget for the present*
28 *biennium or in originally enacting the statutes which the work*
29 *program is designed to effectuate.*

30 5. If a request for the revision of a work program requires
31 additional approval as provided in subsection 4 and:

32 (a) Is necessary because of an emergency as defined in NRS
33 353.263 or for the protection of life or property, the Governor shall
34 take reasonable and proper action to approve it and shall report the
35 action, and his or her reasons for determining that immediate action
36 was necessary, to the Interim Finance Committee at its first meeting
37 after the action is taken. Action by the Governor pursuant to this
38 paragraph constitutes approval of the revision, and other provisions
39 of this chapter requiring approval before encumbering money for the
40 revision do not apply.

41 (b) The Governor determines that the revision is necessary and
42 requires expeditious action, he or she may certify that the request
43 requires expeditious action by the Interim Finance Committee.
44 Whenever the Governor so certifies, the Interim Finance Committee
45 has 15 days after the request is submitted to its Secretary within



1 which to consider the revision. Any request for revision which is not
2 considered within the 15-day period shall be deemed approved.

3 (c) Does not qualify pursuant to paragraph (a) or (b), it must be
4 submitted to the Interim Finance Committee. The Interim Finance
5 Committee has 45 days after the request is submitted to its Secretary
6 within which to consider the revision. Any request which is not
7 considered within the 45-day period shall be deemed approved.

8 6. The Secretary shall place each request submitted pursuant to
9 paragraph (b) or (c) of subsection 5 on the agenda of the next
10 meeting of the Interim Finance Committee.

11 7. In acting upon a proposed revision of a work program, the
12 Interim Finance Committee shall consider, among other things:

13 (a) The need for the proposed revision; and

14 (b) The intent of the Legislature in approving the budget for
15 the present biennium and originally enacting the statutes which the
16 work program is designed to effectuate.

17 **Sec. 2.5.** NRS 353.224 is hereby amended to read as follows:

18 353.224 1. ~~[A state agency other than the Nevada System of~~
19 ~~Higher Education and vocational licensing boards may not change a~~
20 ~~position for which money has been appropriated or authorized from~~
21 ~~one occupational group to another, as defined by the index~~
22 ~~developed pursuant to NRS 284.171, without the approval of the~~
23 ~~Legislature or of the Interim Finance Committee.~~

24 ~~—2.]~~ All proposed changes of positions from one occupational
25 group to another *, as defined by the index developed pursuant to*
26 *NRS 284.171, which would result in an increase in salary cost to a*
27 *state agency other than the Nevada System of Higher Education*
28 *and vocational licensing boards* must be submitted to the Interim
29 Finance Committee. The Interim Finance Committee has 45 days
30 after a proposal is submitted to its Secretary within which to
31 consider it. Any proposed change of a position from one
32 occupational group to another which is not considered within the
33 45-day period shall be deemed approved.

34 ~~[3.]~~ 2. The Secretary shall place each request submitted
35 pursuant to subsection ~~[2.]~~ 1 on the agenda of the next meeting of the
36 Interim Finance Committee.

37 ~~[4.]~~ 3. In acting upon a proposed change of position, the
38 Interim Finance Committee shall consider, among other things:

39 (a) The need for the proposed change; and

40 (b) The intent of the Legislature in approving the existing
41 classification of positions.

42 **Sec. 3.** NRS 353.264 is hereby amended to read as follows:

43 353.264 1. The Reserve for Statutory Contingency Account
44 is hereby created in the State General Fund.



2. The State Board of Examiners shall administer the Reserve for Statutory Contingency Account. The money in the Account must be expended only for:

(a) The payment of claims which are obligations of the State pursuant to NRS 41.03435, 41.0347, 621.025, 176.485, 179.310, 212.040, 212.050, 212.070, 281.174, 282.290, 282.315, 288.203, 293.253, 293.405, 353.120, 353.262, 412.154 and 475.235;

(b) The payment of claims which are obligations of the State pursuant to:

(1) Chapter 472 of NRS arising from operations of the Division of Forestry of the State Department of Conservation and Natural Resources directly involving the protection of life and property; and

(2) NRS 7.155, 34.750, 176A.640, 179.225 and 213.153, except that claims may be approved for the respective purposes listed in this paragraph only when the money otherwise appropriated for those purposes has been exhausted;

(c) The payment of claims which are obligations of the State pursuant to NRS 41.0349 and 41.037, but only to the extent that the money in the Fund for Insurance Premiums is insufficient to pay the claims; and

(d) The payment of claims which are obligations of the State pursuant to NRS 535.030 arising from remedial actions taken by the State Engineer when the condition of a dam becomes dangerous to the safety of life or property.

3. The State Board of Examiners may authorize its Clerk ~~or~~ *a person designated by the Clerk*, under such circumstances as it deems appropriate, to approve, on behalf of the Board, the payment of claims from the Reserve for Statutory Contingency Account. For the purpose of exercising any authority granted to the Clerk of the State Board of Examiners *or his or her designee* pursuant to this subsection, any statutory reference to the State Board of Examiners relating to such a claim shall be deemed to refer to the Clerk of the Board ~~or~~ *or his or her designee*.

Sec. 4. NRS 353.335 is hereby amended to read as follows:

353.335 1. Except as otherwise provided in subsections 5 and 6, a state agency may accept any gift or grant of property or services from any source only if it is included in an act of the Legislature authorizing expenditures of nonappropriated money or, when it is not so included, if it is approved as provided in subsection 2.

2. If:

(a) Any proposed gift or grant is necessary because of an emergency as defined in NRS 353.263 or for the protection or preservation of life or property, the Governor shall take reasonable and proper action to accept it and shall report the action and his or



her reasons for determining that immediate action was necessary to the Interim Finance Committee at its first meeting after the action is taken. Action by the Governor pursuant to this paragraph constitutes acceptance of the gift or grant, and other provisions of this chapter requiring approval before acceptance do not apply.

(b) The Governor determines that any proposed gift or grant would be forfeited if the State failed to accept it before the expiration of the period prescribed in paragraph (c), the Governor may declare that the proposed acceptance requires expeditious action by the Interim Finance Committee. Whenever the Governor so declares, the Interim Finance Committee has 15 days after the proposal is submitted to its Secretary within which to approve or deny the acceptance. Any proposed acceptance which is not considered within the 15-day period shall be deemed approved.

(c) The proposed acceptance of any gift or grant does not qualify pursuant to paragraph (a) or (b), it must be submitted to the Interim Finance Committee. The Interim Finance Committee has 45 days after the proposal is submitted to its Secretary within which to consider acceptance. Any proposed acceptance which is not considered within the 45-day period shall be deemed approved.

3. The Secretary shall place each request submitted to the Secretary pursuant to paragraph (b) or (c) of subsection 2 on the agenda of the next meeting of the Interim Finance Committee.

4. In acting upon a proposed gift or grant, the Interim Finance Committee shall consider, among other things:

(a) The need for the facility or service to be provided or improved;

(b) Any present or future commitment required of the State;

(c) The extent of the program proposed; and

(d) The condition of the national economy, and any related fiscal or monetary policies.

5. A state agency may accept:

(a) Gifts, including grants from nongovernmental sources, not exceeding ~~[\$10,000]~~ \$500,000 each in value; and

(b) Governmental grants not exceeding ~~[\$100,000]~~ \$500,000 each in value,

↳ if the gifts or grants are used for purposes which do not involve the hiring of new employees and if the agency has the specific approval of the Governor or, if the Governor delegates this power of approval to the Chief of the Budget Division of the Department of Administration, the specific approval of the Chief.

6. This section does not apply to:

(a) The Nevada System of Higher Education;

(b) The Department of Health and Human Services while acting as the state health planning and development agency pursuant to



paragraph (d) of subsection 2 of NRS 439A.081 or for donations, gifts or grants to be disbursed pursuant to NRS 433.395; or

(c) Artifacts donated to the Department of Cultural Affairs.

Sec. 5. NRS 353.345 is hereby amended to read as follows:

353.345 **1.** Whenever ~~{federal funding in the form of a categorical grant of a specific program administered by a state agency, commission or department is terminated and incorporated into}~~ *a proposed allocation of money from* a block grant from the Federal Government to the State of Nevada ~~{, the}~~ *meets the criteria established pursuant to subsection 2, a* state agency, commission or department must obtain the approval of the Interim Finance Committee in order to allocate the money. ~~{received from any block grant.}~~

2. *The State Board of Examiners and the Interim Finance Committee shall, upon the joint recommendation of the Chief, the Senate Fiscal Analyst and the Assembly Fiscal Analyst, establish criteria to be used in determining whether a proposed allocation of money from a block grant from the Federal Government requires approval pursuant to subsection 1. The criteria established must require such approval if the money from the block grant is to be used for a purpose that could potentially conflict with the intent of the Legislature in approving the budget for the present biennium or in enacting the statutes governing the powers and duties of the state agency, commission or department.*

Sec. 6. (Deleted by amendment.)

Sec. 7. (Deleted by amendment.)

Sec. 8. (Deleted by amendment.)

Sec. 9. This act becomes effective upon passage and approval for the establishment of the criteria required by sections 2 and 5 of this act and on October 1, 2011, for all other purposes.

