

## ASSEMBLY BILL NO. 527—COMMITTEE ON WAYS AND MEANS

MAY 31, 2023

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to state financial administration. (BDR 31-1199)

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 requirements relating to the preparation of the state budget; revising provisions relating to revisions of work programs in the state budget; and providing other matters properly relating thereto.

**Legislative Counsel's Digest:**

Existing law requires the Chief of the Budget Division of the Office of Finance in the Office of the Governor to prepare a proposed budget for the Executive Department of the State Government. (NRS 353.185) Existing law requires the Judicial and Legislative Departments of the State Government, the Public Employees' Retirement System and the Tahoe Regional Planning Agency to submit to the Chief of the Budget Division for his or her information a copy of the budgets that they propose to submit to the Legislature. (NRS 353.210) Under existing law, the proposed budget for each fiscal year of a biennium is required to include a reserve of not less than 5 percent or more than 10 percent of the total of all proposed appropriations from the State General Fund for the operation of the State Government and authorized expenditures from the State General Fund for the regulation of gaming for that fiscal year. (NRS 353.213) **Section 1** of this bill requires the Chief of the Budget Division to include the total amount of appropriations included in the budgets submitted by the Judicial and Legislative Departments of the State Government, the Public Employees' Retirement System and the Tahoe Regional Planning Agency in the calculation of the reserve in the proposed budget.

Under the State Budget Act, the head of a department, institution or other agency of the Executive Department of the State Government, with certain exceptions, is authorized, as a result of changed conditions, to request a revision to a work program within its budget. Such a revision is required to be approved or disapproved by the Governor or the Chief of the Budget Division. In addition, the department, institution or agency is required to obtain the approval of the Interim Finance Committee, or the Governor in certain emergency or expeditious



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circumstances, before revising a work program in an amount more than \$30,000 if the revision will increase or decrease by 10 percent or \$75,000, whichever is less, the expenditure level approved by the Legislature for any of the allotments within the work program. (NRS 353.220) **Section 2** of this bill eliminates the initial monetary threshold of \$30,000 for the additional required approval of a work program and increases the dollar amount of the other threshold in existing law to \$100,000. Thus, under **section 2**, an agency must obtain additional approval of its work program from the Interim Finance Committee, or the Governor in certain emergency or expeditious circumstances, if the revision will increase or decrease by 10 percent or \$100,000, whichever is less, the expenditure level approved by the Legislature for any of the allotments within the work program.

Under existing law, if the Governor approves a work program that meets the monetary threshold level in the case of an emergency or for the protection of life or property, the Governor is required to report his or her approval of the work program to the Interim Finance Committee at its next meeting. (NRS 353.220) **Section 2** eliminates this reporting requirement and instead requires the Governor to notify the Chair of the Interim Finance Committee before approving the work program.

Under existing law, the Interim Finance Committee is required to consider a request for the revision of a work program within 45 days after its submission or the request is deemed approved. (NRS 353.220) **Section 2** eliminates that requirement and instead requires, with an exception, the placement of the request on the agenda of the next meeting of the Interim Finance Committee.

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

**Section 1.** NRS 353.210 is hereby amended to read as follows:  
353.210 1. Except as otherwise provided in subsections 6 and 7, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the Executive Department of the State Government, and all agencies of the Executive Department of the State Government receiving state money, fees or other money under the authority of the State, including those operating on money designated for specific purposes by the Nevada Constitution or otherwise, shall prepare, on blanks furnished them by the Chief, and submit to the Chief:

(a) The number of full-time equivalent positions within the department, institution or agency.

(b) The number of full-time equivalent positions within the department, institution or agency that have been vacant for at least 12 months, the number of months each such position has been vacant and the reasons for each such vacancy.

(c) Any existing contracts for services the department, institution or agency has with temporary employment services or other persons, the proposed expenditures for such contracts in the next 2 fiscal years and the reasons for the use of such services. If such contracts include any privatization contracts, a copy of each of those privatization contracts together with:



(1) A statement specifying the duration of the privatization contracts;

(2) The number of privatization contracts proposed for the next 2 fiscal years and the estimated expenditures for the privatization contracts; and

(3) An analysis of each of the privatization contracts, which includes, without limitation:

(I) For the preceding, current and next fiscal years, the annual amount required to perform each of the privatization contracts; and

(II) For the preceding and current fiscal years, the number of persons the department, institution or agency employed pursuant to the privatization contracts, reflected as the equivalent full-time position if the persons were regularly employed by the department, institution or agency, including the equivalent hourly wage and the cost of benefits for each job classification.

(d) If the department, institution or agency has any existing performance contracts that it has entered into pursuant to chapter 333A of NRS, any request to reinvest any savings realized under such a contract for the next 2 fiscal years.

(e) Estimates of expenditure requirements of the department, institution or agency, together with all anticipated income from fees and all other sources, for the next 2 fiscal years compared with the corresponding figures of the last completed fiscal year and the estimated figures for the current fiscal year.

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

3. The Budget Division of the Office of Finance shall give advance notice to the Fiscal Analysis Division of the Legislative Counsel Bureau of any conference between the Budget Division of the Office of Finance and personnel of other state agencies regarding budget estimates. A Fiscal Analyst of the Legislative Counsel Bureau or his or her designated representative may attend any such conference.

4. The estimates of expenditure requirements submitted pursuant to subsection 1 must be classified to set forth the data of funds, organizational units, and the character and objects of expenditures by program or budgetary account and by category of expense, and must include a mission statement and measurement indicators in adequate detail to comply with the requirements of subparagraph (3) of paragraph (b) of subsection 1 of NRS 353.205. The organizational units may be subclassified by functions and by



1 agencies, bureaus or commissions, or in any other manner at the  
2 discretion of the Chief.

3 5. If any department, institution or other agency of the  
4 Executive Department of the State Government, whether its money  
5 is derived from state money or from other money collected under  
6 the authority of the State, fails or neglects to submit estimates of its  
7 expenditure requirements as provided in this section, the Chief may,  
8 from any data at hand in the Chief's office or which the Chief may  
9 examine or obtain elsewhere, make and enter a proposed budget for  
10 the department, institution or agency in accordance with the data.

11 6. Agencies, bureaus, commissions and officers of the  
12 Legislative Department, the Public Employees' Retirement System  
13 and the Judicial Department of the State Government shall submit to  
14 the Chief for his or her information in preparing the proposed  
15 executive budget the budgets which they propose to submit to the  
16 Legislature. *The Chief shall include the total amount of*  
17 *appropriations included in the budgets submitted pursuant to this*  
18 *subsection in the calculation of the reserve required pursuant to*  
19 *subsection 3 of NRS 353.213.*

20 7. On or before September 1 of each even-numbered year, the  
21 Tahoe Regional Planning Agency shall submit the budget which the  
22 Agency proposes to submit to the Legislature to:

23 (a) The Chief for his or her information in preparing the  
24 proposed executive budget. *The Chief shall include the total*  
25 *amount of appropriations included in the budget submitted*  
26 *pursuant to this subsection in the calculation of the reserve*  
27 *required pursuant to subsection 3 of NRS 353.213.*

28 (b) The Fiscal Analysis Division of the Legislative Counsel  
29 Bureau.

30 8. The information provided by a department, institution or  
31 agency pursuant to paragraph (c) of subsection 1 is a public record  
32 and must be open to public inspection.

33 9. As used in this section, "privatization contract" means a  
34 contract executed by or on behalf of a department, institution or  
35 agency which authorizes a private entity to provide public services  
36 which are:

37 (a) Substantially similar to the services performed by the public  
38 employees of the department, institution or agency; and

39 (b) In lieu of the services otherwise authorized or required to be  
40 provided by the department, institution or agency.

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

42 353.220 1. The head of any department, institution or agency  
43 of the Executive Department of the State Government, whenever he  
44 or she deems it necessary because of changed conditions, may  
45 request the revision of the work program of his or her department,



1 institution or agency at any time during the fiscal year, and submit  
2 the revised program to the Governor through the Chief with a  
3 request for revision of the allotments for the remainder of that fiscal  
4 year.

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

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

11 4. Except as otherwise provided in subsection 8, whenever a  
12 request for the revision of a work program of a department,  
13 institution or agency ~~[in an amount more than \$30,000]~~ would,  
14 when considered with all other changes in allotments for that work  
15 program made pursuant to subsections 1, 2 and 3 and NRS 353.215,  
16 increase or decrease by 10 percent or ~~[\$75,000,]~~ **\$100,000,**  
17 whichever is less, the expenditure level approved by the Legislature  
18 for any of the allotments within the work program, the request must  
19 be approved as provided in subsection 5 before any appropriated or  
20 authorized money may be encumbered for the revision.

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

23 (a) Is necessary because of an emergency as defined in NRS  
24 353.263 or for the protection of life or property, the Governor shall  
25 take reasonable and proper action to approve it ~~[and shall report the~~  
26 ~~action, and]~~ **after notifying the Chair of Interim Finance**  
27 **Committee of** his or her reasons for determining that immediate  
28 action ~~[was]~~ **is** necessary. ~~[, to the Interim Finance Committee at its~~  
29 ~~first meeting after the action is taken.]~~ Action by the Governor  
30 pursuant to this paragraph constitutes approval of the revision, and  
31 other provisions of this chapter requiring approval before  
32 encumbering money for the revision do not apply.

33 (b) The Governor determines that the revision is necessary and  
34 requires expeditious action, he or she may certify that the request  
35 requires expeditious action by the Interim Finance Committee.  
36 Whenever the Governor so certifies, the Interim Finance Committee  
37 has 15 days after the request is submitted to its Secretary within  
38 which to consider the revision. Any request for revision which is not  
39 considered within the 15-day period shall be deemed approved.

40 (c) Does not qualify pursuant to paragraph (a) or (b), it must be  
41 submitted to the Interim Finance Committee. ~~[The Interim Finance~~  
42 ~~Committee has 45 days after the request is submitted to its Secretary~~  
43 ~~within which to consider the revision. Any request which is not~~  
44 ~~considered within the 45-day period shall be deemed approved.]~~



1       6. ~~[The]~~ *Except as otherwise provided in this subsection, the*  
2 Secretary shall place each request submitted pursuant to paragraph  
3 (b) or (c) of subsection 5 on the agenda of the ~~[next]~~ *first* meeting of  
4 the Interim Finance Committee ~~[.]~~ *after the submission of the*  
5 *request. If a request is submitted pursuant to paragraph (c) of*  
6 *subsection 5 within 30 days before the first meeting of the Interim*  
7 *Finance Committee after the submission of the request, the*  
8 *Secretary shall place the request on the agenda of the second*  
9 *meeting of the Interim Finance Committee after the submission of*  
10 *the request.*

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 the  
15 present biennium and originally enacting the statutes which the  
16 work program is designed to effectuate.

17       8. The provisions of subsection 4 do not apply to any request  
18 for the revision of a work program which is required:

19       (a) As a result of the acceptance of a gift or grant of property or  
20 services pursuant to subsection 5 of NRS 353.335; or

21       (b) To carry forward to a fiscal year, without a change in  
22 purpose, the unexpended balance of any money authorized for  
23 expenditure in the immediately preceding fiscal year.

24       **Sec. 3.** This act becomes effective on July 1, 2023.

