

Assembly Bill No. 153–Assemblywoman Bilbray-Axelrod

Joint Sponsor: Senator Brooks

CHAPTER.....

AN ACT relating to public financial administration; clarifying that a local government may use any savings realized under a performance contract to make payments required under the performance contract; making a legislative declaration to encourage using agencies to utilize performance contracts to implement operating cost-savings measures; authorizing such agencies to request the reinvestment of savings realized under such performance contracts during the budgetary process; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law authorizes and sets forth the requirements for local governments to enter into performance contracts for the purchase and installation of operating cost-savings measures to reduce costs related to such matters as energy, water and the disposal of waste, and related labor costs. (NRS 332.300-332.440) Existing law authorizes a local government to reinvest any savings realized under a performance contract into operating cost-savings measures. (NRS 332.410) **Section 1** of this bill clarifies that a local government may also use such savings to make any payments required under the performance contract, including finance charges.

Existing law authorizes certain agencies in the Executive Department of the State Government, known as “using agencies,” to enter into performance contracts for the purchase and installation of operating cost-savings measures to reduce costs related to such matters as energy, water and the disposal of waste, and related labor costs. (NRS 333A.010-333A.150) **Section 2** of this bill makes a legislative declaration and states that it is the policy of the State to encourage, to the extent practicable, a using agency to: (1) utilize the provisions related to a performance contract to implement operating cost-savings measures to reduce costs related to energy, water or the disposal of waste; and (2) continually review whether the using agency could utilize a performance contract to implement operating cost-savings measures to reduce costs related to energy, water or the disposal of waste. **Section 3** of this bill authorizes such an agency to request the reinvestment of savings realized under such a performance contract as part of the process for the preparation of the proposed budget of the Executive Department.

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

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

Section 1. NRS 332.410 is hereby amended to read as follows:
332.410 A local government may ~~reinvest~~ *use* any savings realized ~~under~~ *throughout the term of* a performance contract ~~whenever practical~~ *to*:



1. Make any payments required under the performance contract, including, without limitation, the payment of finance charges; and

2. Reinvest into other operating cost-savings measures provided the local government:

~~1-1~~ (a) Is satisfying all its other obligations under the performance contract; and

~~1-2~~ (b) Complies with the requirements of NRS 332.300 to 332.440, inclusive, when reinvesting the savings into other operating cost-savings measures.

Sec. 2. Chapter 333A of NRS is hereby amended by adding thereto a new section to read as follows:

The Legislature hereby declares that it is the policy of this State to encourage, to the extent practicable, a using agency to:

1. Utilize the process set forth in this chapter to implement any operating cost-savings measure to reduce costs related to energy, water or the disposal of waste; and

2. Continually review whether the using agency could utilize the process set forth in this chapter to implement any operating cost-savings measure to reduce costs related to energy, water or the disposal of waste.

Sec. 3. 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 agencies, bureaus or commissions, or in any other manner at the discretion of the Chief.

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

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

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

(a) The Chief for his or her information in preparing the proposed executive budget.

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

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

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

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

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

Sec. 4. This act becomes effective on July 1, 2021.

