

CHAPTER.....

AN ACT relating to state financial administration; defining the term “adjusted base budget” for purposes of the State Budget Act; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

The State Budget Act sets forth the process for the preparation and submission of the proposed biennial budget for the Executive Department of the State Government. (NRS 353.150-353.246) Specifically, the Act requires the Chief of the Budget Division of the Office of Finance to prepare a final version of the proposed budget, which must include the adjusted base budget for each department, institution and agency of the Executive Department. (NRS 353.230) **Section 2** of this bill defines the term “adjusted base budget” to mean the amount appropriated or authorized to support ongoing expenditures budgeted to the department, institution or agency by the Legislature for the second year of the current biennium, as adjusted for: (1) the removal of any one-time appropriation or authorization that was appropriated or authorized by the Legislature to the department, institution or agency for the second year of the biennium; (2) statewide fringe benefits, assessments, rent insurance premiums and cost allocations; (3) contractual obligations that are approved or expired during the current biennium; (4) ongoing expenditures approved by the Interim Finance Committee during the current biennium; (5) any annualization of costs that occurred for part of the second year of the current biennium; (6) actual caseloads incurred during the first year of the biennium; (7) rate changes that are projected to affect the budget of the department, institution or agency during the next biennium; and (8) any other adjustment that is necessary based on the limit upon total proposed expenditures or as otherwise determined by the Chief.

The Act further requires the Chief to provide to the Fiscal Analysis Division of the Legislative Counsel Bureau each agency’s adjusted base budget by program or budgetary account for the next 2 fiscal years. (NRS 353.211) **Section 1** of this bill defines the term “adjusted base budget” to mean the amount appropriated or authorized to support ongoing expenditures budgeted to the agency by the Legislature for the second year of the current biennium, as adjusted for: (1) the removal of any one-time appropriation or authorization that was appropriated or authorized by the Legislature to the agency for the second year of the current biennium; (2) statewide fringe benefits, assessments, rent insurance premiums and cost allocations; (3) contractual obligations that are approved or expired during the current biennium; (4) ongoing expenditures approved by the Interim Finance Committee during the current biennium; (5) any annualization of costs that occurred for part of the second year of the current biennium; (6) actual caseloads incurred during the first year of the biennium; (7) rate changes that are projected to affect the budget of the agency during the next biennium; and (8) any other adjustment that is necessary based on the limit upon total proposed expenditures or as otherwise determined by the Chief.

Section 2.5 of this bill makes an appropriation to the Legislative Fund to update the budgeting software of the Fiscal Analysis Division of the Legislative Counsel Bureau to accommodate the amendatory provisions of this bill.



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

Section 1. NRS 353.211 is hereby amended to read as follows:

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

- (a) Computerized budget files containing the actual data regarding revenues and expenditures for the previous year;
- (b) The work programs for the current year; and
- (c) Each agency's requested budget for the next 2 fiscal years.

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

- (a) Each agency's adjusted base budget by program or budgetary account for the next 2 fiscal years; and
- (b) An estimated range of the costs for:

- (1) Continuing the operation of State Government; and
 - (2) Providing elementary, secondary and higher public education,
- ↳ at the current level of service.

3. The information provided to the Fiscal Analysis Division pursuant to subsections 1 and 2 is open for public inspection.

4. The Governor may authorize or direct an agency to hold public hearings on a budget submitted pursuant to paragraph (c) of subsection 1 at any time after the material is provided pursuant to subsection 1.

5. *As used in this section, "adjusted base budget" means the amount appropriated or authorized to support ongoing expenditures budgeted to the agency by the Legislature for the second year of the current biennium, as adjusted for:*

(a) The removal of any one-time appropriation or authorization that was appropriated or authorized by the Legislature to the agency for the second year of the biennium;

(b) Statewide fringe benefits, assessments, rent insurance premiums and cost allocations;

(c) Contractual obligations that are approved or expired during the current biennium;

(d) Ongoing expenditures approved by the Interim Finance Committee during the current biennium;

(e) Any annualization of costs that occurred for part of the second year of the current biennium;



(f) Actual caseloads incurred during the first year of the biennium;

(g) Rate changes that are projected to affect the budget of the agency during the next biennium; and

(h) Any other adjustment that is necessary:

(1) Based on the limit upon total proposed expenditures calculated pursuant to NRS 353.213; or

(2) As otherwise determined by the Chief.

Sec. 2. NRS 353.230 is hereby amended to read as follows:

353.230 1. The Chief shall review the estimates, altering, revising, increasing or decreasing the items of the estimates as the Chief may deem necessary in view of the needs of the various departments, institutions and agencies in the Executive Department of the State Government and the total anticipated income of the State Government and of the various departments, institutions and agencies of the Executive Department during the next fiscal year. In performing the duties required by this subsection, the Chief shall use the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.

2. The Chief shall meet with a Fiscal Analyst of the Legislative Counsel Bureau or his or her designated representative and personnel of the various departments, institutions and agencies of the Executive Department to discuss:

(a) The budgetary requests of each department, institution and agency; and

(b) The budgetary recommendations of the Budget Division for each department, institution and agency,

➔ for the next 2 fiscal years. The Chief shall allow the Fiscal Analyst of the Legislative Counsel Bureau or his or her designated representative full access to all materials connected with the review.

3. The Chief shall then prepare a final version of the proposed budget, in accordance with NRS 353.150 to 353.246, inclusive, and shall deliver it to the Governor. The final version of the proposed budget must include the adjusted base budget for each department, institution and agency of the Executive Department, the costs for continuing each program at the current level of service and the costs, if any, for new programs, recommended enhancements of existing programs or reductions for the departments, institutions and agencies of the Executive Department for the next 2 fiscal years. All projections of revenue and any other information concerning future state revenue contained in the proposed budget must be based upon the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.



4. The Governor shall, not later than 14 calendar days before the commencement of the regular legislative session, submit the proposed budget to the Director of the Legislative Counsel Bureau for transmittal to the Legislature. The Governor shall simultaneously submit, as a separate document:

(a) An analysis of any new programs or enhancements of existing programs being recommended; and

(b) Any increase in or new revenues which are being recommended in the proposed budget.

↳ The document must specify the total cost by department, institution or agency of new programs or enhancements, but need not itemize the specific costs. All projections of revenue and any other information concerning future state revenue contained in the document must be based upon the projections and estimates prepared by the Economic Forum pursuant to NRS 353.228.

5. On or before the 19th calendar day of the regular legislative session, the Governor shall submit to the Legislative Counsel recommendations for each legislative measure which will be necessary to carry out the final version of the proposed budget or to carry out the Governor's legislative agenda. These recommendations must contain sufficient detailed information to enable the Legislative Counsel to prepare the necessary legislative measures.

6. During the consideration of the general appropriation bill and any special appropriation bills and bills authorizing budgeted expenditures by the departments, institutions and agencies operating on money designated for specific purposes by the Constitution or otherwise, drafted at the request of the Legislature upon the recommendations submitted by the Governor with the proposed budget, the Governor or a representative of the Governor have the right to appear before and be heard by the appropriation committees of the Legislature in connection with the appropriation bill or bills, and to render any testimony, explanation or assistance required of him or her.

7. As used in this section, "adjusted base budget" means the amount appropriated or authorized to support ongoing expenditures budgeted to the department, institution or agency by the Legislature for the second year of the current biennium, as adjusted for:

(a) The removal of any one-time appropriation or authorization that was appropriated or authorized by the Legislature to the department, institution or agency for the second year of the biennium;



(b) Statewide fringe benefits, assessments, rent insurance premiums and cost allocations;

(c) Contractual obligations that are approved or expired during the current biennium;

(d) Ongoing expenditures approved by the Interim Finance Committee during the current biennium;

(e) Any annualization of costs that occurred for part of the second year of the current biennium;

(f) Actual caseloads incurred during the first year of the biennium;

(g) Rate changes that are projected to affect the budget of the department, institution or agency during the next biennium; and

(h) Any other adjustment that is necessary:

(1) Based on the limit upon total proposed expenditures calculated pursuant to NRS 353.213; or

(2) As otherwise determined by the Chief.

Sec. 2.5. There is hereby appropriated from the State General Fund to the Legislative Fund created by NRS 218A.150 the sum of \$27,000 for the purpose of updating the budgeting software of the Fiscal Analysis Division of the Legislative Counsel Bureau to accommodate the amendatory provisions of this act.

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

