



Budget Kickoff

March 9, 2016



Questions during the meeting

- Budget@finance.nv.gov
- Raise your hand
- 3x5 cards are available for written questions

Morning Agenda

- Introduction and Overview
- Economic & Demographic Update
- Budget Cycle and Due Dates
- Policy Changes for Budget Submission
- Enhancements, Caps & Reduction Options
- Bill Draft Requests
- Questions & Answers



Introduction & Overview of Strategic Planning & Budgeting Processes

Mike Willden, Chief of Staff

Dale Erquiaga, Chief Strategy Officer

BUDGET OVERVIEW

- 2015 -2017 Revenue Summary
- Unknowns and Challenges
- Roll-ups
- Flat Budgeting – 2 X FY17 Cap

BUDGET OVERVIEW

- Key Changes
 - Vacant and New Positions
 - < Grade 30 – Step 4
 - = Grade 31 thru 38 – Step 7
 - > Grade 39 – Step 10
 - Fees
 - Must Submit Detailed Info On Fees
 - July 1st Deadline

BUDGET OVERVIEW

- Enhancements
- Must Align With The Governor's Initiatives
- Coordination Among Agencies
- Must Be Measurable
- Formal Invites To Submit Requests
- Other Requests Due By May 16th

BUDGET OVERVIEW

- Reductions
- Look For Ways To Do Things Differently And Better Manage Resources
- Required To Submit 5% Reduction Option...May Or May Not Be Taken
- Ranking Of Items To Be Cut Or Eliminated

Strategic Planning Framework

“We must continue to push forward, to build that strong Nevada and make it the place where the generations to come will call home.”

Governor Brian Sandoval
Second Inaugural Address
January 5, 2015

2016-2020

- For the first time, we are building a framework that covers:
 - Executive Budget
 - Bill Draft Requests
 - Agency Implementation
- It is the Governor's intent to inform:
 - Agency strategic plans
 - Next two biennial budgets
 - Legislative bill draft requests for 2017 and 2019

Strategic Framework

Vision – Mission - Values

Strategic Priorities

Core Functions of Government

Mission-driven Goals

Objectives

Budget Activities

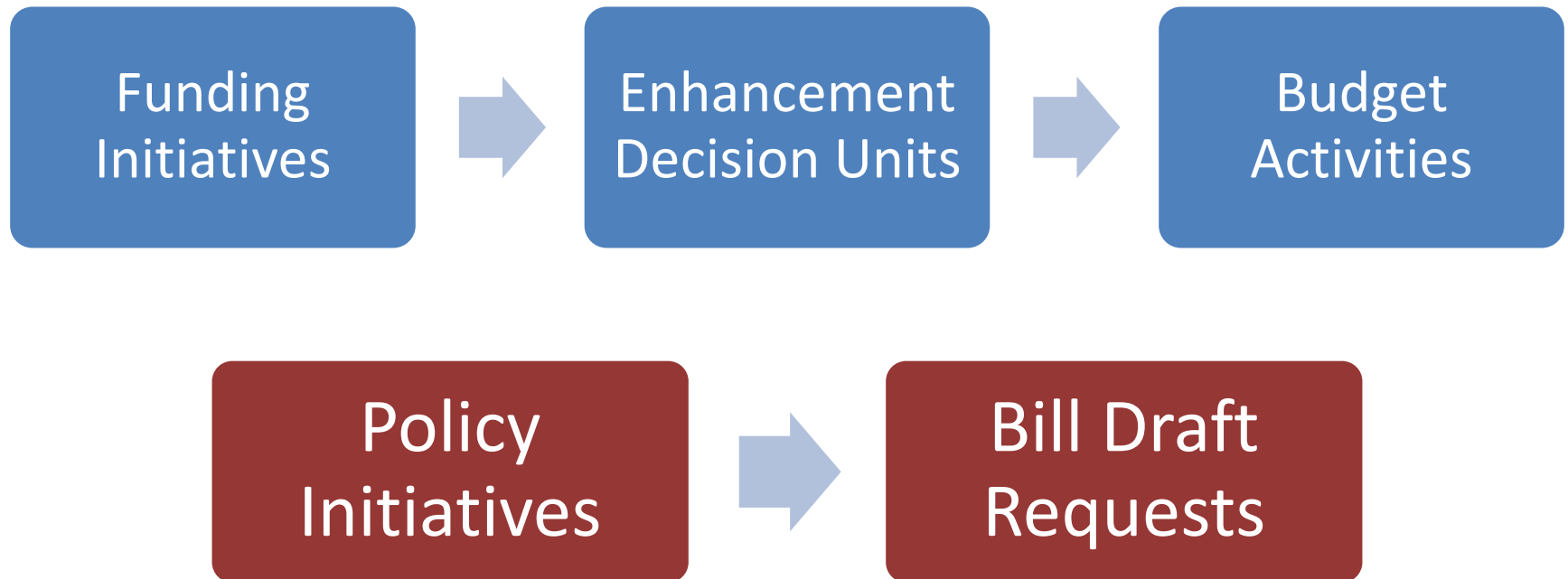
Bill Draft Requests

Performance Measures

Priorities and Core Functions

EDUCATED & HEALTHY CITIZENRY <ul style="list-style-type: none">• Education & Workforce Development• Health Services• Human Services	EFFICIENT & RESPONSIVE STATE GOVT <ul style="list-style-type: none">• State Support Services
SAFE & LIVABLE COMMUNITIES <ul style="list-style-type: none">• Public Safety• Resource Management	VIBRANT & SUSTAINABLE ECONOMY <ul style="list-style-type: none">• Business Development & Services• Infrastructure & Communications

Governor's Initiatives



Mark Your Calendars!

- Week of April 10, 2016





Summary of Changes

Jim Wells
Director

Introduction

Governor is asking agencies to consider the following challenges to make state government more effective and efficient:

- What activities do you perform you would stop if you could? What results could be obtained by reprioritizing those resources?
- What new initiatives would you propose? What results would they achieve? How would success be measured?
- What low-cost or no-cost policy or operational ideas would you propose

Changes

- Budgeting for New and Vacant Positions
- Federal Grant Maintenance Of Effort/Match documentation
- Budgeting for Grant carryforward amounts
- Database of State Fees
- Updating previously approved Technology Information Requests
- Priorities and Performance Based Budgets and mapping
- Enhancement Requests and Reduction Options
- Budget Submission Certification Letter and Organization Charts



Economic Overview

Susanna Powers

Economist

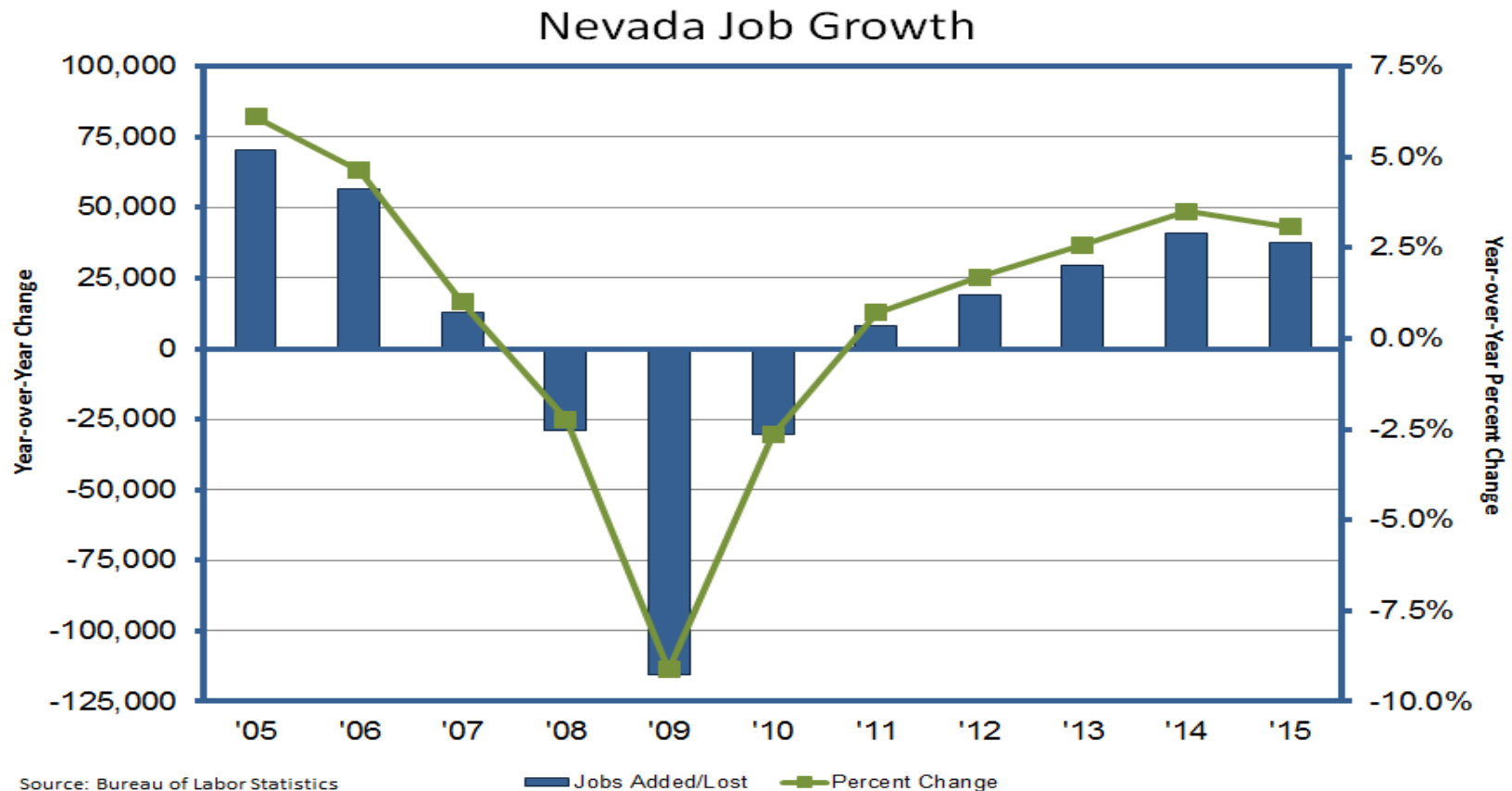
spowers@finance.nv.gov

Nevada Economic Forecast

Then & Now

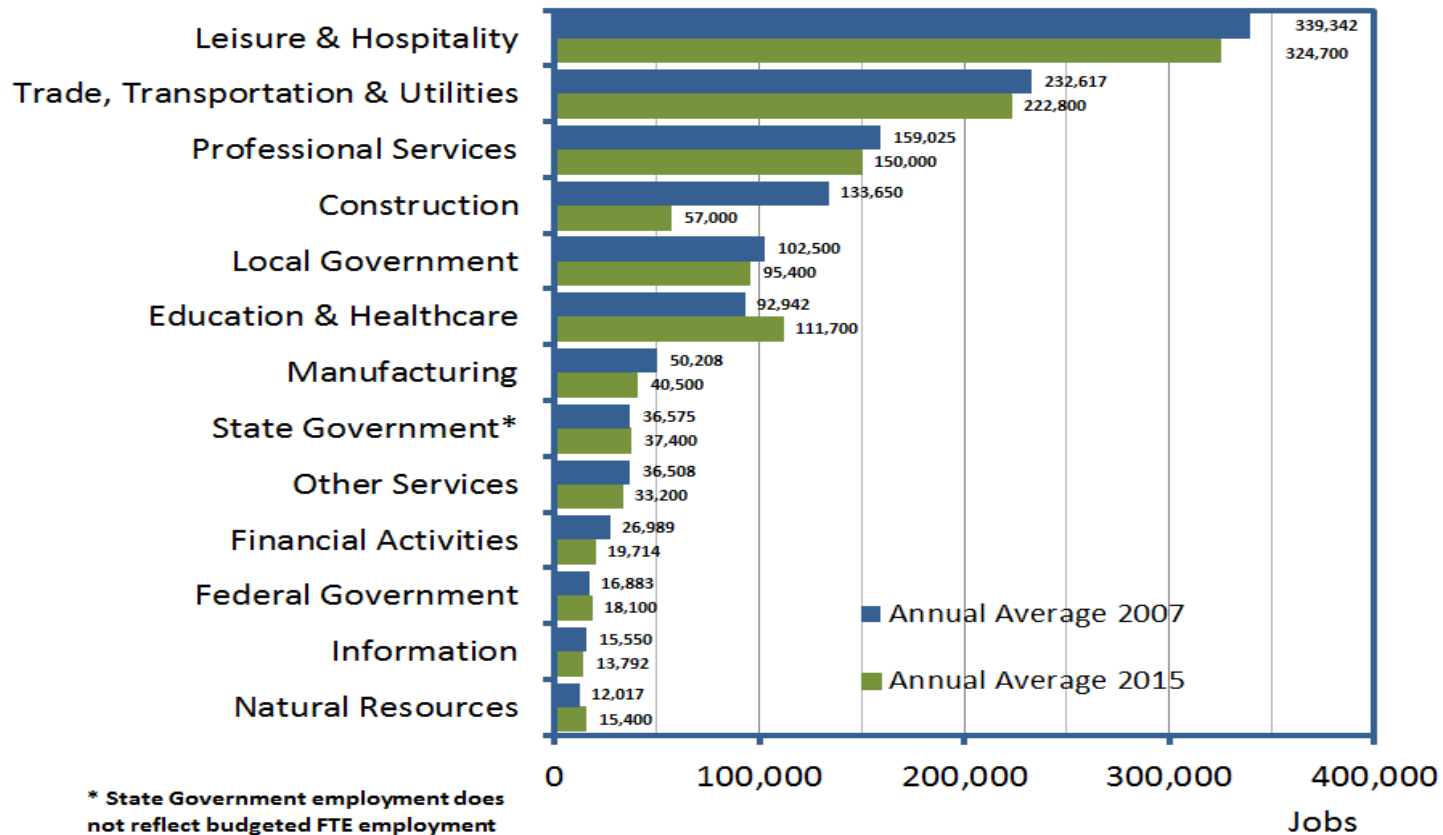
- BKO 2010: Stormy
 - Economy still in freefall
- BKO 2012: Partly Cloudy
 - Signs that worst behind us
- BKO 2014: Mostly Sunny
 - Recovery under way & strengthening
- BKO 2016: Mostly Sunny
 - Economy strengthening & challenges remain

BUDGET KICKOFF 2017 – 2019 Executive Budget



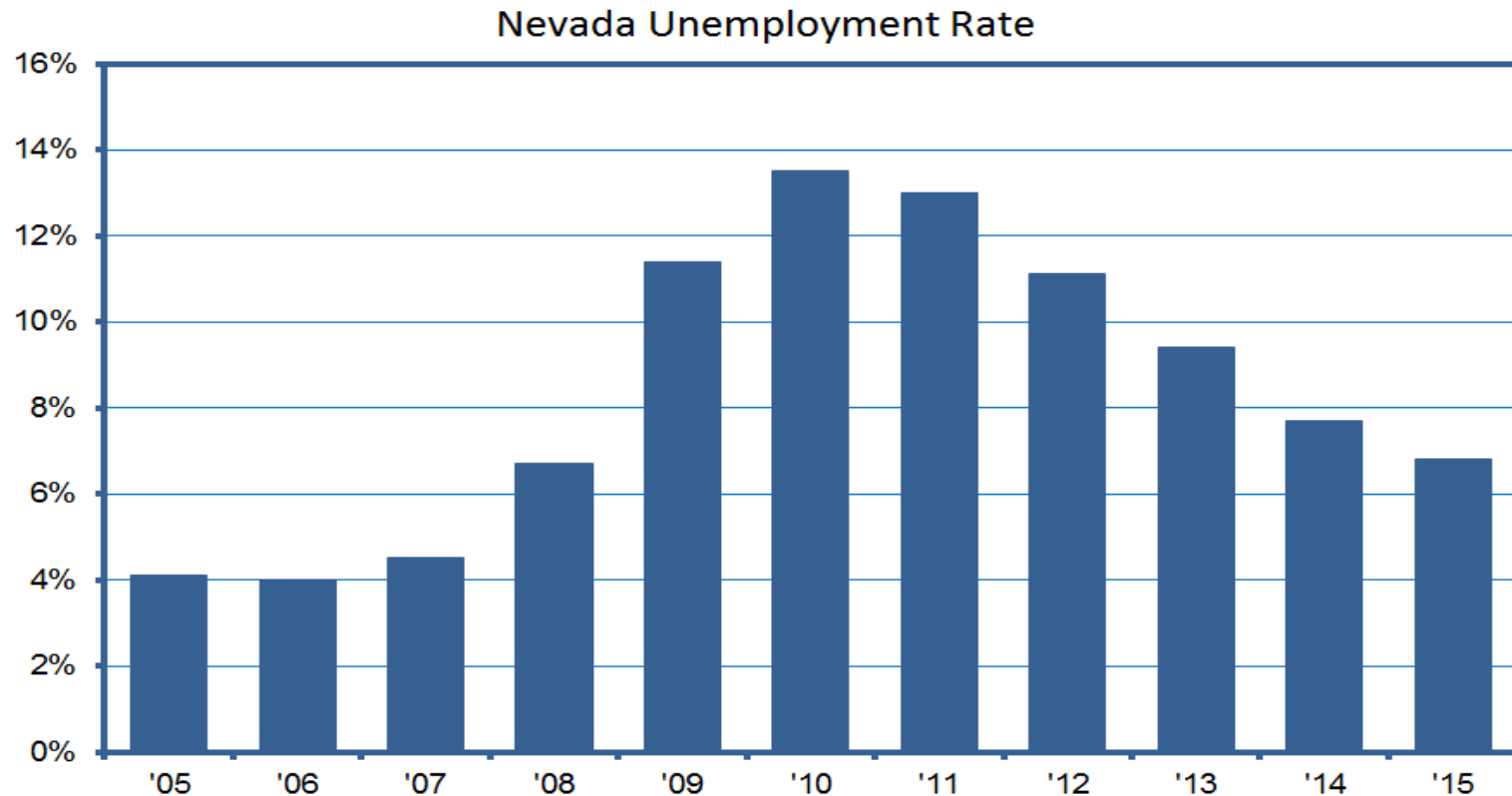
- Last year, a total of 37,500 jobs were created (a 3.1% growth rate).
- It is expected that heading into the 2017-2019 biennium, all jobs lost during the recession will be recovered.

BUDGET KICKOFF 2017 – 2019 Executive Budget



- Most industrial sectors are near their pre-recession levels.

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Source: Nevada Department of Employment, Training and Rehabilitation

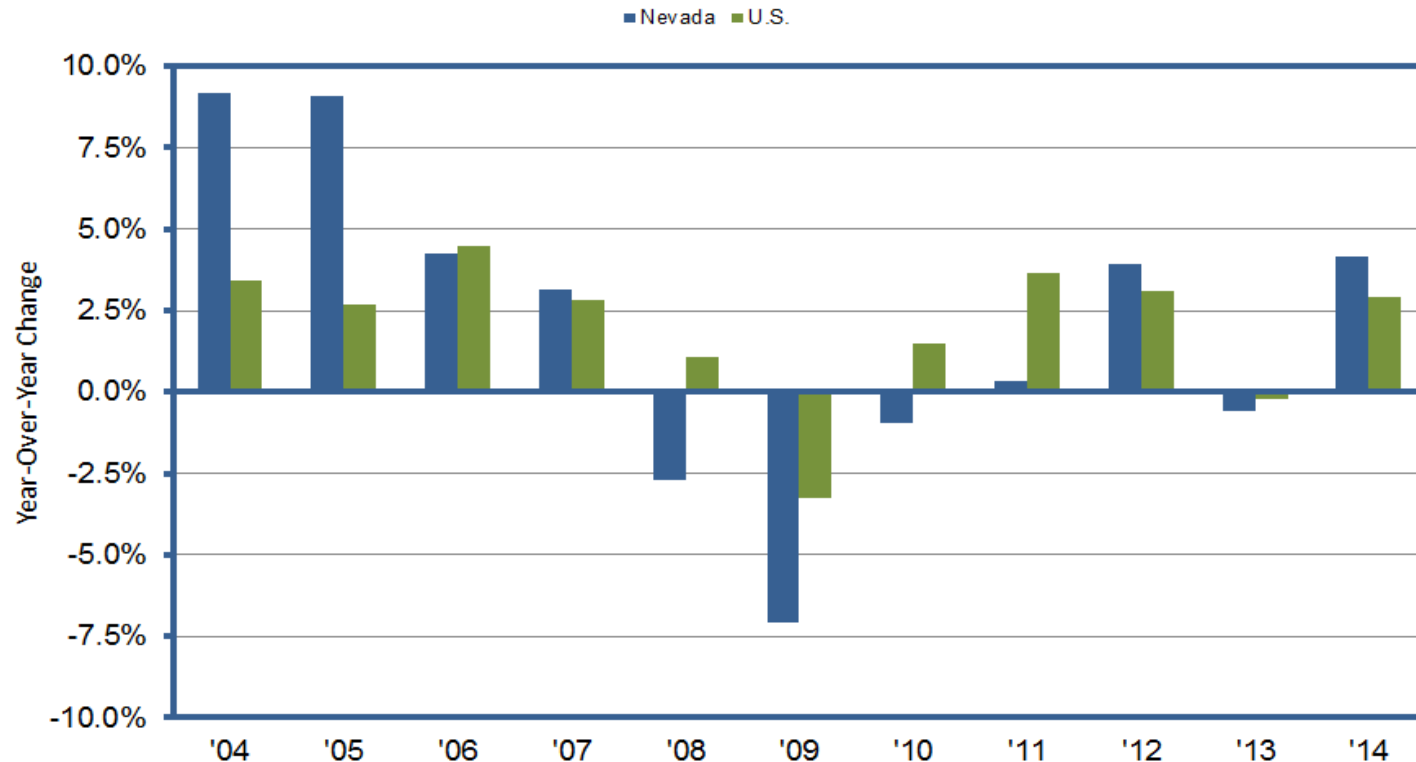
- In December, the unemployment rate declined to 6.4%, the lowest rate since mid-2008 and 1.4 percentage points above the national rate.
- The jobless rate is likely to trend down closer to what it was a decade ago heading into the 2017-2019 biennium.

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Occupation	2012-2022 Total Openings	2014 Employment	2014 Average Wage
Total, All Occupations	460,890	1,224,231	\$42,310
Waiters and Waitresses	22,290	38,582	\$22,940
Retail Salespersons	21,130	46,808	\$26,790
Combined Food Preparation and Serving Workers, Including Fast Food	17,830	30,631	\$19,820
Cashiers	14,200	29,605	\$22,110
Laborers and Freight, Stock, and Material Movers, Hand	9,060	18,937	\$29,890
Janitors and Cleaners, Except Maids and Housekeeping Cleaner	8,550	30,785	\$28,020
Office Clerks, General	8,160	28,324	\$32,410
Maids and Housekeeping Cleaners	7,690	26,594	\$30,110
Customer Service Representatives	7,550	17,191	\$32,920
Gaming Dealers	7,210	23,301	\$17,440
Bartenders	7,070	14,050	\$26,930
Dining Room and Cafeteria Attendants and Bartender Helpers	6,970	12,890	\$24,300
Cooks, Restaurant	6,460	18,040	\$28,600
Stock Clerks and Order Fillers	6,400	18,464	\$27,470
Carpenters	6,330	11,363	\$48,800
Registered Nurse	6,080	18,764	\$80,240
Construction Laborers	5,790	8,451	\$41,480
General and Operations Managers	5,710	16,381	\$101,360
Security Guards	5,470	20,699	\$27,380
Dishwashers	5,460	10,307	\$26,010
Source: Nevada Department of Employment, Training, and Rehabilitation			

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Nevada Personal Income (Inflation-Adjusted)

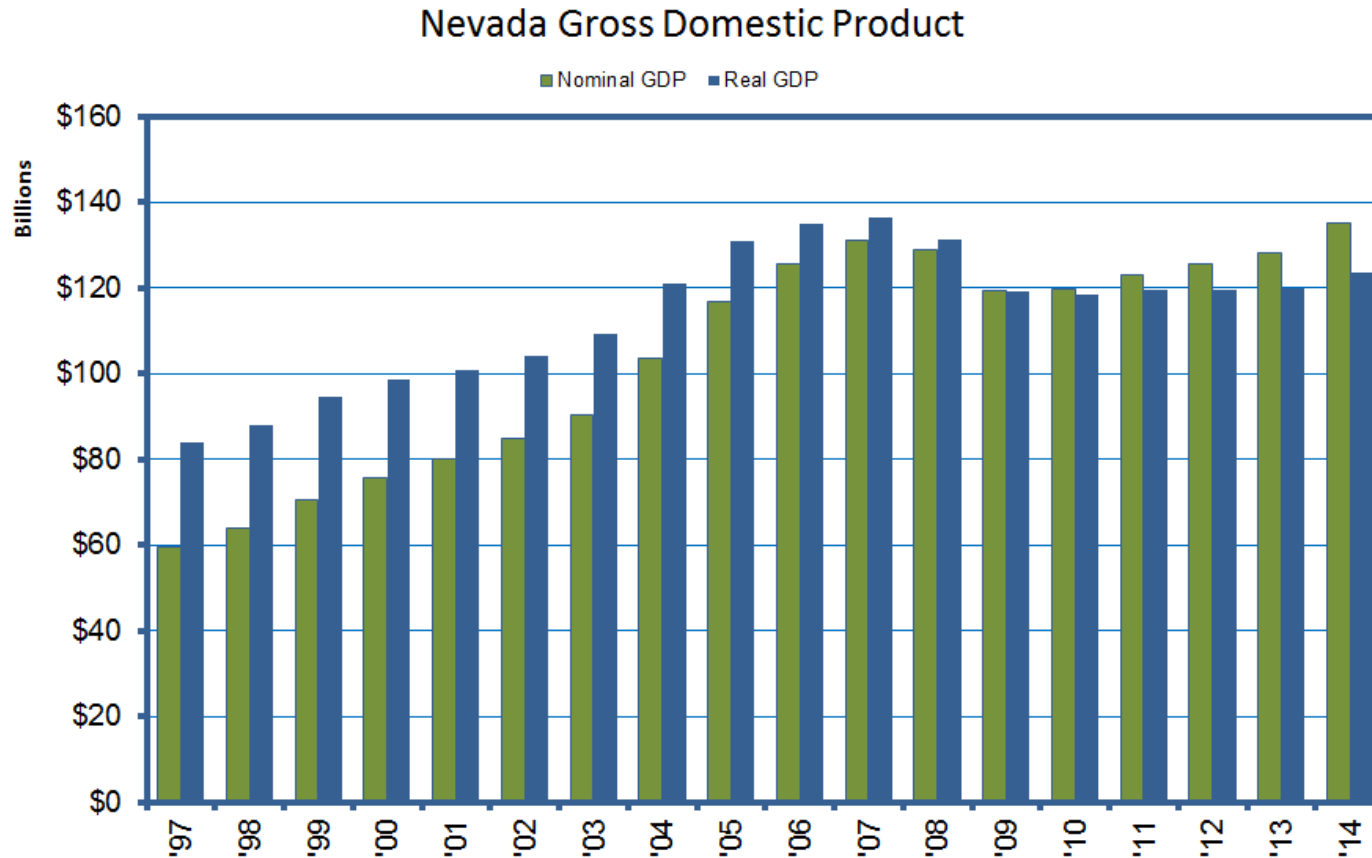


Source: Bureau of Economic Analysis (BEA),

Governor's Finance Office adjusted current dollars for inflation using Chain-Weight Implicit Price Deflator for Personal Consumption (2009=1.00)

- In 2014, Nevada's personal income grew by 4.2% , exceeding that for the U.S. at 2.9%.
- In 2015, Nevada is on pace to exceed U.S. as well.

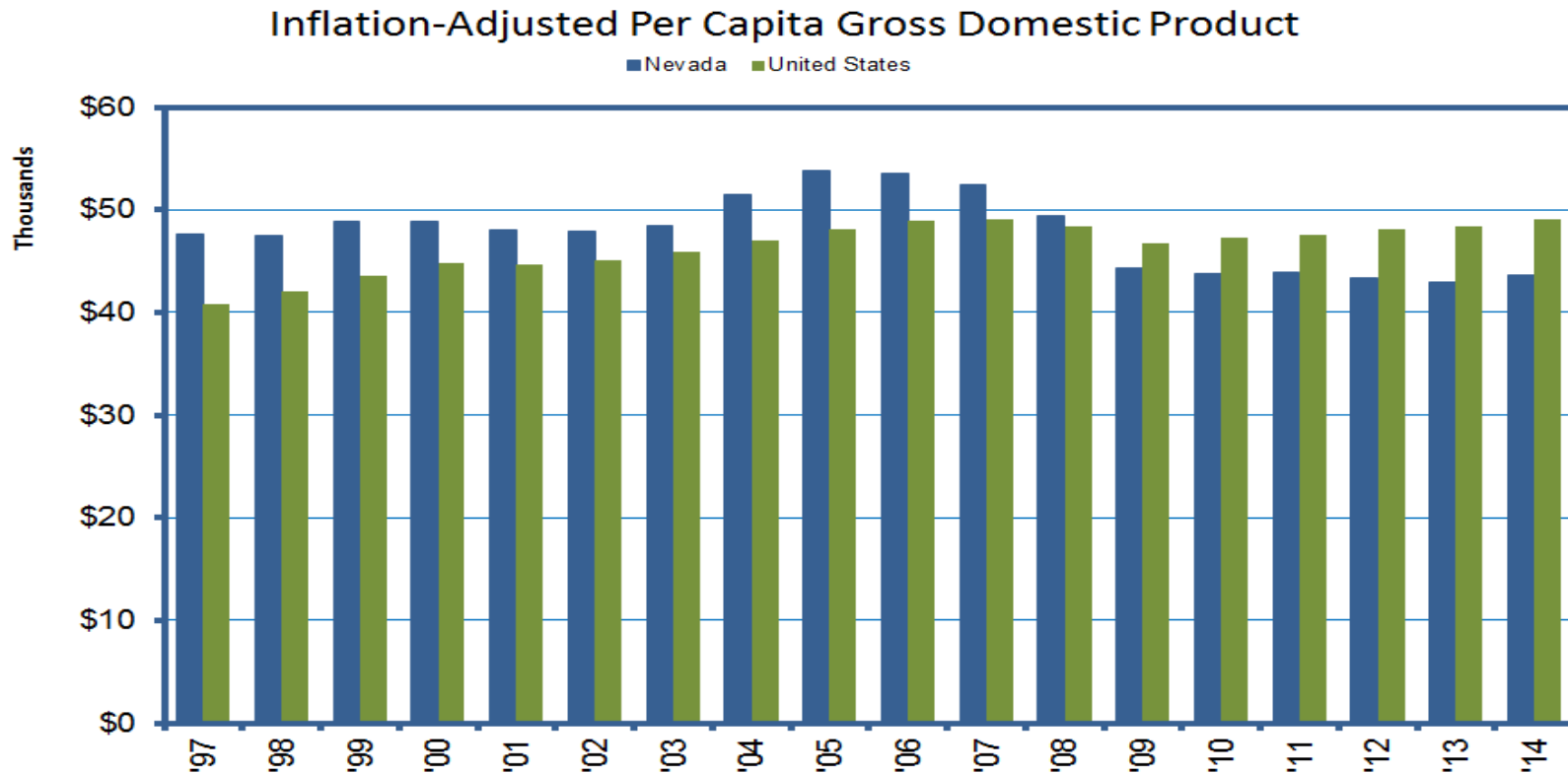
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Source: Bureau of Economic Analysis

- After adjusting for inflation, Nevada achieved real GDP growth in 2014.

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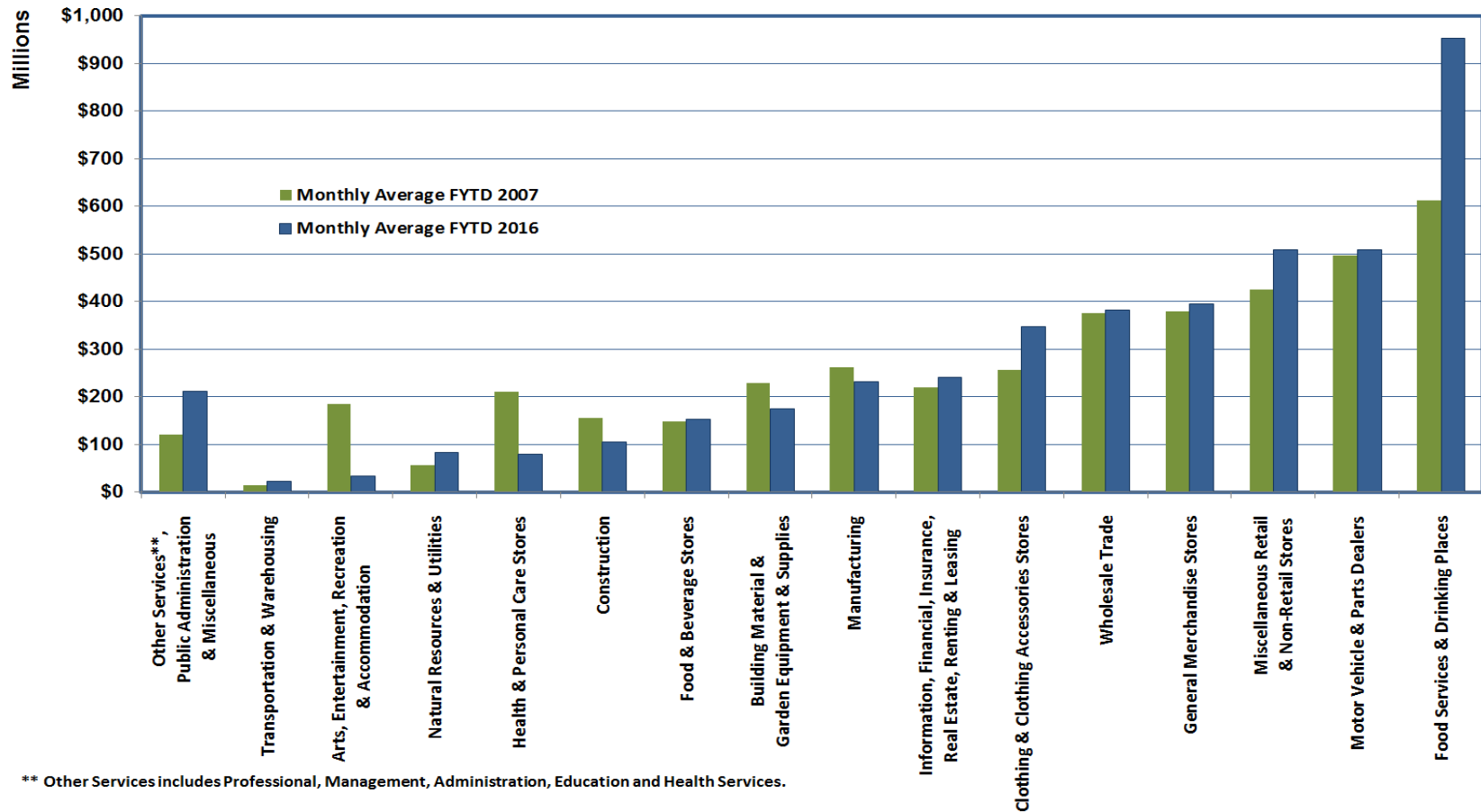


Source: Bureau of Economic Analysis

- On a per capita basis, Nevada's real economic output lags behind that of the U.S.

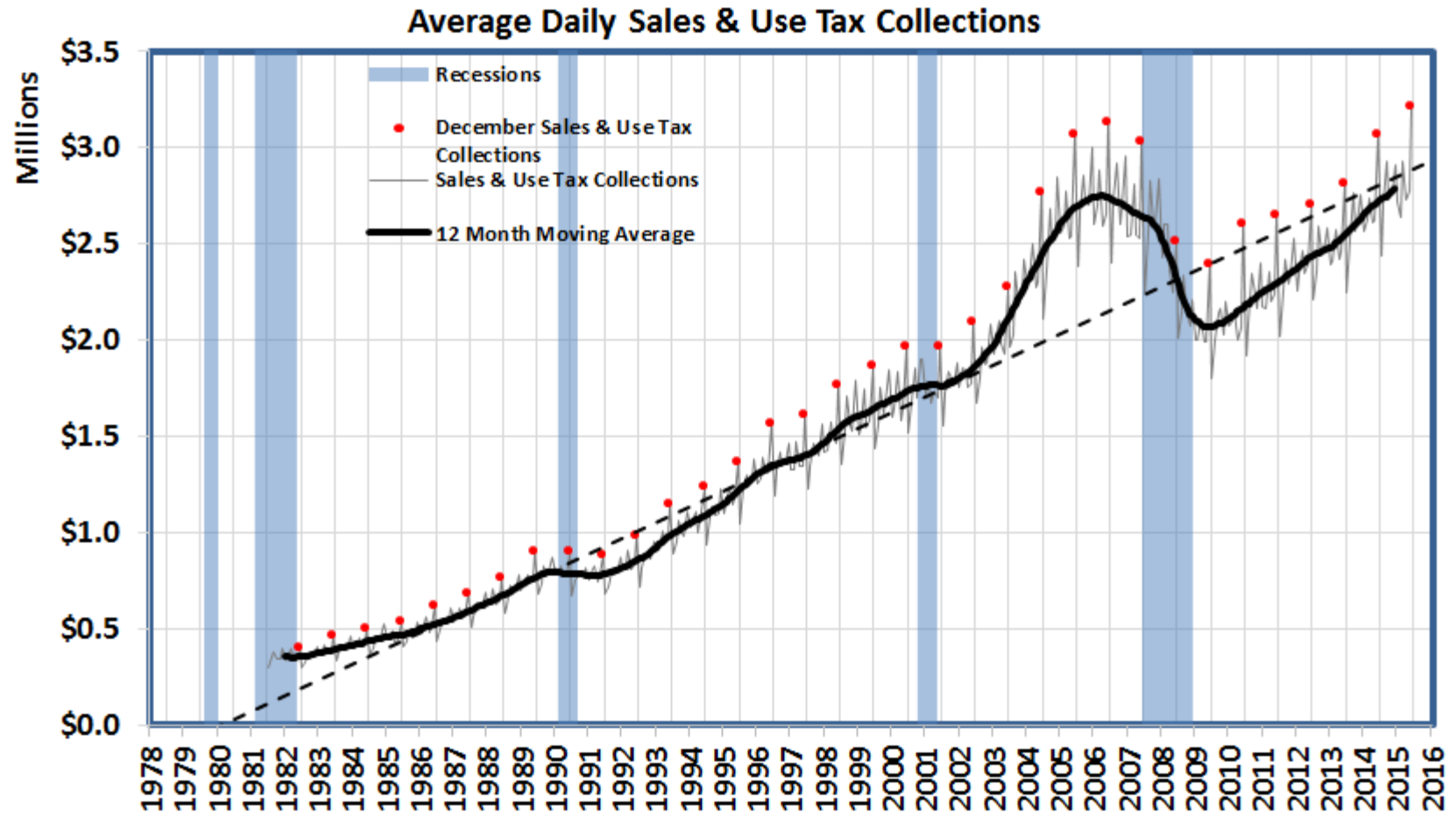
BUDGET KICKOFF 2017 – 2019 Executive Budget

Nevada Retail Sales by Sector



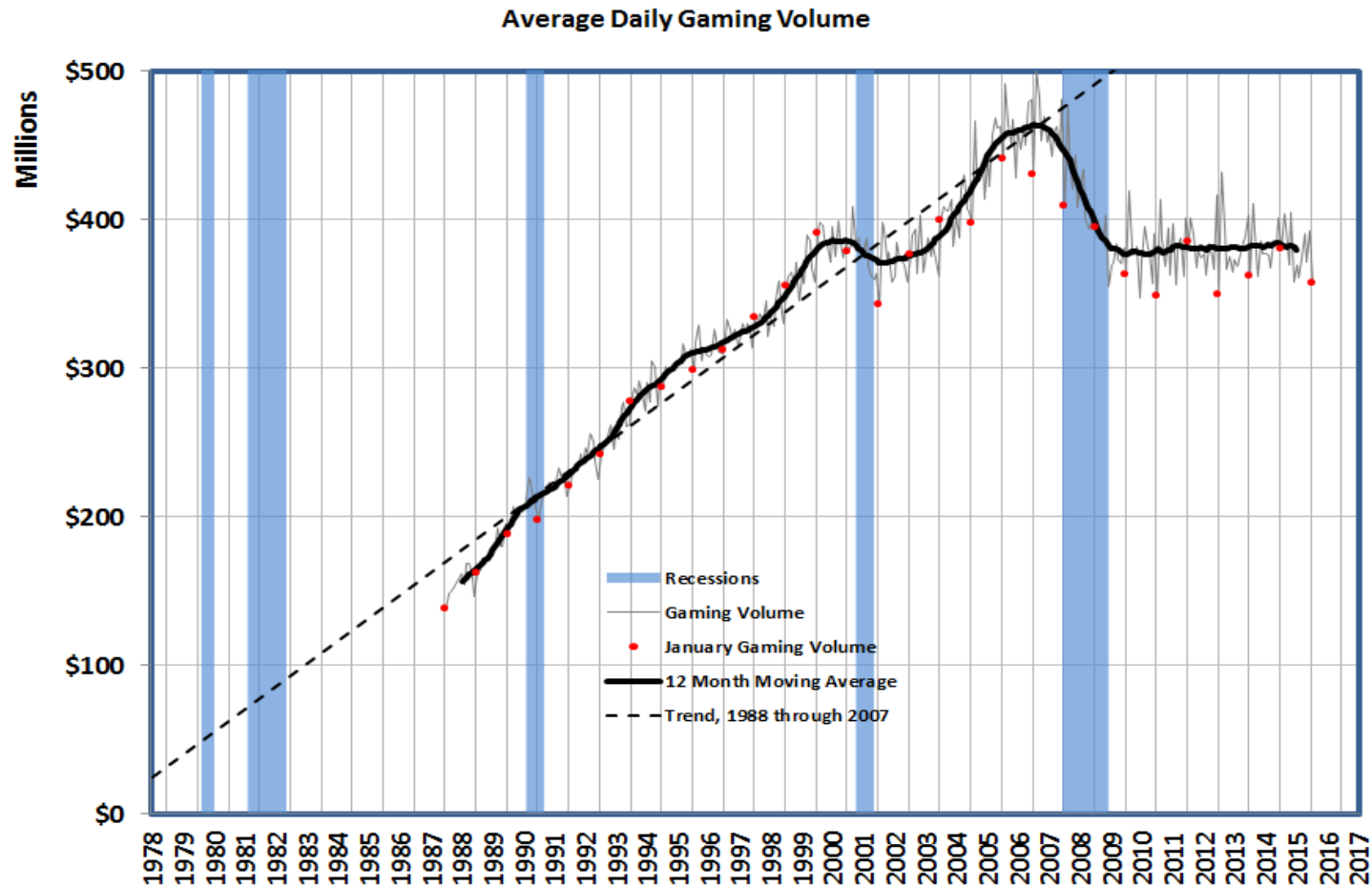
- Bars and restaurant are the biggest spending category.

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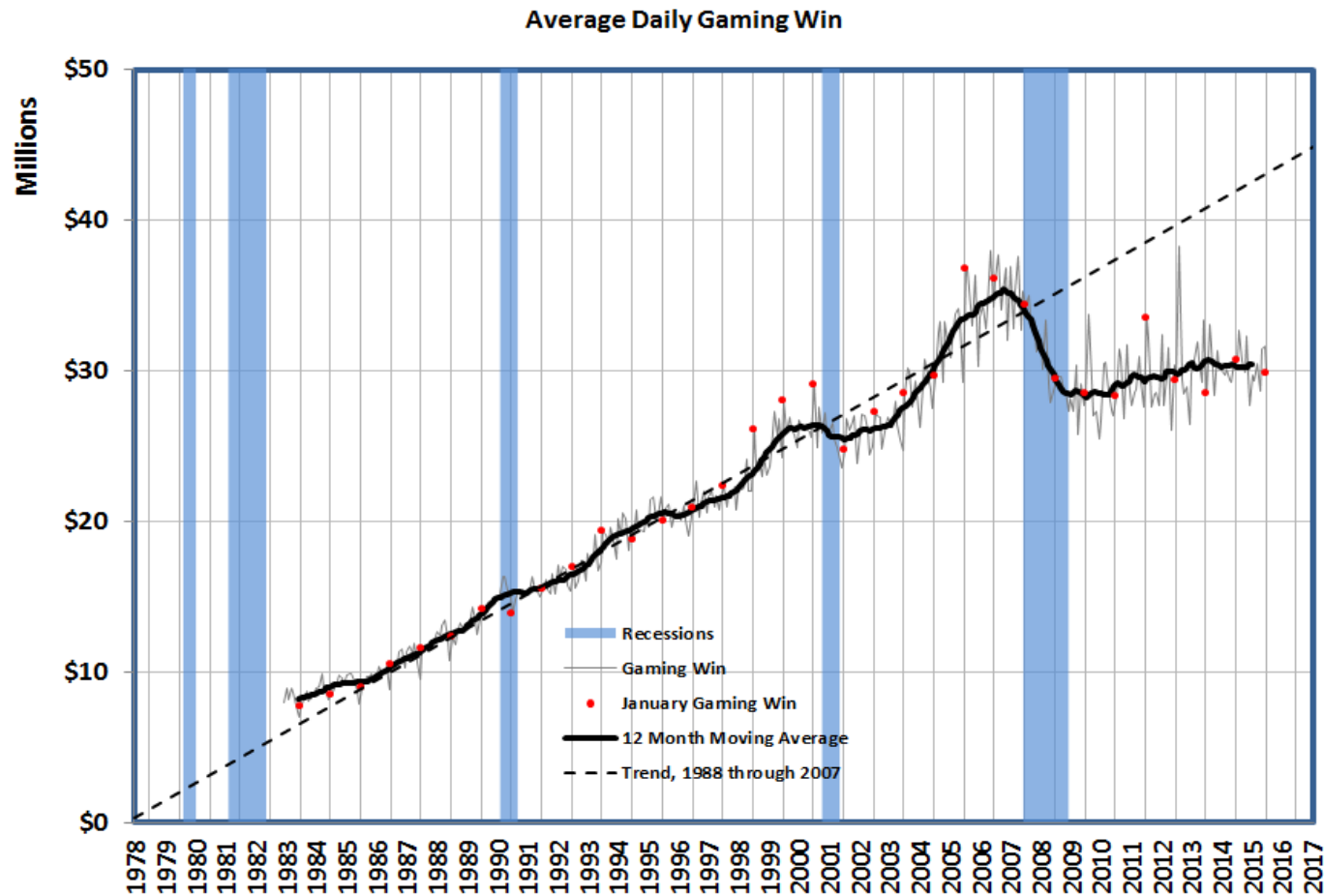
- Average daily sales and use tax collections returning to long-term trend.

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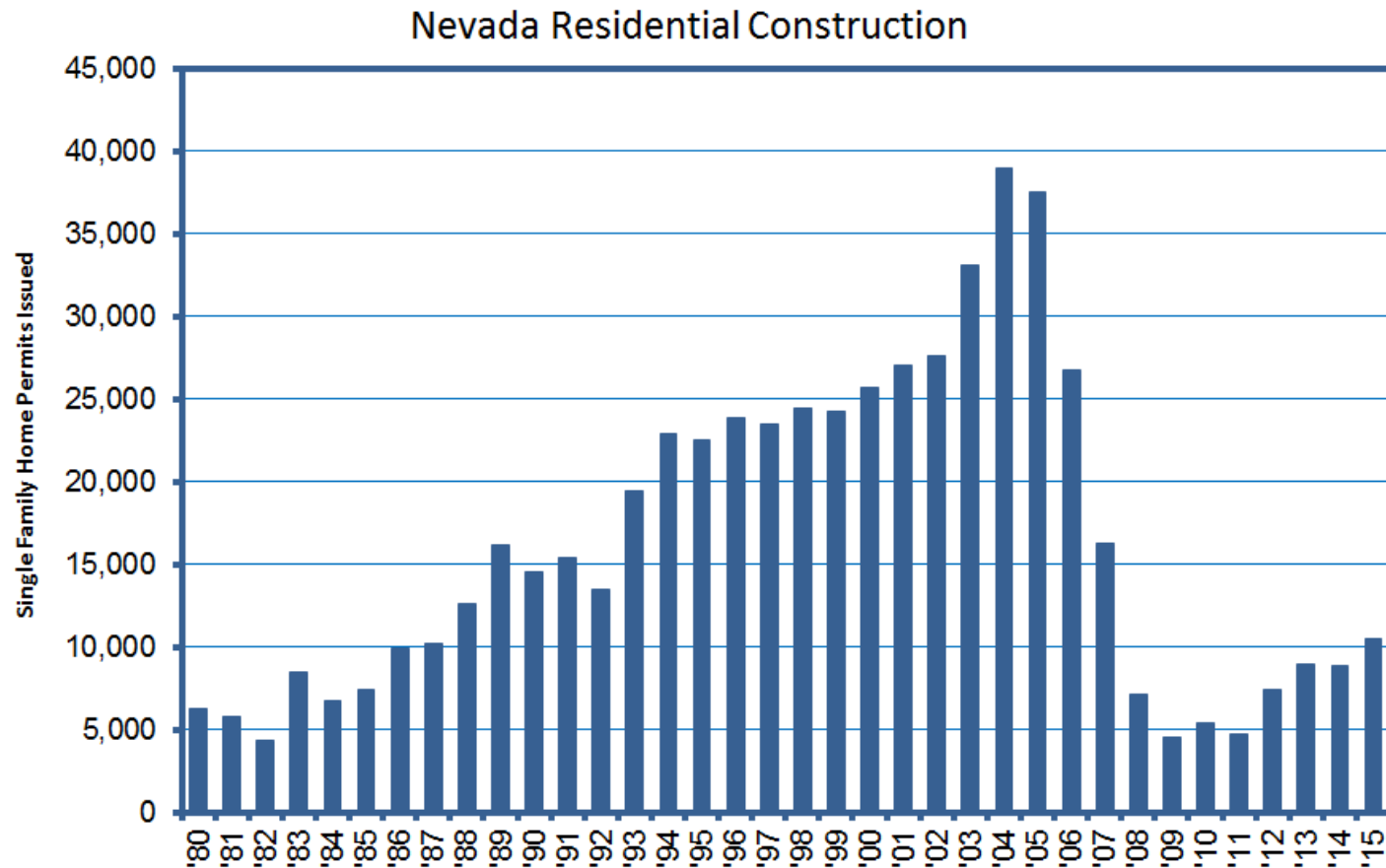
- Average daily gaming volume has been flat since the economic recovery began.

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- Average daily gaming win has been picking up slowly.

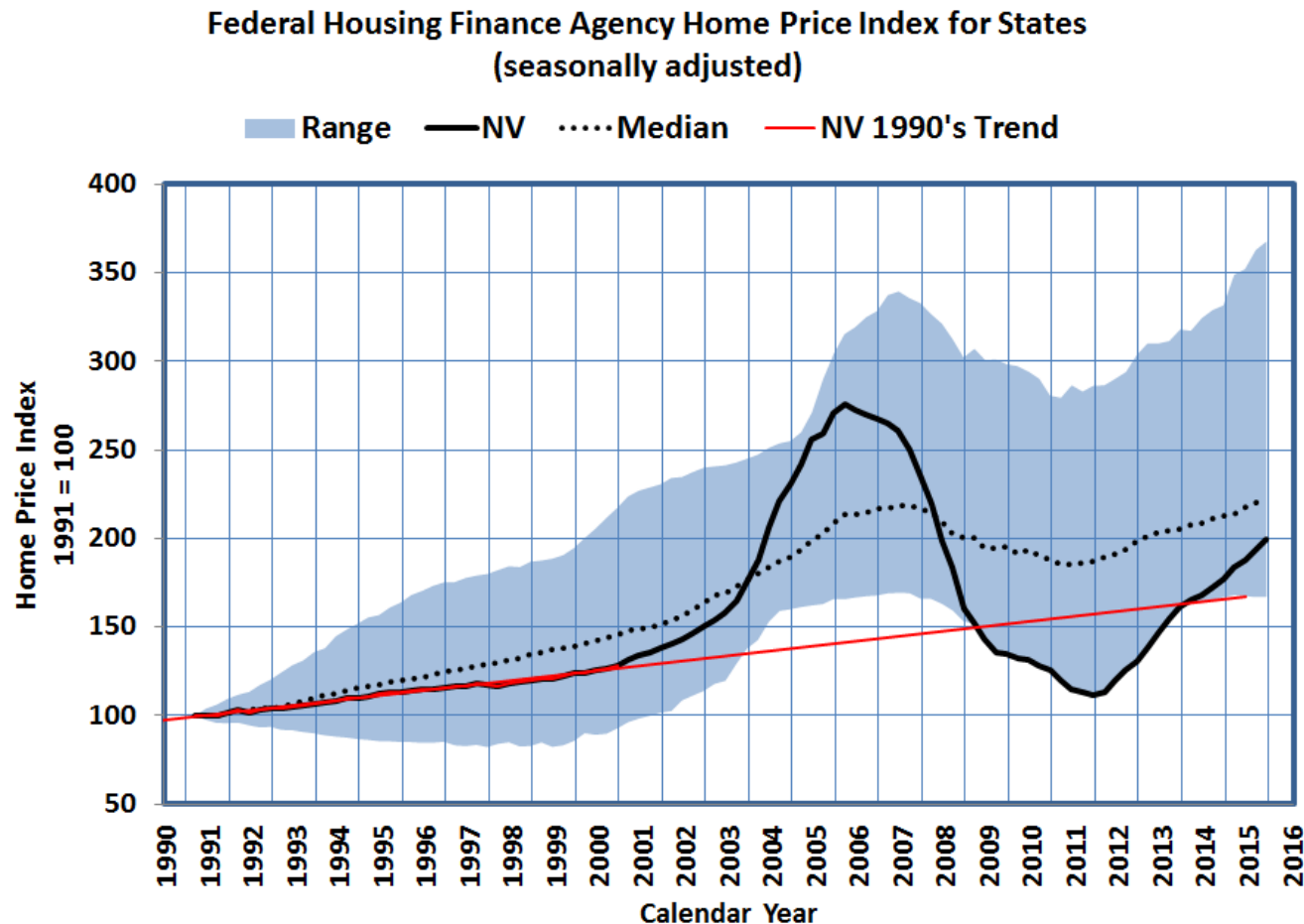
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Source: Census Bureau

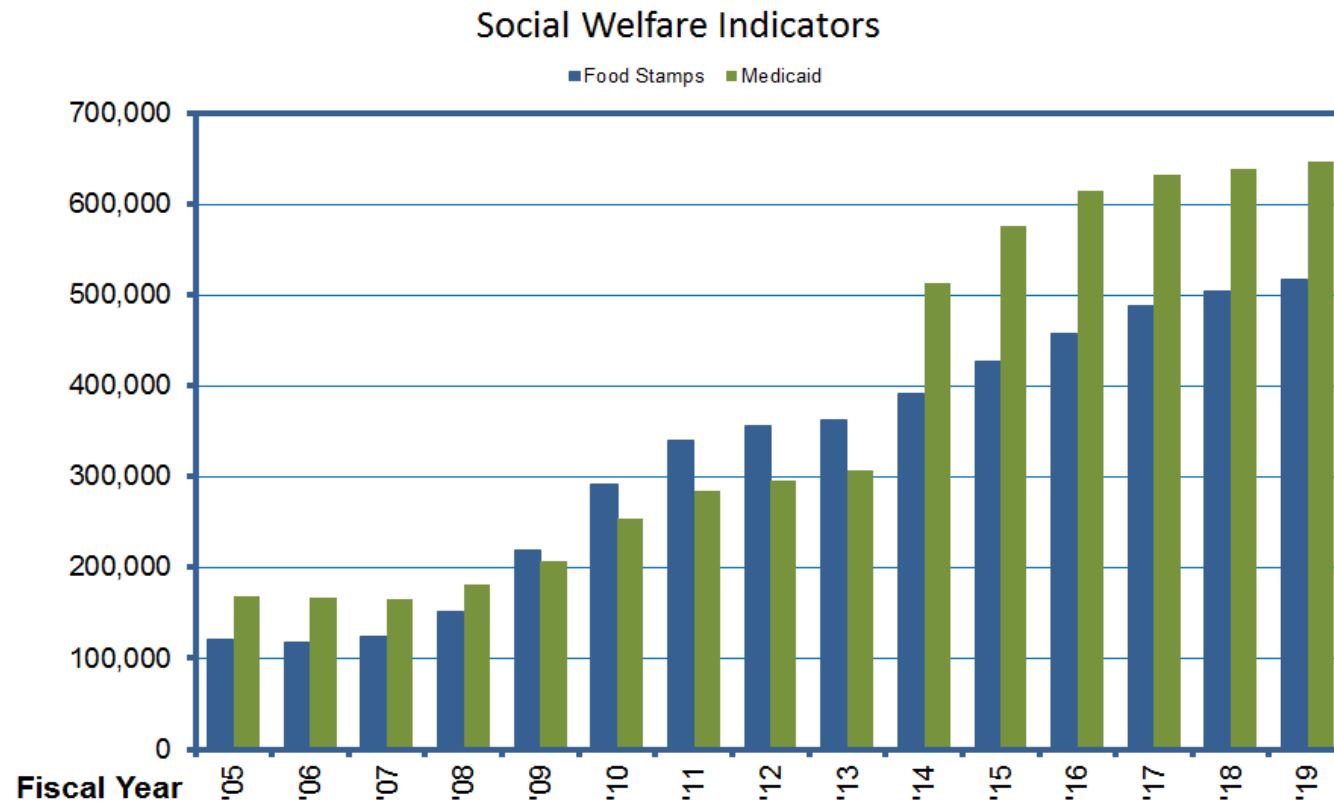
- Home permits are trailing in the level we saw in the late 1980s.

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- In the fourth quarter of 2015, house prices rose 12.7 percent in Nevada, the strongest gain in the nation.

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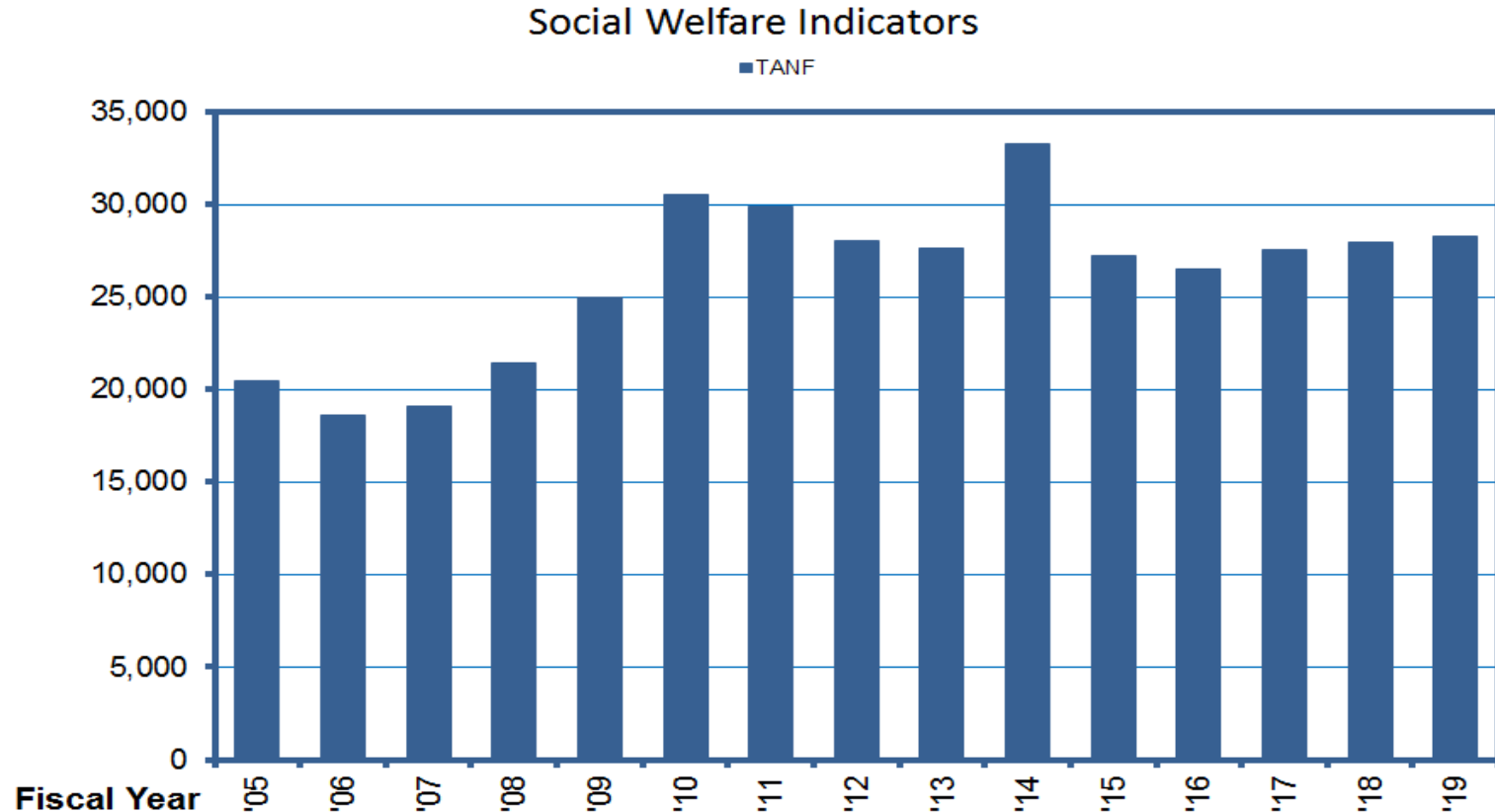


Source: Department of Health and Human Services (DHHS)

January 2016 DHHS Projection FY 16 - FY 19

- Nevada has experienced an uneven economic recovery as reflected in social welfare indicators.

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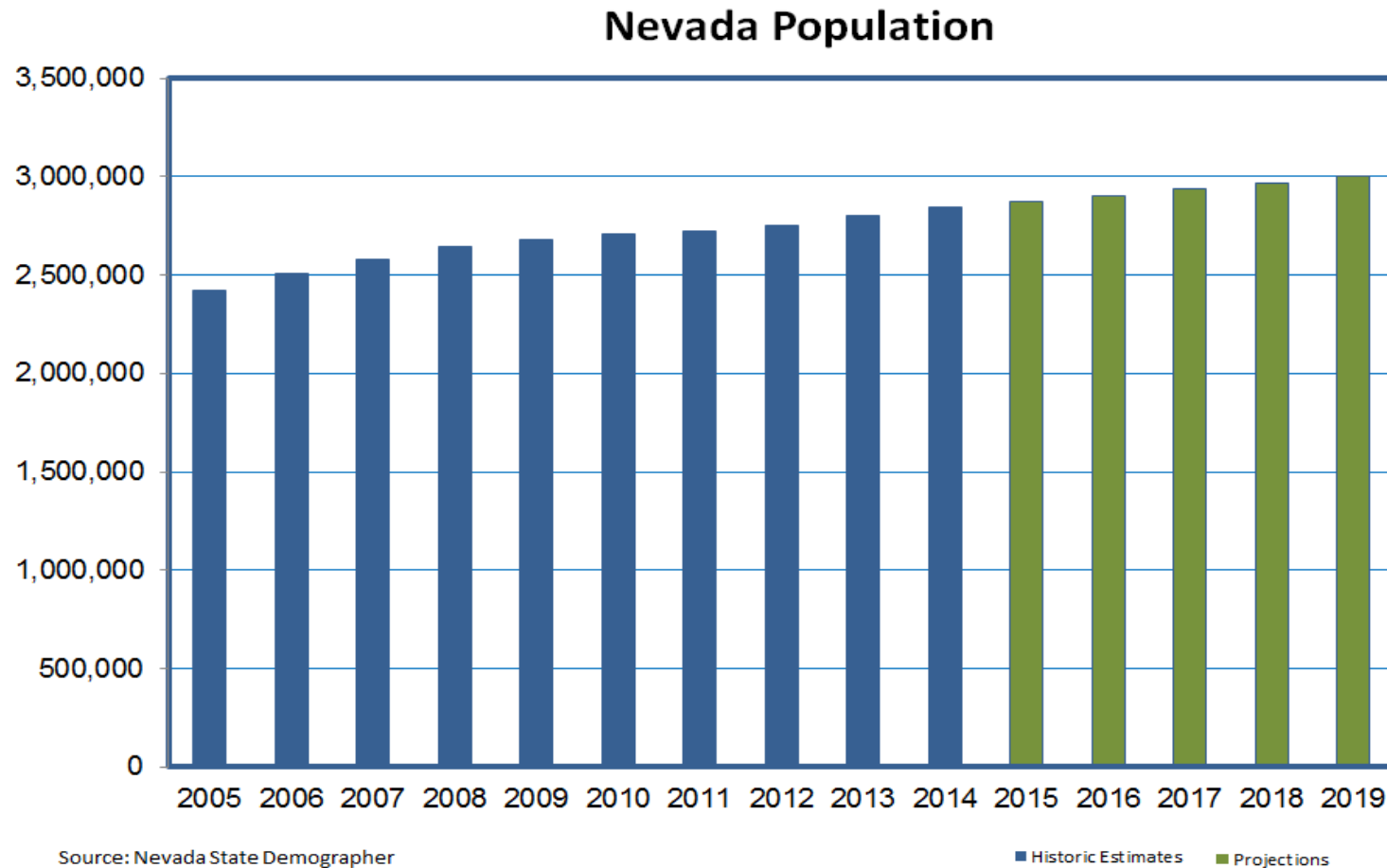


Source: Department of Health and Human Services

January 2016 DHHS Projection for FY 16 - FY 19

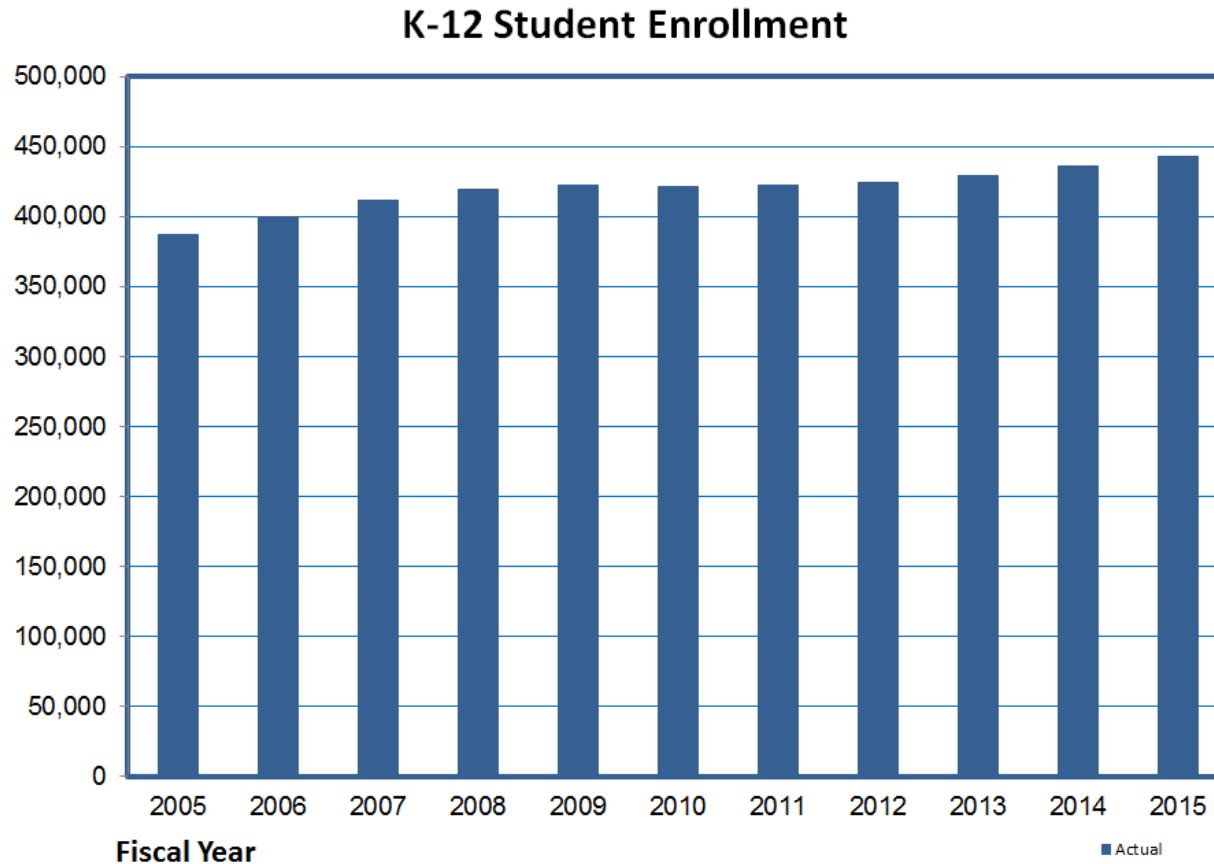
- Despite improvements in economic conditions, need for temporary assistance remains relatively high.

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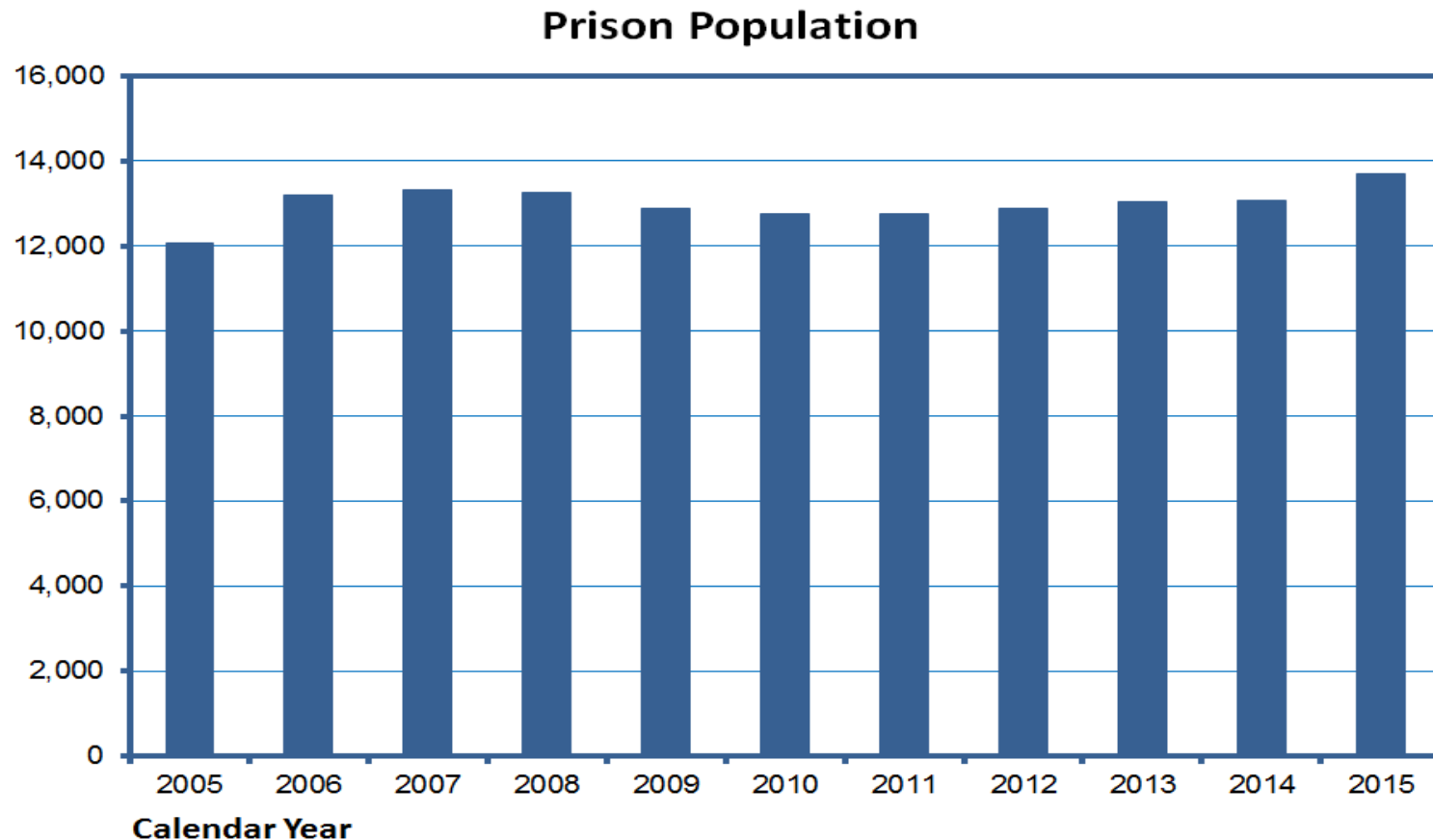
- Nevada's population is estimated to reach 3 million by the end of the 2017-2019 biennium.

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- Between 2005 and 2015, K-12 enrollment has increased almost 11%.

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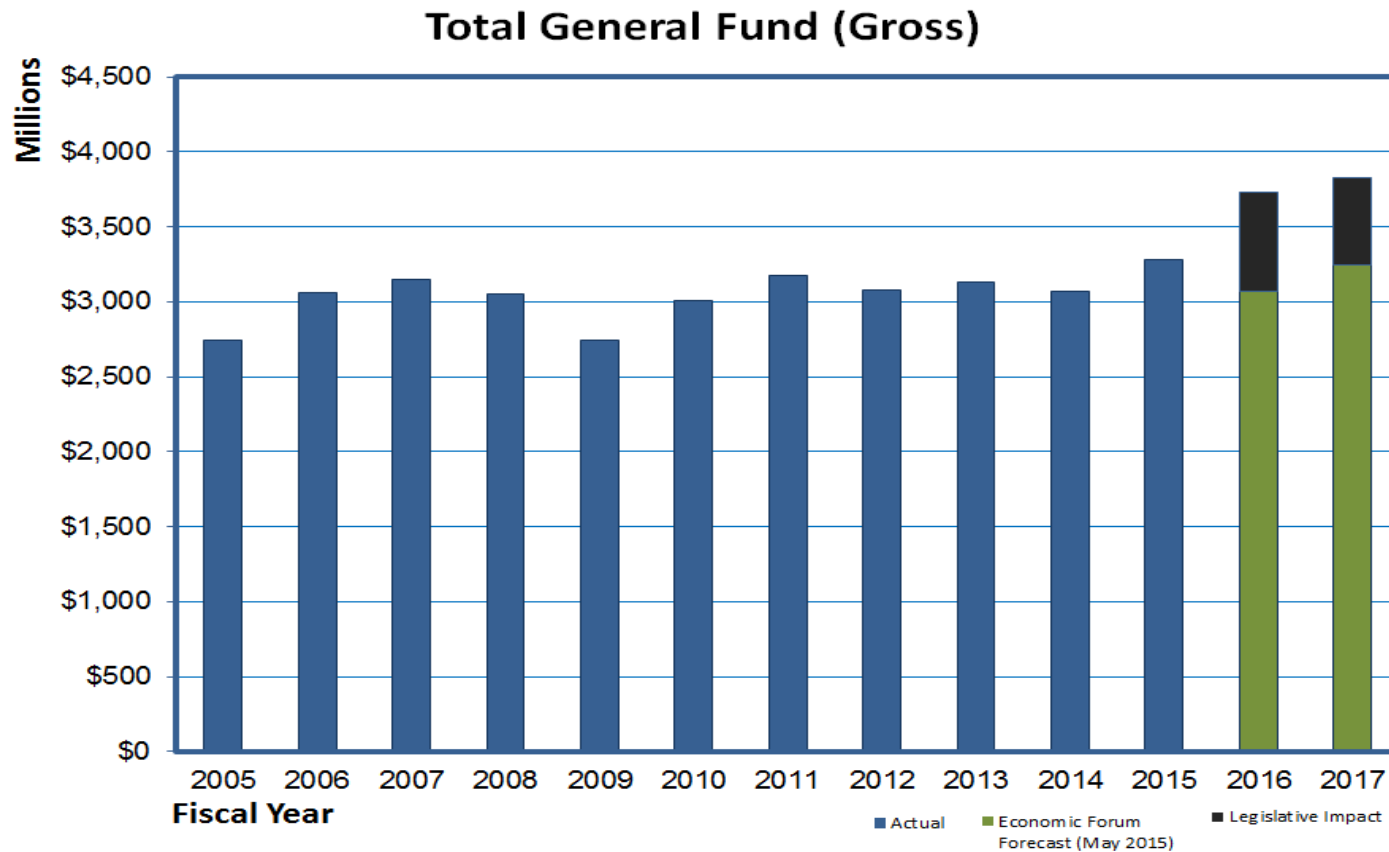


- State caseload increased by 4.6% last year.



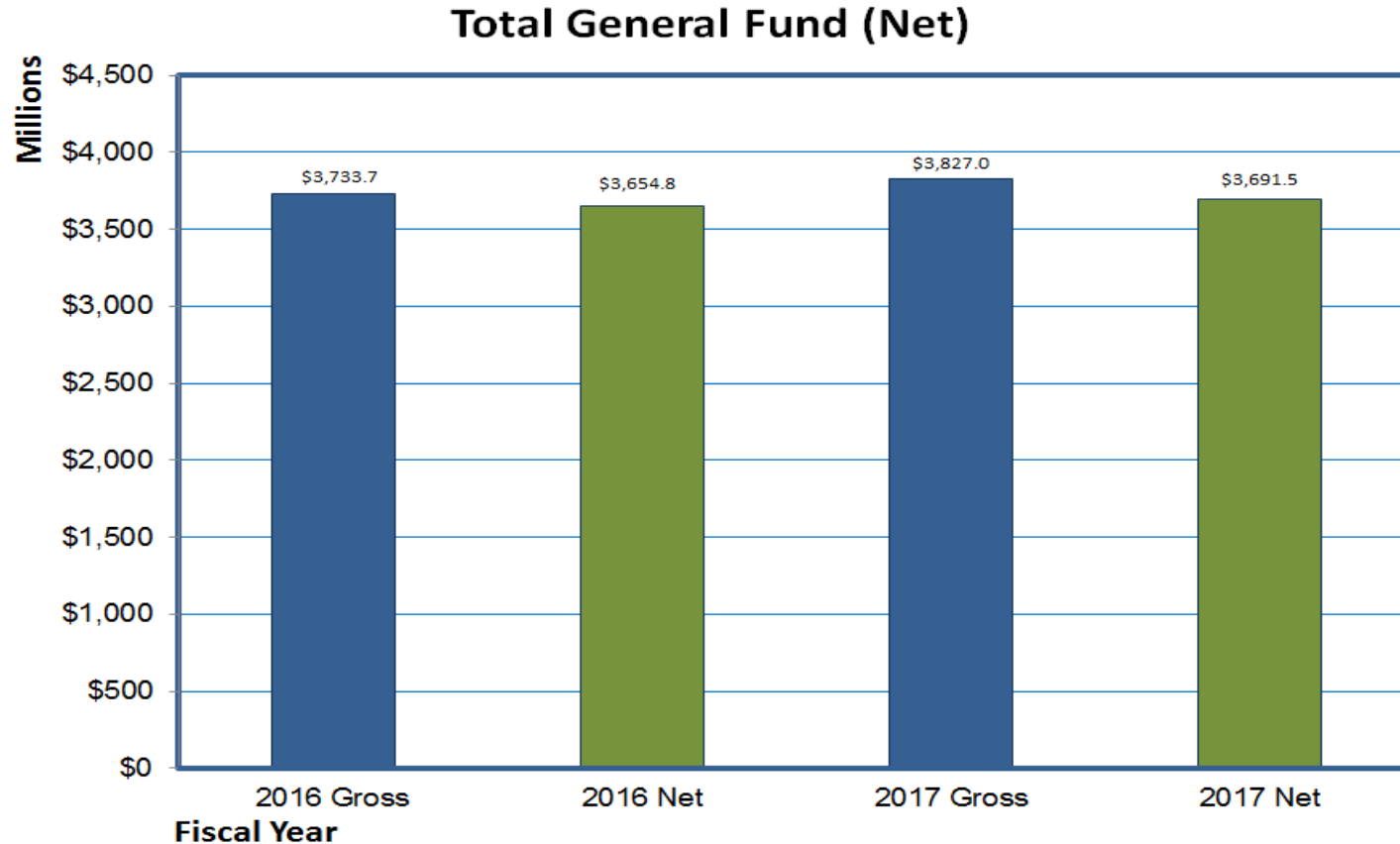
Revenue Outlook

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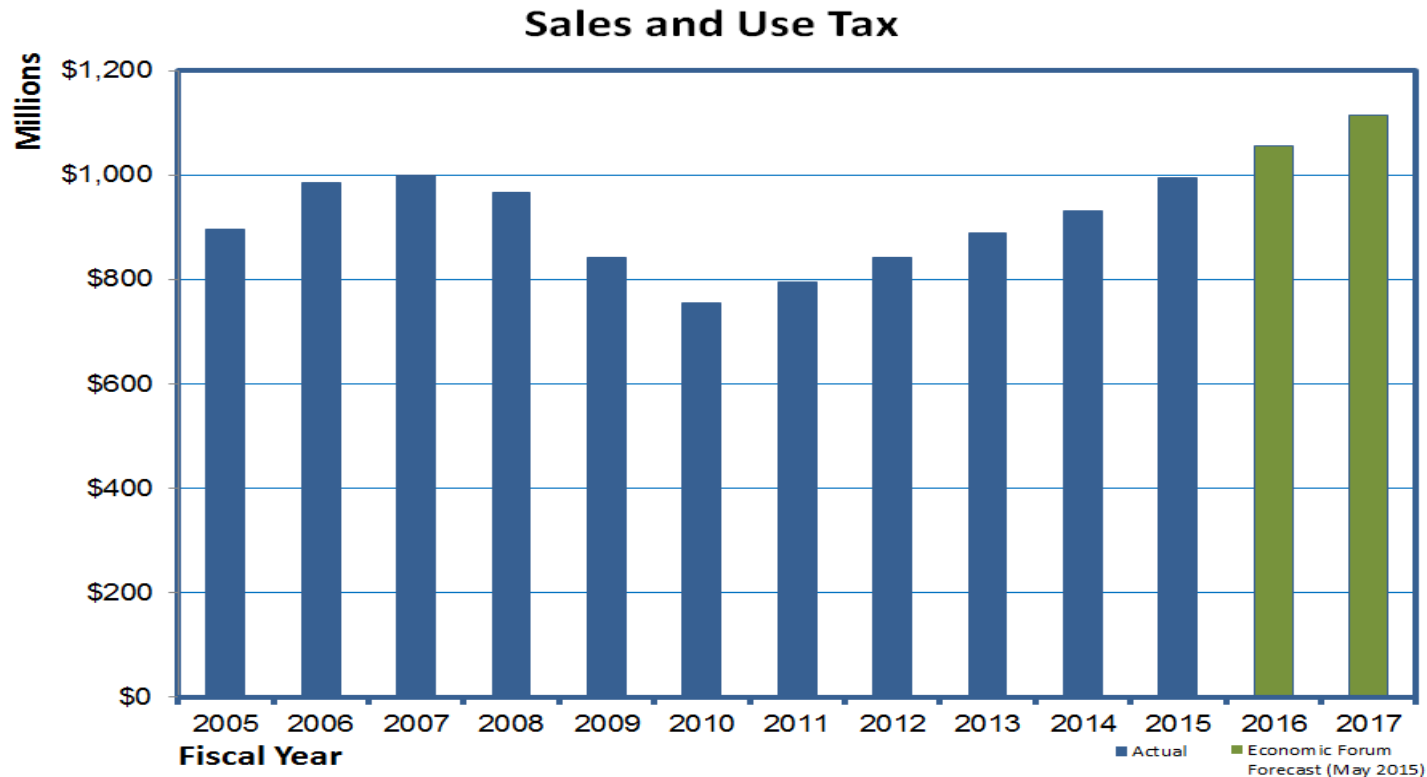
- Last legislative session estimated to increase revenue by \$1.2 billion (before a total of \$214.4 million in various tax credits programs).

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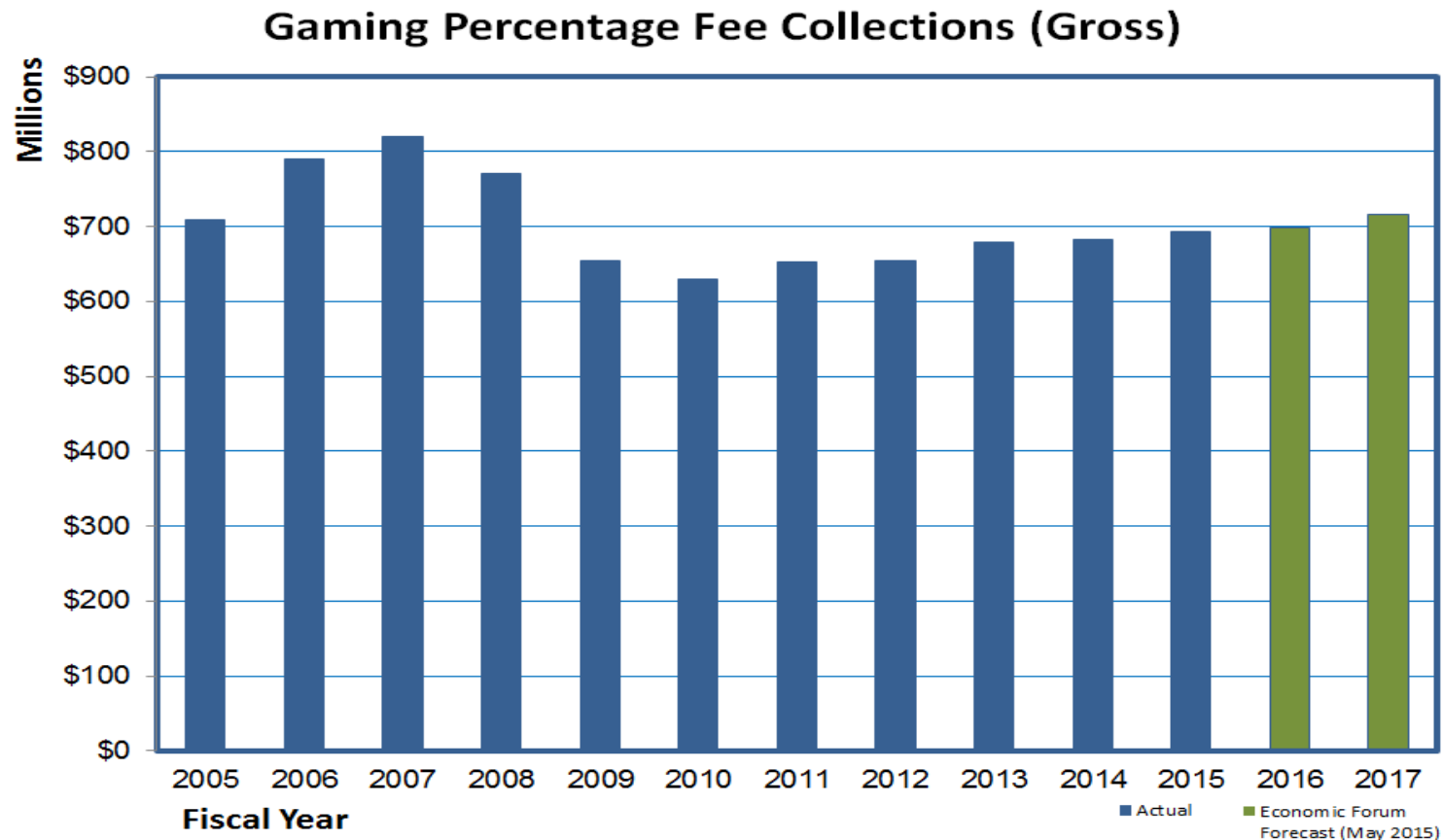
- Fiscal year-to-date, net revenue is down 0.3% or \$6.1 million below forecast.

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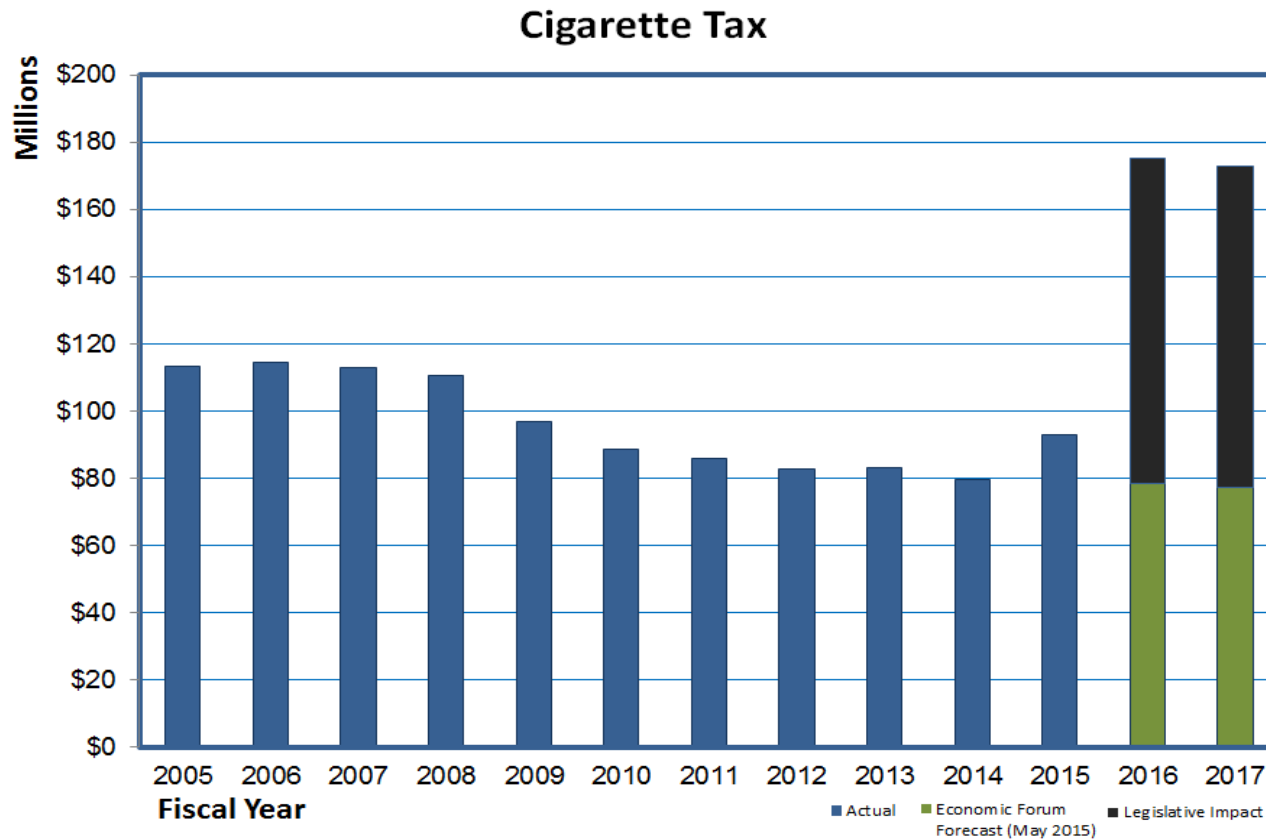
- Sales tax revenue has been softer than expected. Collections are down 1.9% or \$10.3 million below the fiscal year-to-date forecast.
- Six months of collections left, but unlikely the state will make up much ground on this revenue.
- Assuming that the Nevada economy continues to strengthen, FY 2017 forecast is probably attainable.

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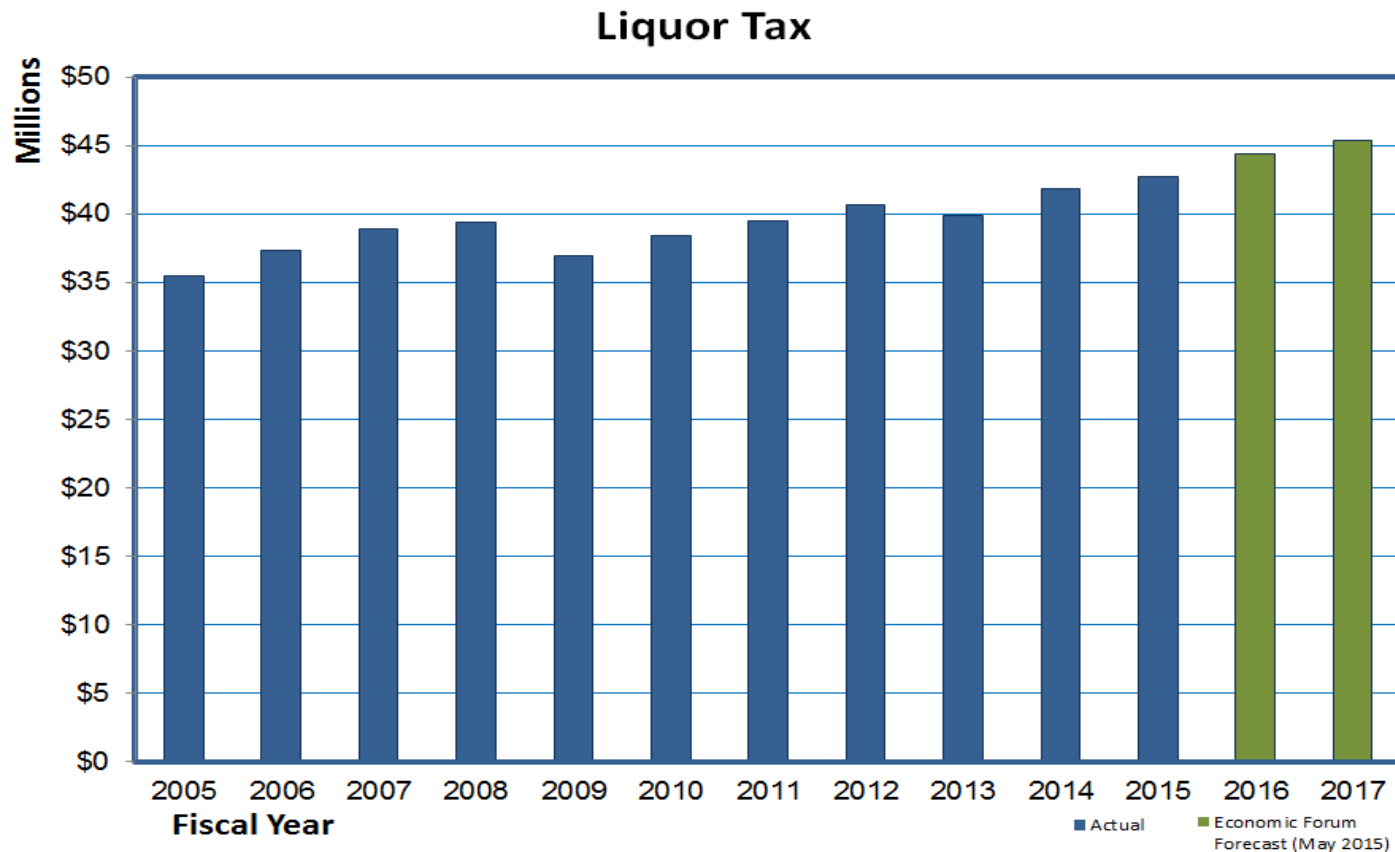
- Through the February collection period, gross gaming collections are up 3.4% or \$15.2 million above the forecast.
- Revenue outlook remains stable for the current biennium.

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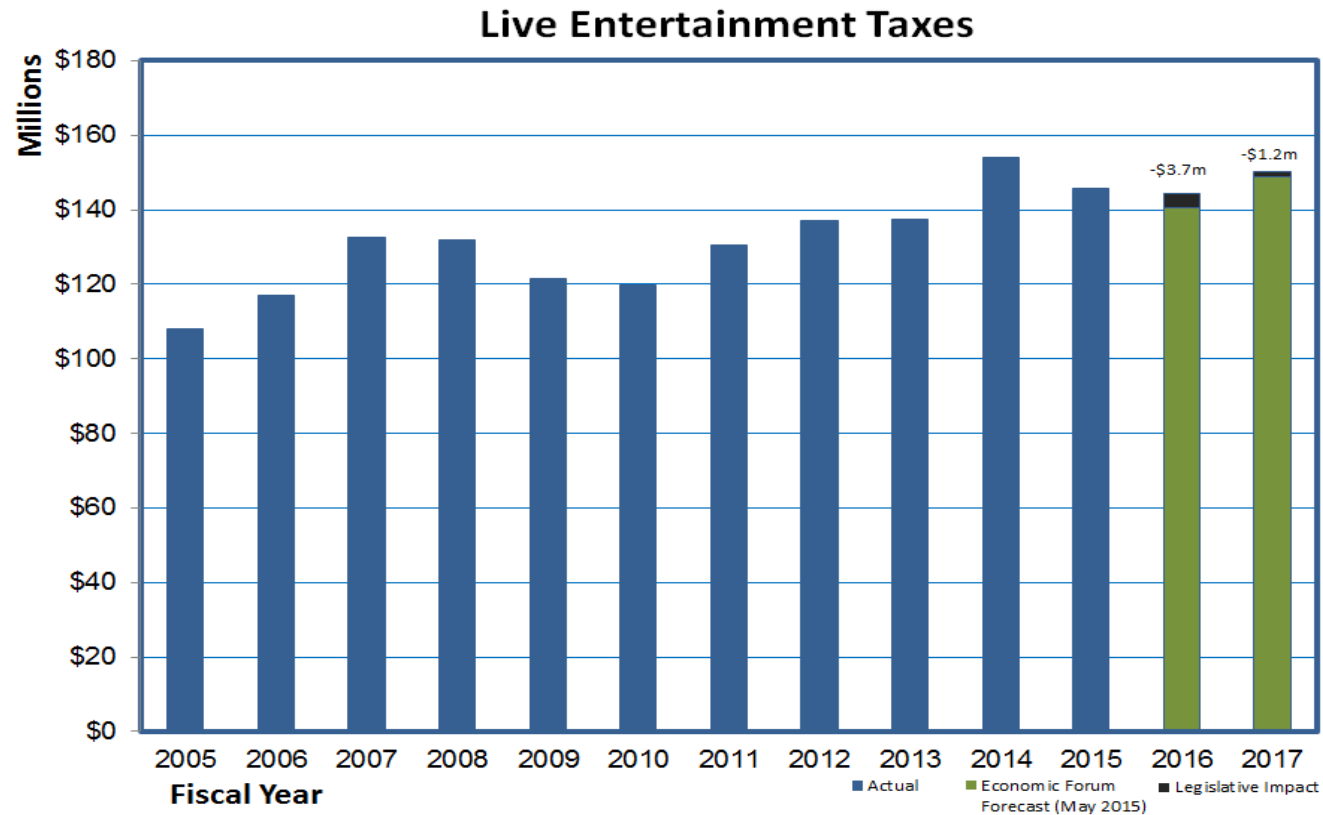
- Over the first half of fiscal year 2016, collections are down 27.1% or \$23.9 million below the forecast.
- Expected shortfall in FY 2016 is between \$25 and \$30 million. FY 2017 projections likely too high.

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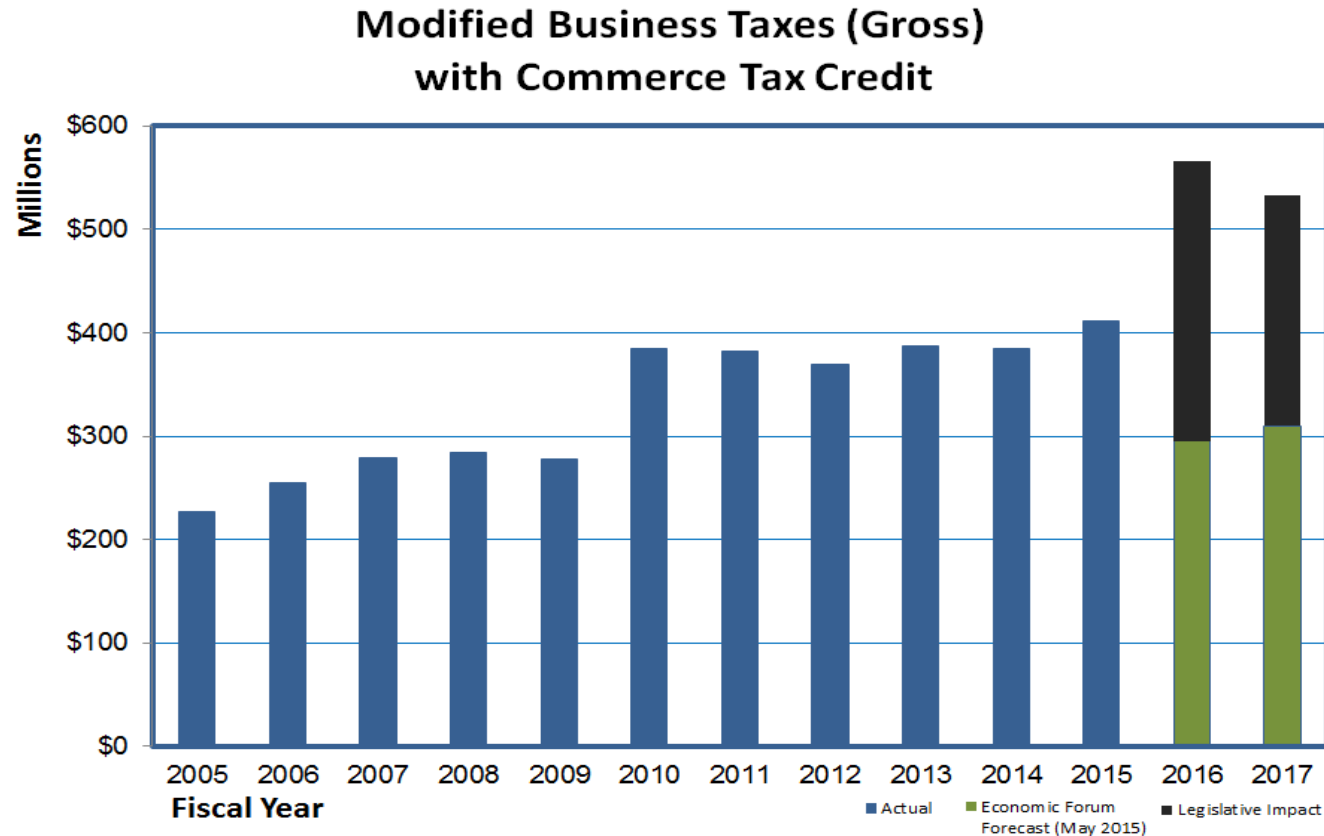
- Collections over the last six months of fiscal year 2016 are down 0.7% or \$0.2 million below the official forecast.
- Revenue outlook remains stable for the current biennium.

BUDGET KICKOFF 2017 – 2019 Executive Budget



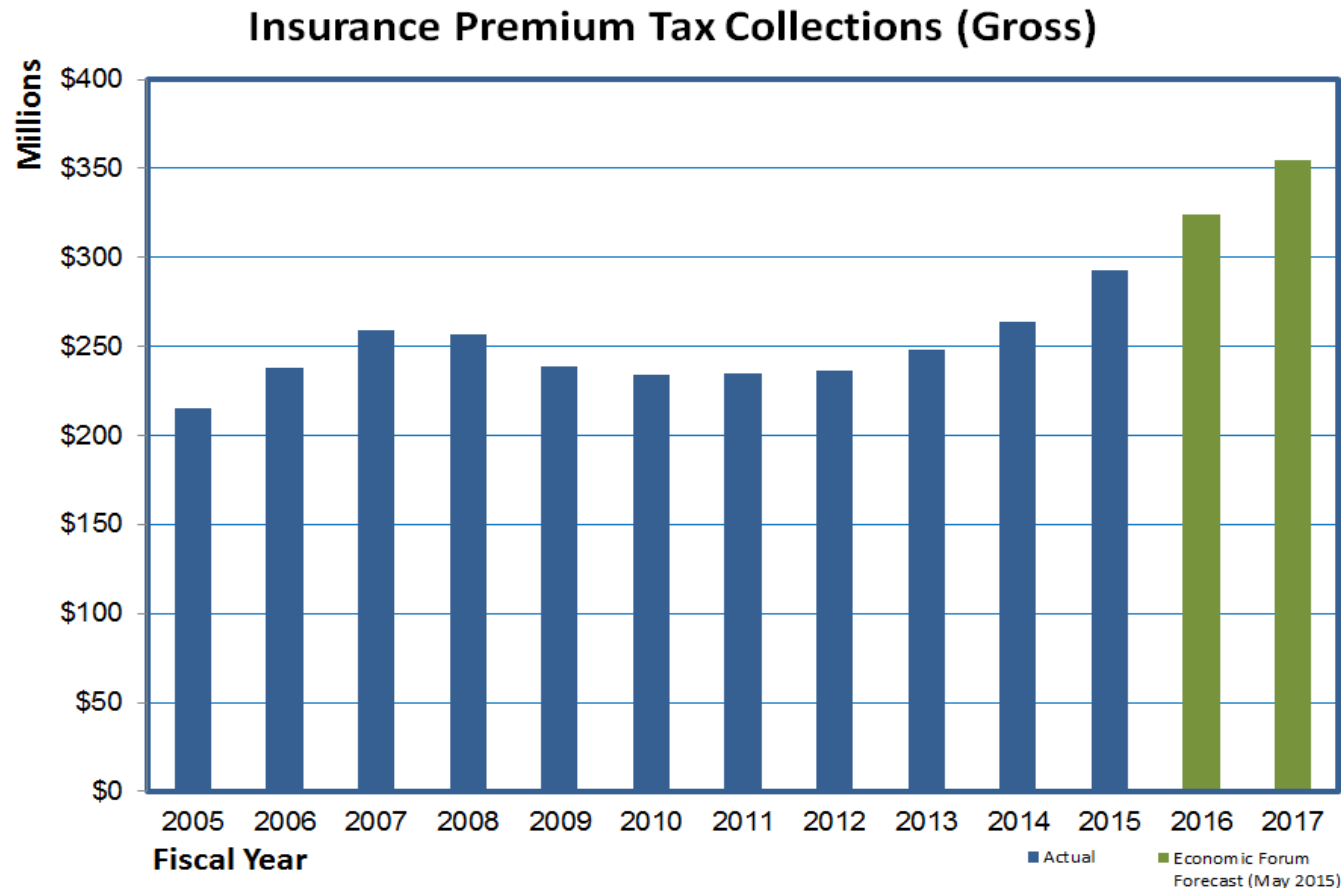
- Collections are down 4.5% or \$3.6 million below the budgeted year-to-date amounts.
- Total collections are likely to bring in slightly less revenue than estimated in the current biennium.

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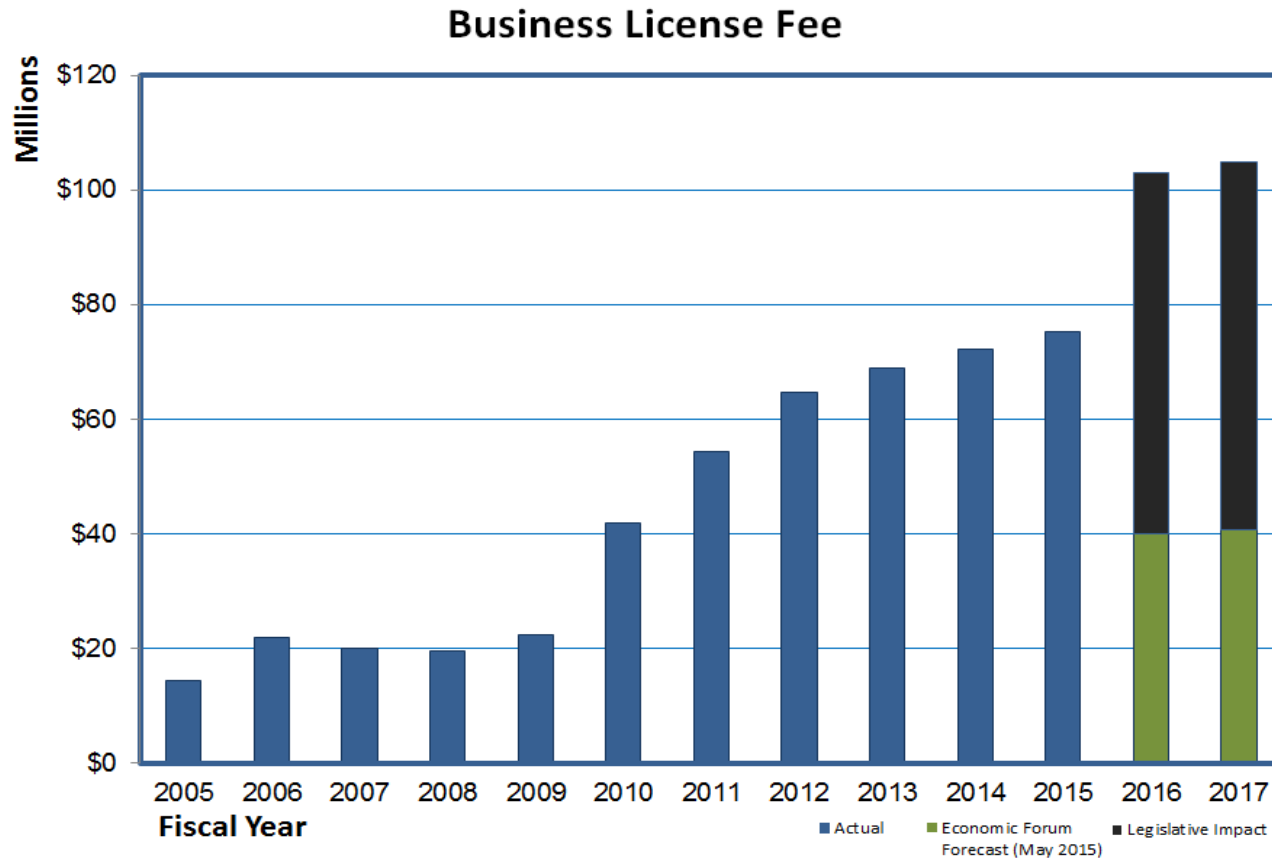
- Gross collections over the last two quarters are down 2.6% or \$7.4 million below the forecast.
- Revenue outlook remains stable for the current biennium.

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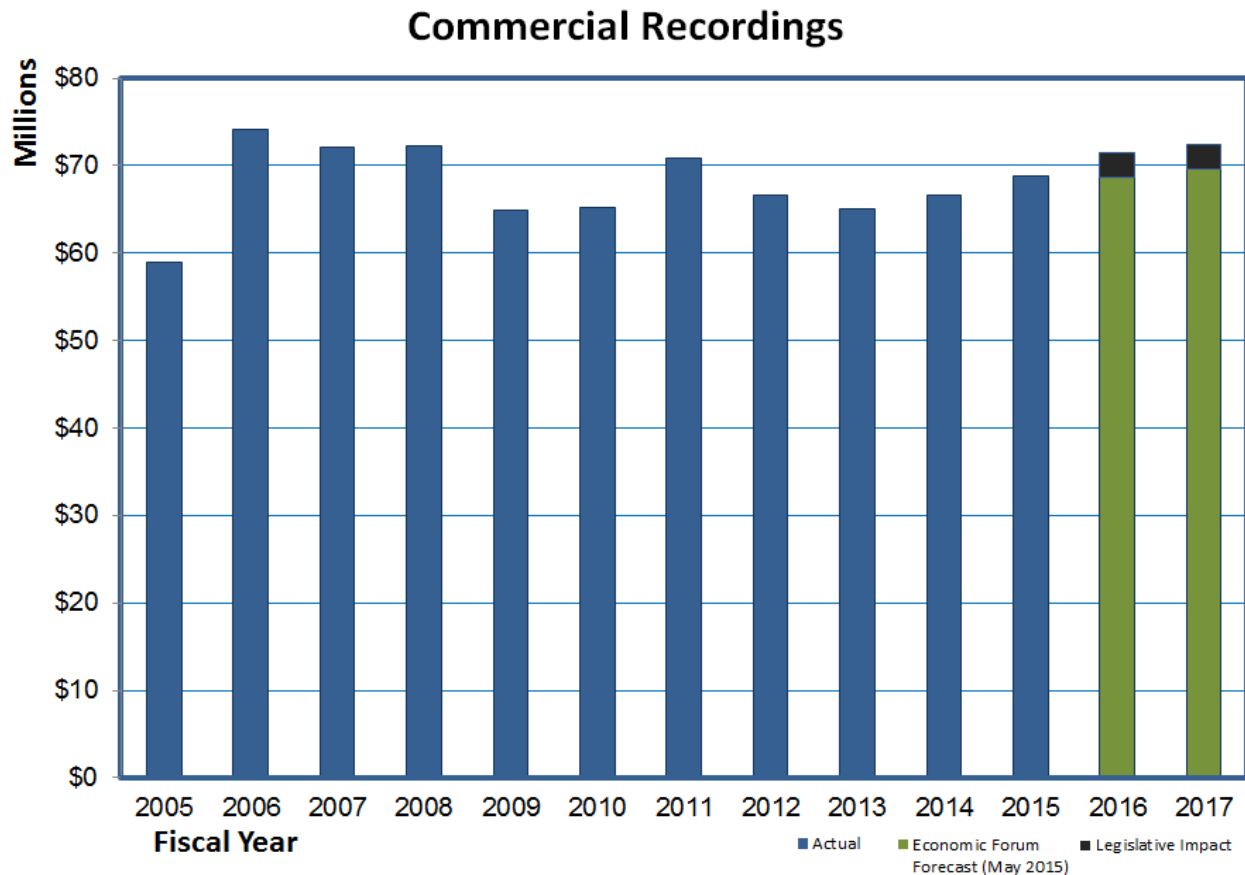
- Gross revenue over the last two quarters is down 2.3% or \$3.7 million below the forecast.
- Revenue outlook remains stable for the current biennium.

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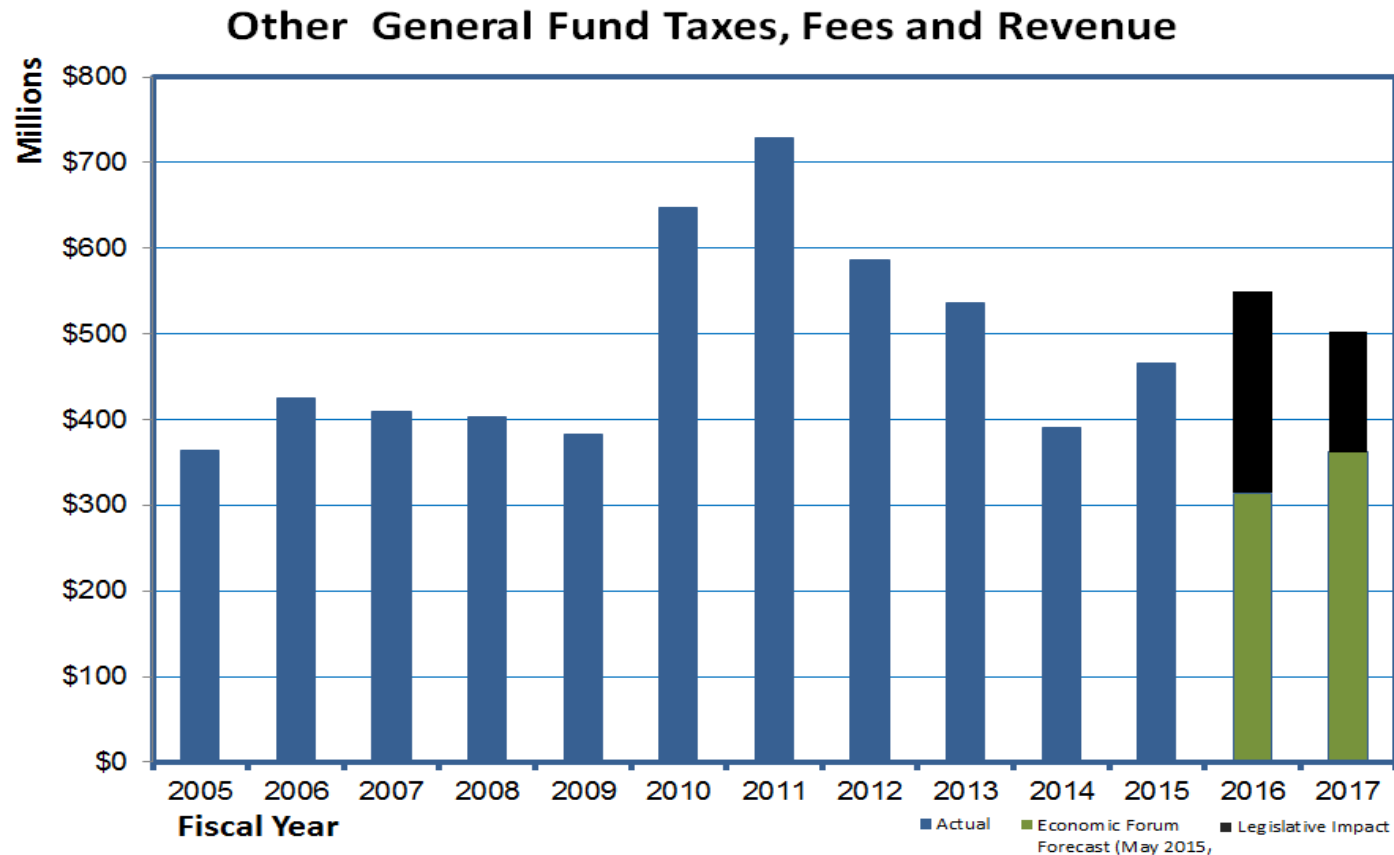
- Collections through January are up 3.1% or \$1.7 million above the forecast.
- Revenue outlook remains stable for the current biennium.

BUDGET KICKOFF 2017 – 2019 Executive Budget



- Collections through January are up 8.2% or \$3.1 million above the forecast.
- Revenue outlook remains stable for the current biennium.

BUDGET KICKOFF 2017 – 2019 Executive Budget



- Legislative impact includes Commerce Tax and Passenger Carrier Excise Tax.
- Fiscal year-to-date, collections are up 1.4% or \$2.8 million above the forecast.

Conclusions

- Nevada's economy strengthening
 - Continued improvement in visitor volume, residential sector and labor market will benefit tax collections dependent on discretionary spending.
- Revenues are mostly where they were forecast to be
 - Cigarette tax is the only major exception.
- Uncertainty about national economic outlook
 - Market volatility
 - Global slowdown



Budget Cycle & Due Dates

Jim Wells
Director

Budget Cycle

- Agency Request
 - Due 5:00PM Thursday September 1, 2016
- Governor Recommends
 - Budget Message and Summary
 - Line Item Detail
 - Economic Development Incentives
 - Recommended Legislation
- Legislatively Approved
 - Session starts February 6, 2017
 - Session ends June 5, 2017
- Resources on the Budget Division website (www.budget.nv.gov)

Key Dates

- CIPs due – 4/4
 - Presentations 8/25
- TIRs due – 4/14
- Non-budgetary BDR Concepts – 4/15
 - Approve by 5/6
- Budget Enhancement Concepts – 5/16
 - Approve by 6/17
- Final Non-budgetary BDRs – 6/1
- Class Compensation Plan Changes – 7/1
- Complete Adjusted Base – 11/10
- Complete Governor Recommends – early January 2017



Policy Changes for Budget Submission

Jim Wells
Director

Policy Changes

- Building the Budget
- Positions
- Revenues
- Federal Grants
- Technology Investment Requests
- Priorities & Performance Based Budgets
- Required Forms

Building the Budget

- Agency budgets must:
 - Align with Governor's Strategic Framework
 - Reconcile positions, revenues and expenditures
 - Be consistent with legislation passed in 2015
 - Use FY 2016 actuals for the Base Budget
 - Be adjusted for one-time, annualized and discontinued costs
 - Be submitted in complete form

Building the Budget

- Agency budgets should:
 - Not include agency-specific inflation without adequate justification
 - Include caseload adjustments as a “M” unit with prior approval
 - Document and justify adjustments related to federal mandates, court orders and consent decrees
 - Reconcile transfer in/out decision units and other “pitcher/catcher” type items

Building the Budget

- Agency budgets should:
 - Include justification for any requested Supplemental Appropriations
 - Identify and include one-time projects, including multi-biennia requests where appropriate
 - Include replacement equipment in accordance with an approved schedule

Positions

- Agencies must:
 - Confirm the accuracy of the positions in their budget by PCN before 7/1
 - Notify their assigned Budget Analyst of errors
 - Eliminate expired or non-permanent positions
 - Confirm the accuracy of the incumbents as of the budget request submission
 - Include on-going seasonal and intermittent positions to the extent funding is available

Positions

- New permanent positions:
 - Engage with DHRM on classification
 - Include NPD-19 for each position
 - Identify conditions and responsibilities
 - How the position advances the agency's mission
 - How it impacts existing personnel
 - Include associated costs
 - Default start date is October 1 of the first year

Positions

- Vacant positions:
 - Justify retention of 12+ month vacancies
- Budget new or vacant positions to hire at no greater than step:
 - 4 for positions in grades 30 and below
 - 7 for positions between grades 31 and 38
 - 10 for positions in grades 39 and higher

Positions

- Single Reclassifications
- Reorganizations
- Compensation Plan Adjustments due 7/1
 - Reclassification of or raises for series of positions
- FTE Costs and Assessments
- Vacancy Savings
- Overtime/Pay Differentials

Revenues

- In general, must cover requested expenditures; never used to balance budget
- Appropriations
- Transfers
 - Must be reconciled against transfer expenses
- Reserves
 - Generally are non-recurring revenue source

Other Revenues

- Includes licenses, fees, fines, loan repayments, charges for services or other revenues not deposited into the General Fund for use in the appropriations process.
- Must submit detail on any fee established, increased or decreased in the Agency Request
- Fee Database

Federal Revenues

- Only includes revenue directly from federal government
- Report separately by grant award
- Recurring grants should be included in budget
- Should be budgeted at NOGA + Carryforward
- Not subject to budget caps
 - Must adhere to statewide cost decisions

Federal Grants

- Matching Requirements documentation
 - Grant Name
 - CFDA number
 - Funding by state FY for term of the grant:
 - Grant amount, and
 - match fund requirements
 - Source of match funds
 - Appropriation, third-party, in-kind, etc.
 - Impact of not appropriating the match

Federal Grants

- Maintenance of Effort requirements
 - Include assumptions and calculations to meet required MOE levels for current and upcoming biennia
- Indirect Cost/Cost Allocation Plans
 - Include federal authorization document showing approved rate
 - Reconcile “pitchers” and “catchers”

Technology Investment Requests

- New project subject to TIR regardless of funding source
- Existing projects
 - Submit TIR if not previously approved
 - Status update for projects over \$1 million
 - Implementation compared to scope and status of approved TIR
 - Projected status at the end of the 2017-2019 biennium
 - Impact of not completing the project
 - Estimated expenditures by fiscal year
 - Amended TIR if schedule, scope or budget changes by more than 5%

Priorities & Performance Based Budgeting

- Strategic framework to be released the week of April 10th
 - Mission Driven Goals
 - Objectives
 - Priorities
- PPBB in NEBS will be opened after the release of the strategic framework

Fund Mapping



- Line item Expenditure to revenue is the same
- Map revenues to pre-defined Activities
- Mapping of activities to Mission Driven Goals and Core Functions is pre-determined

Performance Measures

- Should be:
 - Logically and directly related to the Activity they are purported to measure
 - Incorporate significant aspects of the operations of the agency
 - Responsive to changes in levels of performance
- When possible, tied to data already reported internally or externally

Performance Measures

- Three main types:
 - Output/workload - “How much did we do?”
 - Efficiency – “How well did we do it?” or “Are we doing things right?”
 - Effectiveness “Is anyone better off?” or “Are we doing the right things?”
- No right or wrong number of measures
- Narrative description option

Performance Measures

- Must be included in enhancement units
 - Incremental change to existing measure
 - New measure for the activity
 - Data provided must be valid and accurate and data limitations noted
 - Expected outcome description
 - Decision units submitted without Performance Measures will not be considered

Priorities & Performance Based Budgeting

- Strategic Plans
 - Not required in past, but...
 - Must be created or updated (if more than 5 years old) by July 1, 2017
- Service Levels
 - Cost to continue the existing legislatively approved program into the next biennium
 - Reductions or increases must be budgeted

Required Forms

- Budget Submission Certification Letter
 - One letter per agency
 - Must be signed by the director or chairman
- Copy of the 2X Budget Limit calculation
- Organizational charts
 - Program
 - Personnel



Enhancement Proposals, Budget Caps & Reduction Options

Jim Wells
Director

Enhancement Requests

- Strategic Plans, Budget Request and enhancements should answer:
 - Which strategies will most effectively achieve agency and statewide goals and priorities?
 - Which activities are mandatory/core to these strategies?
 - How are the outcomes of our highest priority services and activities maximized?

Enhancement Requests

- Agencies should:
 - outline efforts taken and/or plans to find additional capacity
 - Focus on improving performance through innovation
 - Include a rigorous evaluation plan and Performance Measures to show how the investment of new dollars will result in the intended outcomes

Enhancement Requests

- Limited to two approaches:
 - Formal invitation from Governor's Office
 - Enhancement Concept Request
 - Due to Budget Division by May 16th
 - Approved/Denied by June 17th
 - Must include clear & concise description of expected results and funding options, including reprioritization of resources from less effective programs or activities

Agency Request Limits

- Applies to agencies funded with:
 - General Fund appropriations
 - Highway Fund appropriations
 - Other funds receiving GF or HF - internal service funds
- Agency Request Budget for the 2017-2019 biennium shall not exceed two times that agency's FY 2017 legislatively approved funding level unless the agency receives prior written approval from the Budget Division

Agency Request Limits

- Exceptions to the limits for:
 - Pre-approved caseload/population growth
 - Pre-approved agency specific inflation
 - Federally mandated and court ordered activities
 - Approved enhancement requests
- All other decision units must fit within the agency cap

Agency Reduction Plans

- Applies to agencies funded with:
 - General Fund appropriations
 - Highway Fund appropriations
 - Other funds receiving GF or HF - internal service funds
- Reduction plan of 5%
 - Targets will be provided by Budget Division

Agency Reduction Plans

- Should:
 - Be prioritized around programs, statutory assignments, or other whole functions
 - Not across-the-board reductions
 - Eliminate or substantially reduce lower priority programs
 - Utilize resources for higher priority programs which support the agency's core mission

Agency Reduction Plans

- Should:
 - Identify activities or programs to be discontinued
 - Identify impact on related Performance Measures
 - Show likelihood of advancement toward a Mission Driven Goal without the activity/program
- Can be process improvements to generate efficiency savings

Agency Reduction Plans

- Agencies:
 - May propose expanding a higher priority program
 - Must rank reduction options and identify criteria used for ranking
 - Must identify impact on other revenues, expenditures or programs
 - Not required to submit corresponding BDRs
- Different options may be requested

Agency Reduction Plan Examples

FY 2017 General Fund Appropriation	\$50,000,000	FY 2017 General Fund Appropriation	\$50,000,000
2 Times Rule	\$100,000,000	2 Times Rule	\$100,000,000
5% Reduction	\$5,000,000	Enhancement to High Priority Program	\$10,000,000
Agency Request Limit for 2017-2019 Biennium	\$95,000,000	5% Reduction	\$15,000,000
		Agency Request Limit for 2017-2019 Biennium	\$95,000,000

Agency Reduction Plan Examples

FY 2017 General Fund Appropriation	\$50,000,000	FY 2017 General Fund Appropriation	\$50,000,000
2 Times Rule	\$100,000,000	2 Times Rule	\$100,000,000
5% Reduction	\$5,000,000	5% Reduction	\$5,000,000
Pre-approved Caseload Increase	\$2,000,000	Approved Enhancement Concept Request	\$7,000,000
Agency Request Limit for 2017-2019 Biennium	\$97,000,000	Agency Request Limit for 2017-2019 Biennium	\$102,000,000



Bill Draft Requests

Matt Morris
Senior Policy Analyst

Bill Draft Request Instructions

- OVERVIEW – Bill Draft Request (BDR) is a request for a legislative measure submitted to Legislative Counsel Bureau (LCB) proposing additions, deletions, and/or changes to Nevada Revised Statutes (NRS).

BDRs Continued

- BDRs are classified as either:
 - Non-Budgetary Policy BDRs:
 - » “Housekeeping” – Clarifications or minor changes to existing statutes
 - » “Substantive” – All other requests
 - OR
 - Budgetary BDRs

BDRs Continued

Note for Substantive Policy BDRs

Should be informed by the Governor's Policy Initiatives & Strategic Priorities for the State:

- Educated & Healthy Citizenry
- Vibrant & Sustainable Economy
- Safe & Livable Communities
- Efficient & Responsive State Government

BDR Req's (NRS 218D)

- Single-Subject & Sufficient Detail Rules
- Multiple NRS chapters OK
- Requests are submitted to Budget Division
- Requests are submitted through NV Executive Budget System (NEBS) BDR portal

BDR Req's (NRS 218D)

- Helpful References – NRS 218D; AB 495 (2015)
- Legislative Manual
- 2015 Legislative Summaries
 - LCB 2015 Nevada Legislative Summary
 - UNLV's Boyd Law School : *NV Law Journal* (16 Nev. L.J. 419 (2015) Stewart, Thomas W. and Odell, Jenn)
<http://scholars.law.unlv.edu/nlj/vol16/iss1/16>

Non – Budgetary BDR Prep Process

- Legislative Summaries drafted and submitted to Governor's Office
- Approved Legislative Summaries completed as Policy BDRs
- Completed Policy BDRs are submitted through NEBS
- Policy BDRs are drafted and pre-filed

BDR Prep Timeline

Important dates to remember:

April 15, 2016 – Agency Legislative Summaries due to Governor's Office

May 16, 2016 – Legislative Summary Reviews Completed

June 1, 2016 – Non-Budgetary BDRs due to Budget Division in NEBS

August 1, 2016 – Non-Budgetary BDRs due to LCB

September 1, 2016 – Budgetary Bills due to Budget Division in NEBS

November 16, 2016 – All Non-Budgetary BDRs must be drafted and pre-filed

Thank You!



Lunch Break 12:00 pm – 1:30 pm



Afternoon Agenda

- Budget Building Manual
- Rate Methodology Changes
- NEBS Changes
- Tips, Tricks and How To's
- Questions and Answers Session



Budget Building Manual (Budget Instructions) Changes

Janet Murphy
Deputy Director

Budget Instructions vs Budget Building Manual

- Previous biennias included policy guidelines with how to manual
- Two documents
 - Budget Instructions – Policy document
 - Budget Building Manual – Reference document

Highlight of Changes

- Budgeting Grant Revenue
 - Notice Of Grant Award (NOGA)
 - Carryforward calculation for estimated unspent authorizations
- Provide Maintenance of Effort (MOE) and Matching Requirements
- Provide a copy of federal authorization for indirect cost rates

Highlight of Changes

- Position information has been updated as of 1/29/16
 - Includes any MSI effective prior to this date
 - Vacant positions
 - Grade and Step of incumbents
 - Retirement Code of incumbents
- COLA for FY17 included

Highlight of Changes

- Vacant Positions
 - Retirement code = 1 (default in NEBS)
 - Steps – not to exceed (default in NEBS)
 - Grade 30 and under – step 4
 - Grade 31 through 38 – step 7
 - Grade 39 and higher – step 10

Highlight of Changes

- New Positions
 - Retirement code = 1 (default in NEBS)
 - Steps – not to exceed (default in NEBS is step 1)
 - Grade 30 and under – step 4
 - Grade 31 through 38 – step 7
 - Grade 39 and higher – step 10

Highlight of Changes

- Compensation Plan Adjustments
 - Compensation changes for a series of positions
 - Reclassifications
 - Pay increases/decreases
 - Request, including justification, due 7/1

Highlight of Changes

- Decision Units for Position Changes
 - E805 – E809 for Classified Position Changes
 - E815 – E819 for Unclassified Position Changes

Highlight of Changes

- Equipment - \$1,000 - \$5,000
 - Handle the same as equipment less than \$1,000
 - 3-5 year average
 - Eliminate 1 time expenditures
- Prioritization of Equipment
 - No longer required

Highlight of Changes

- Technology Investment Request (TIR)
 - Existing Projects over \$50,000 with an approved TIR
 - Existing Projects over \$50,000 without an approved TIR
 - Updated TIR with scope change over 5%
- IT Strategic Planning Committee
 - Will review and Prioritize TIRS

Highlight of Changes

- Major Budget Initiative
 - Determined by the Governor's Office
 - Agencies will be notified

Highlight of Changes

- Agency Request Limits
 - 2 X Fiscal Year 2017
 - Worksheet on website to Calculate
 - M100, M101, M200's, M500's, M600's excluded
- 5% Reduction Plans
 - Decision Units E600 – E609
 - Excluded from 2X Limit
 - Applies to agencies funded with GF, HF, and agencies that bill accounts with GF or HF

Highlight of Changes

- Submittal of Agency Request
 - Director Certification Letter
 - Organizational Charts
 - Position
 - Program
 - Request Limit Calculation



Questions?

Budget@finance.nv.gov

For questions after this seminar,
please contact your agency's
assigned Budget Division Budget
Analyst.



Central Assessment Charge Changes

Janet Murphy
Deputy Director

Personnel & Payroll Assessments

- Was based on gross salaries
- Will be based on Full-Time Equivalents
- Reason behind change is to reflect that personnel and payroll functions do not increase just because an individual has a higher salary.
- Change will be made during the Governor Recommends phase of the budget preparation cycle.

Purchasing Assessment

- Was based on total dollar volume of MSA contract spend
- Is now based on a combination of
 - Total dollar volume AND number of transactions
 - Weighted Purchase Order volume
 - Weighted RFP volume
- Reason behind the change is to recognize certain transactions require more effort and that effort is not based entirely on the dollar value of the purchase.
- This methodology will be phased in over 4 years and will be fully implemented for Fiscal Year 2020

Statewide Cost Allocation Plan (SWCAP)

- Recovers equitable share of central services, such as the Governor's Finance Office, from non-General Fund sources.
- Agencies funded in whole or in part with non-General Fund sources have the SWCAP assessment included in their budget account.
- SWCAP is adjusted in arrears based on the workload factor related to the service provided and allocated to all agencies using the services.
- Historically, Agency Request has reflected SWCAP as the previous biennium WP amount (i.e. FY17) and the amounts have been updated during Governor Recommends phase.
 - Working with Department of Administration to change the SWCAP plan year used for budgeting purposes to have both plan years for the upcoming biennium available during the Agency Request phase.

Attorney General Cost Allocation Plan (AGCAP)

- Recovers the costs for legal and investigative services provided by the Office of the Attorney General as well as the administrative expenses of the office.
- Only agencies funded in whole or in part with non-General Fund sources have the AGCAP assessment included in their budget account.
- AGCAP is based on the attorney hours spent on each state agency in the previous three fiscal years as recorded in the time reporting system in the Office of the Attorney General, plus a carry forward adjustment.
- Working with the Attorney General to provide an estimated allocation for FY18 and FY19 by August 1st.

Enterprise IT Services (EITS) Rates

- The 2015-2017 Budget Instructions contained 39 different technology related services and corresponding rates
- Recognizing the evolution of technology:
 - Server hosting services combined during the Governor Recommends phase last cycle
 - Several Mainframe related services were consolidated in Fiscal Year 2016
 - Working with the Department of Administration EITS to identify, for the upcoming biennium:
 - Services to be considered for consolidation
 - New service to be added
 - Obsolete service to be eliminated

Enterprise IT Services (EITS) Rates

- Federally imposed carryforward limits
 - Complicated by depreciation of equipment and capital purchases
 - Resulted in revising rates after the Fiscal Year begins
 - Necessary to cover cash flow needs but not exceed limits
 - Difficult for both EITS and the agencies
- Meetings with agencies to conduct detailed utilization review to better calculate rates for the various services for 17-19 Biennium
 - Better utilization projections will prevent future mid-biennium rate changes
- Specific questions can be addressed to EITS or the Budget Division Analyst



Questions?

Budget@finance.nv.gov

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please contact your agency's
assigned Budget Division Budget
Analyst.



NEBS Enhancements

Scott Ewart

Budget Analyst & NEBS Administrator

sewart@finance.nv.gov

NEBS Enhancements

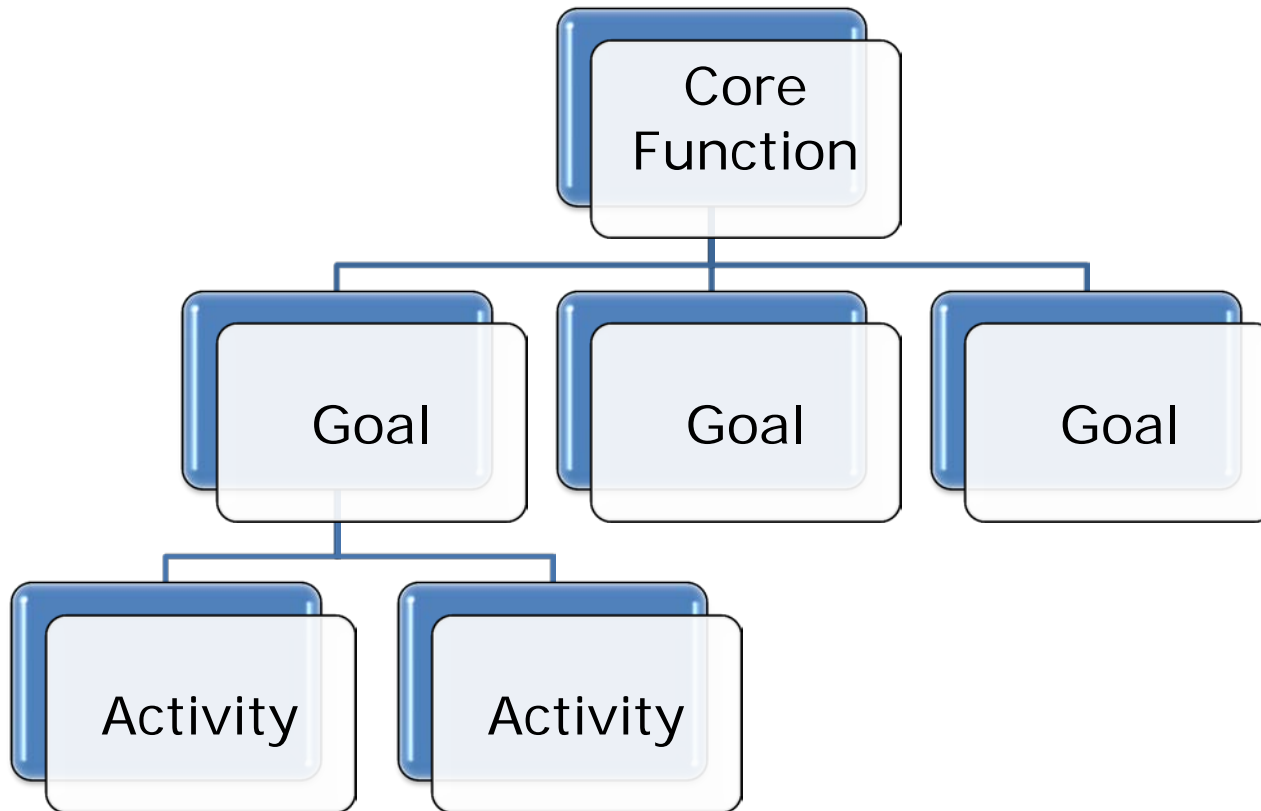
- PPBB Structure
- Activity Budgeting
- Mapping
- Equipment Schedule
- Short List

PPBB Structure – Old vs. New

Old	New
Core Function	Core Function
Objectives	Goals
Benchmarks	Objectives

- Core Functions have not changed
- Statewide Goals identified for each Core Function
- Each Goal will have Objectives

PPBB Structure (Cont.)



Activity Budgeting

- Centralized list of standard Activities
 - Cross agency organization
 - Drop-down selection
 - Relationship of Activities to Goals (Amendable by GFO)
 - Consistency towards Governor's Strategic Priorities
 - Expanded description fields

Activity Budgeting (cont.)


Activities List

Budget Period: 2017-2019 Biennium (FY18-19)
Dept/Div: 015 GOVERNOR'S FINANCE OFFICE - BUDGET DIVISION
Version: A00 AGENCY REQUEST AS SUBMITTED

Activities **Dept/Div Info** **Dept/Div Contact Info**

☒ Year 1 ☐ Year 2 ☐ Combined ☐ All

Select Activity Add Major Budget Initiative

Title
Activities
 Statewide Budget Development, Management, and..

Select Activity

Goal:

Activity:

Activity Budgeting (cont.)

- Crosswalk existing Department Activities
 - Department to standardized Activities
 - Process to copy Performance Measures to another Activity or Department
- Pursuant to NRS 353.205 1 (b) 3:
 - Additions, deletions or modifications to Performance Measures must be reported

Activity Budgeting (Cont.)

Activity Perf Measures List


Budget Period: 2017-2019 Biennium (FY18-19)
Dept/Div: 015 GOVERNOR'S FINANCE OFFICE - BUDGET DIVISION
Version: A00 AGENCY REQUEST AS SUBMITTED
Activity Name: Statewide Budget Development, Management, and Control



Description

Resources

Perf. Measures

Population & Workload

Performance Measures
 Add Performance Measure

	Title
	Percent of Customers Satis
	Accuracy of Revenue Forec

Copy Performance Measure
Title: Accuracy of Revenue Forecast - Deviation from Actual
Target Division: 000 DEFAULT
Target Version: A00 AGENCY REQUEST AS SUBMITTED
Target Activity:

Copy Cancel

Done

Mapping

- Streamline distinct mapping area entry points
- Support for various line item mapping levels
(Position Groups, Category, DU, GL)
- Repeating Activity blocks replaced by single data entry grid
- Activity mapping associated by RGL

Mapping (Cont.)

- Line item

Budget Account Fund/Activity Mapping

Budget Period: 2017-2019 Biennium (FY18-19)
Budget Account: 1340 GOVERNOR'S FINANCE OFFICE - BUDGET DIVISION
Version: A00 AGENCY REQUEST AS SUBMITTED

Summary

Line Items

Schedules

Positions

Mapping

Acct. Maint.

Budget Year: Year 1 | Year 2 View: Summary | Rules by Activity | Rules by RGL | **Line Item Mapping** | Activity Mapping

Data Validation Edits

Manage Mapping Levels

Copy ALL to Y2

Full Recalculation

BA: 1340 – Default Mapping

Manage Mapping Levels

Modify

Copy to Y2

Copy to...

Valid Mapping

	Total Exp				
Expenditure Total (\$):	3,198,494				
Less Mapped at Lower Lvl (\$):	0				
Mapped Expenditure Total (\$):	3,198,494	2501	2510	4230	4654
Dynamic (%):	100.00%	100.00%	0.00%	0.00%	0.00%
Total (\$):	3,198,494	3,198,494	0	0	0

Mapping (Cont.)

- Activity

Budget Account Fund/Activity Mapping

Budget Period: 2017-2019 Biennium (FY18-19)
Budget Account: 1340 GOVERNOR'S FINANCE OFFICE - BUDGET DIVISION
Version: A00 AGENCY REQUEST AS SUBMITTED

Summary

Line Items

Schedules

Positions

Mapping

Acct. Maint.

Budget Year: Year 1 | Year 2 View: Summary | Rules by Activity | Rules by RGL | Line Item Mapping | Activity Mapping

Full Recalculation

Budget Account Level
Modify Copy to Y2 Valid Mapping Save Successful

SUMMARY

	Total	2501	2510	4230	4654
Total Liabilities (\$):	3,198,494	3,198,494	0	0	0
Dynamic Mapping (%):		100.00%	0.00%	0.00%	0.00%
Mapped Total (\$):		3,198,494	0	0	0

Activity: Statewide Budget Development, Management, and Control

	Total	2501	2510	4230	4654
Dynamic (%):		100.00%	0.00%	0.00%	0.00%
Total (\$):	3,198,494	3,198,494	0	0	0

Equipment Schedule

- Competing equipment request priorities
- Equipment priority column eliminated
- Equipment requests supported based on individual merits

Short List

- Enhancements to support policy changes
- Allowance for Payroll assessments
- SPWD Building Inventory upload function
- Various title and column headings corrections

Bill Draft Request

- Moved governing authority from the Supplemental Notes tab to the Description tab.

BDR Detail

Budget Period: 2017-2019 Biennium (FY18-19)

Budget Session: 79th Regular Session

BDR Number: 17A9021001

Pending GO Policy Approval

Title [75 char max]: TEST

Description | Account | Dec Units | Contacts | Fiscal Notes | Supplemental Notes | Attachments | Analyst | Legislative Info

Primary Department: 90 DEPARTMENT OF EMPLOYMENT, TRAINING & REHAB

Primary Dept/Div: 902 DETR - EMPLOYMENT SECURITY DIVISION

NRS title, chapter and sections, Nevada Constitutional provisions, administrative regulations (NAC) affected
[1000 char max]

Bill Draft Request

- Reduced the maximum character amount from 4,000 to 1,000.

DR Detail

Budget Period: 2017-2019 Biennium (FY18-19)
Budget Session: 79th Regular Session
DR Number: 17A9021001
Title [75 char max]: TEST

Pending GO Policy Approval


Description	Account	Dec Units	Contacts	Fiscal Notes	Supplemental Notes	Attachments	Analyst	Legislative In
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Primary Department: 90 DEPARTMENT OF EMPLOYMENT, TRAINING & REHAB
Primary Dept/Div: 902 DETR - EMPLOYMENT SECURITY DIVISION

NRS title, chapter and sections, Nevada Constitutional provisions, administrative regulations (NAC) affected
[1000 char max]

Request Description

Description of the problem to be solved or the goal of the proposed measure, or both
[1000 char max]:





Questions?

Budget@finance.nv.gov

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Analyst.



Tips, Tricks and How-To's

Janet Murphy
Deputy Director

Trainings Offered

- Introduction to State Budgeting
- NEBS Navigation
- NEBS Schedule Entry Module
- NEBS Base and Adjusted Base Module
- NEBS Building Decision Unit Module
- Work Program Training

Introduction to State Budgeting

Introduction to State Budgeting is a course developed by the Budget Division to give an overview of Nevada's budgeting process.

NEBS Navigation

NEBS Navigation is a hands-on course design to familiarize the new user with the Nevada Executive Budget System.

NEBS Schedule Entry Module

This is a hands-on course for users to learn the functionality of the NEBS schedules:

- Caseload
- Vender Service
- Uniform Allowance
- EITS
- Fleet Service Vehicles
- Building Rent Non-Building and Grounds
- Equipment
- Building Maintenance Schedule
- Staff Physicals
- Vacancy Savings Schedule

NEBS Base and Adjusted Base Module

This is a hands-on course to provide an understanding to users on how to build an agency base budget request and adjusted base entries that agencies use to maintain the current level of services.

NEBS Building Decision Unit Module

This is a hands-on course to learn the process for building Enhancement and Maintenance decision units.

Work Program Training

This is a course to provide an understanding of the requirements and processes of a work program .

Budget Division Upcoming Trainings

- Priorities Performance Based Budget (PPBB)
- NEBS Fund and Activity Mapping

New Tools in Your Tool Box

<http://budget.nv.gov/Forms>

- Agency Budget Timeline
- New Position Costs Projections
- Vendor Services Schedule Actual Column Reconciliation
- Reserve Calculator Worksheet and Instructions
- Cost Allocation Template

Other Tools in Your Tool Box

<http://budget.nv.gov/Manuals-Instructions/>

- Budget Instructions
- Budget Building Manual
- NEBS Bill Draft Request Manual
- NEBS Budget Amendment Manual
- NEBS Work Program Manual
- NEBS Procedures and Process for Fiscal Year Closing
- Contract Entry and Tracking System (CETS) Manual

Thank You!

