



BUDGET KICKOFF MEETING 2014



Section 1

Economic Overview

Janet Rogers, Budget Economist



Nevada Economic Forecast Then & Now

- Budget Kickoff 2010: Stormy
 - Economy still in freefall
- Budget Kickoff 2012: Cloudy
 - Signs that worst behind us
- Budget Kickoff 2014: Mostly sunny
 - Recovery under way

BUDGET KICKOFF 2015-2017 Biennium Executive Budget



		US	Nevada	
		Rate	Rate	Rank
				1 = best
Foreclosure Filings Rate	Jan '14	0.1%	0.2%	49
Home Price Index (FHFA)	2013q3 v 2012q3	8.5%	25.3%	1
	2013q3 v 2008q3	0.5%	-14.8%	51
Wage & Salary Disbursements	2013q3 v 2012q3	3.8%	4.9%	8
Personal Income	2013q3 v 2012q3	3.6%	4.3%	13
Employment*	Dec '13 v Dec '12	1.6%	1.8%	10
Unemployment**	Dec '13	6.7%	9.0%	49

*Not seasonally adjusted.
**Seasonally adjusted.

In 2010, Nevada ranked at the bottom in every measure. In 2014, Nevada is among the top in most categories.

- Unfortunately, the competition is lackluster at best.



Unemployment

- Unemployment rate steadily declining
 - 9.0% in Dec. 2013 (2nd highest behind Rhode Island)
 - Lowest rate since November 2008
 - 5.0 percentage points lower than peak
- Long-term unemployment remains a problem
 - Federally-funded benefit extension stopped Dec. 28
 - 17,000 Nevadan's lost unemployment compensation

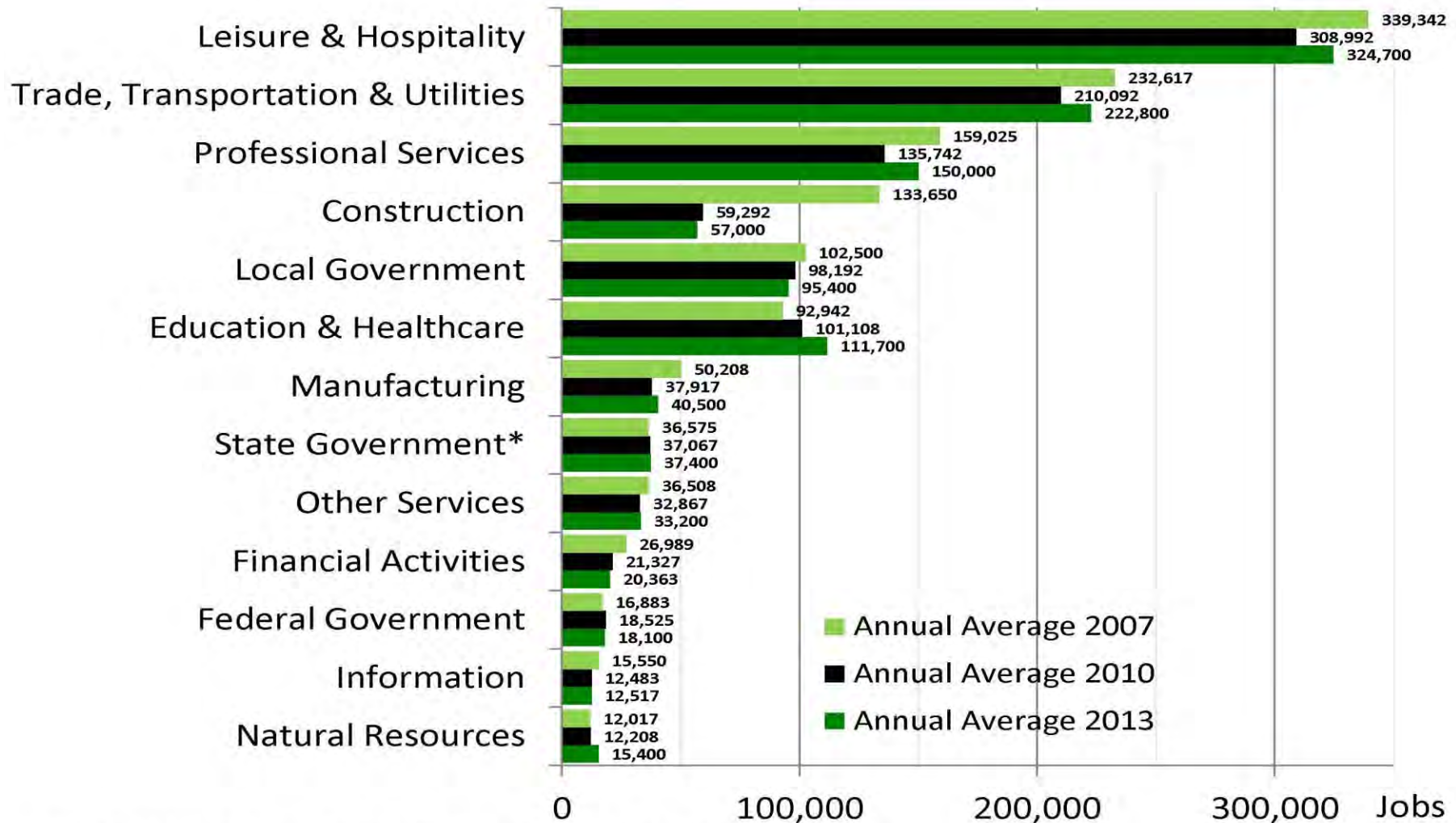


Employment Opportunities

- Number of jobs increasing since 2011
 - Grew 2.7% in CY 2013 compared to CY 2012
 - Slower pace than in previous recoveries
 - 60,000 private sector jobs added since 2010
 - Most sectors showing consistent improvement
 - Still below peak by more than 115,000 jobs
 - 85,000 jobs in construction sector gone

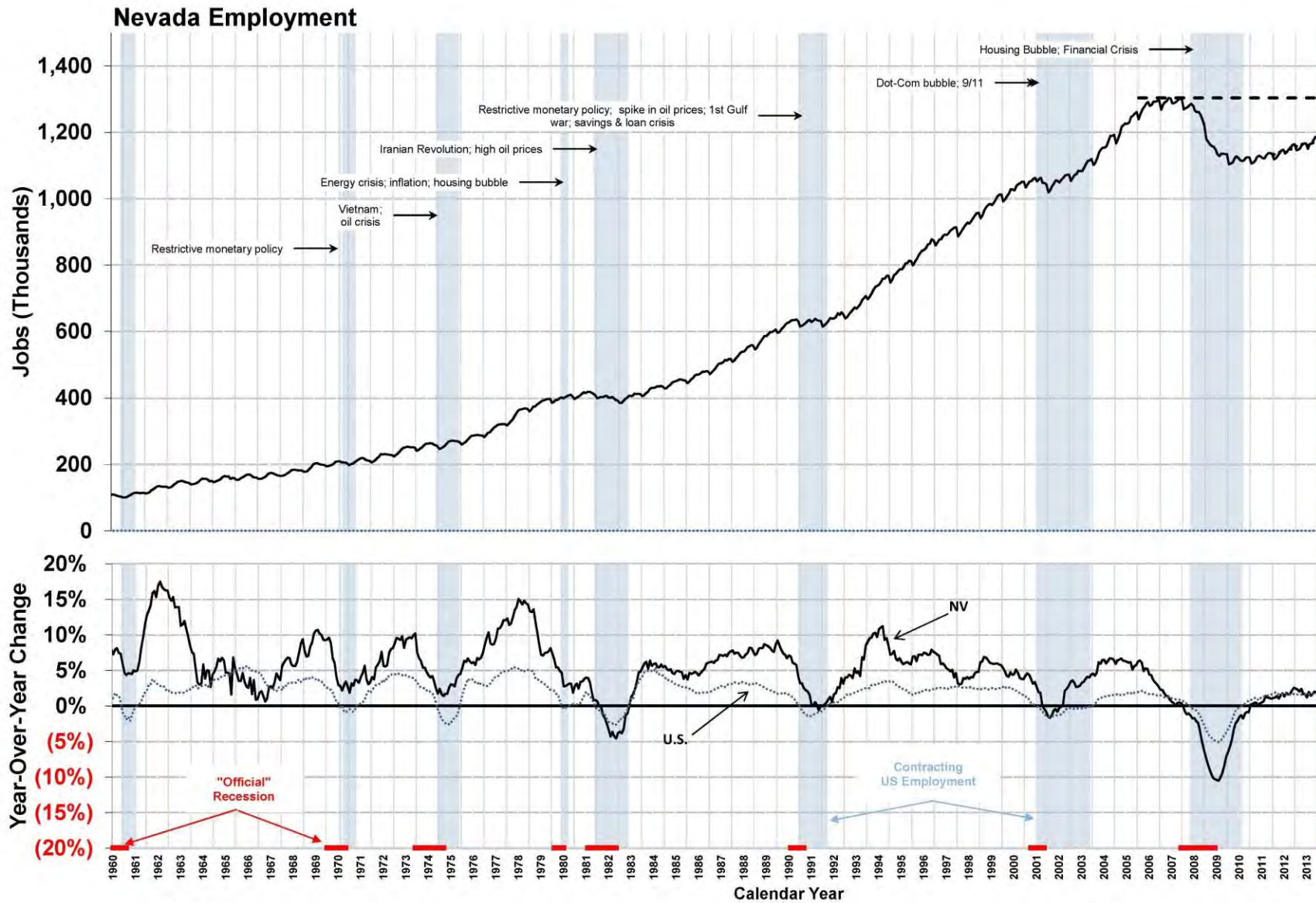


Nevada Full & Part-time Jobs by Sector



*FY 2007 Full Time Equivalency Count: 25,780 positions
 FY 2013 Full Time Equivalency Count: 24,578 positions

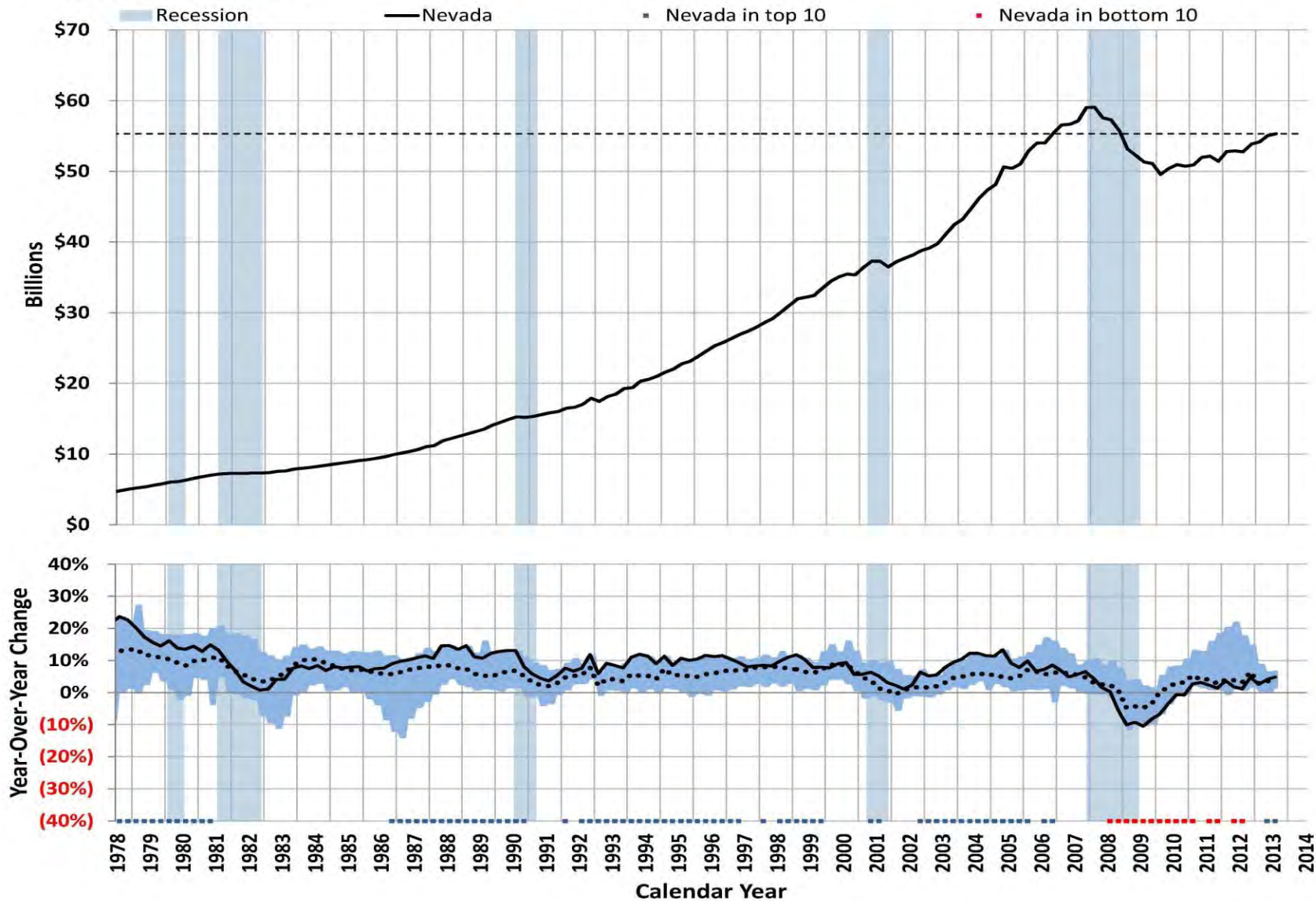
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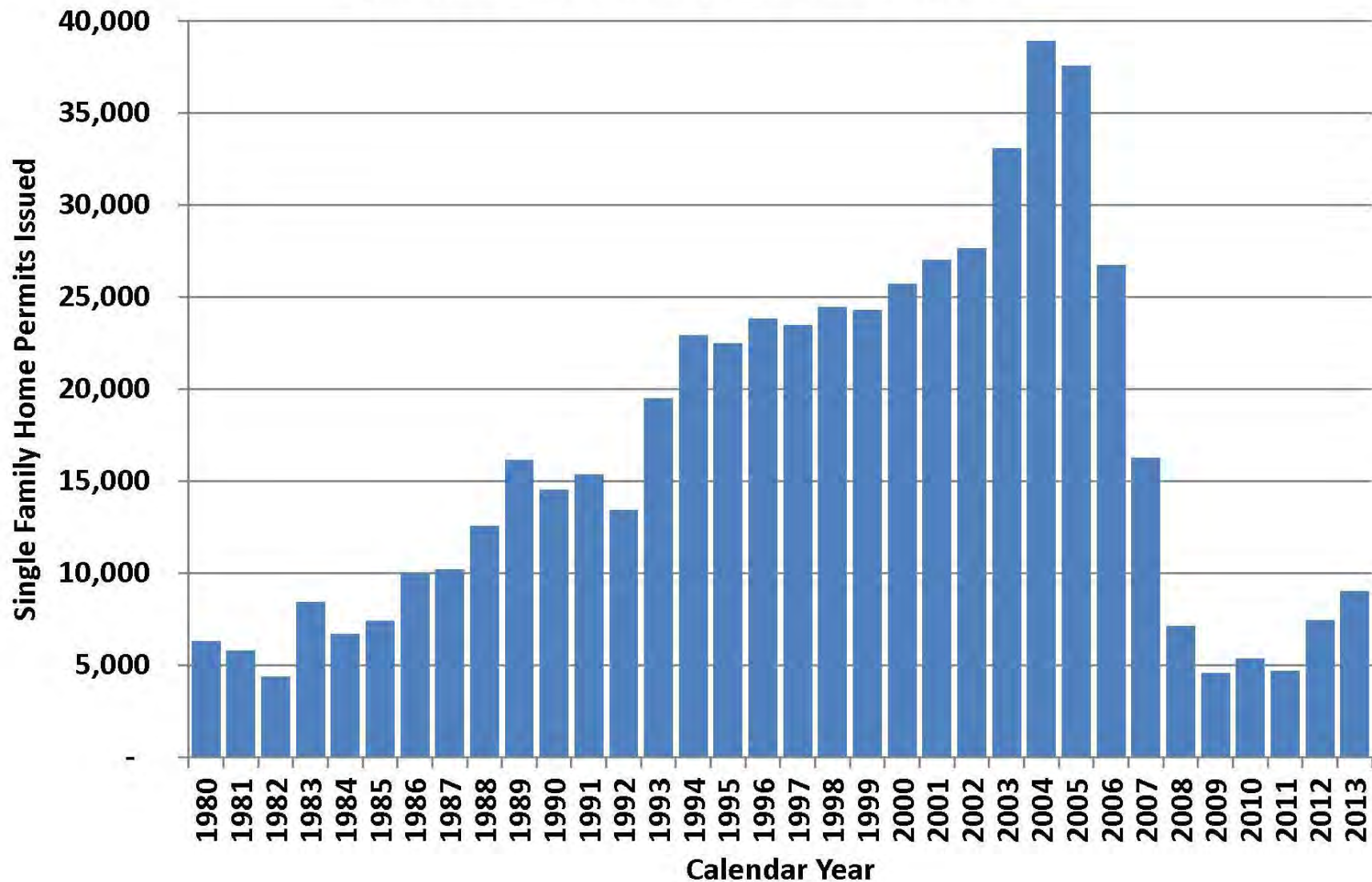


Total Wages & Salaries





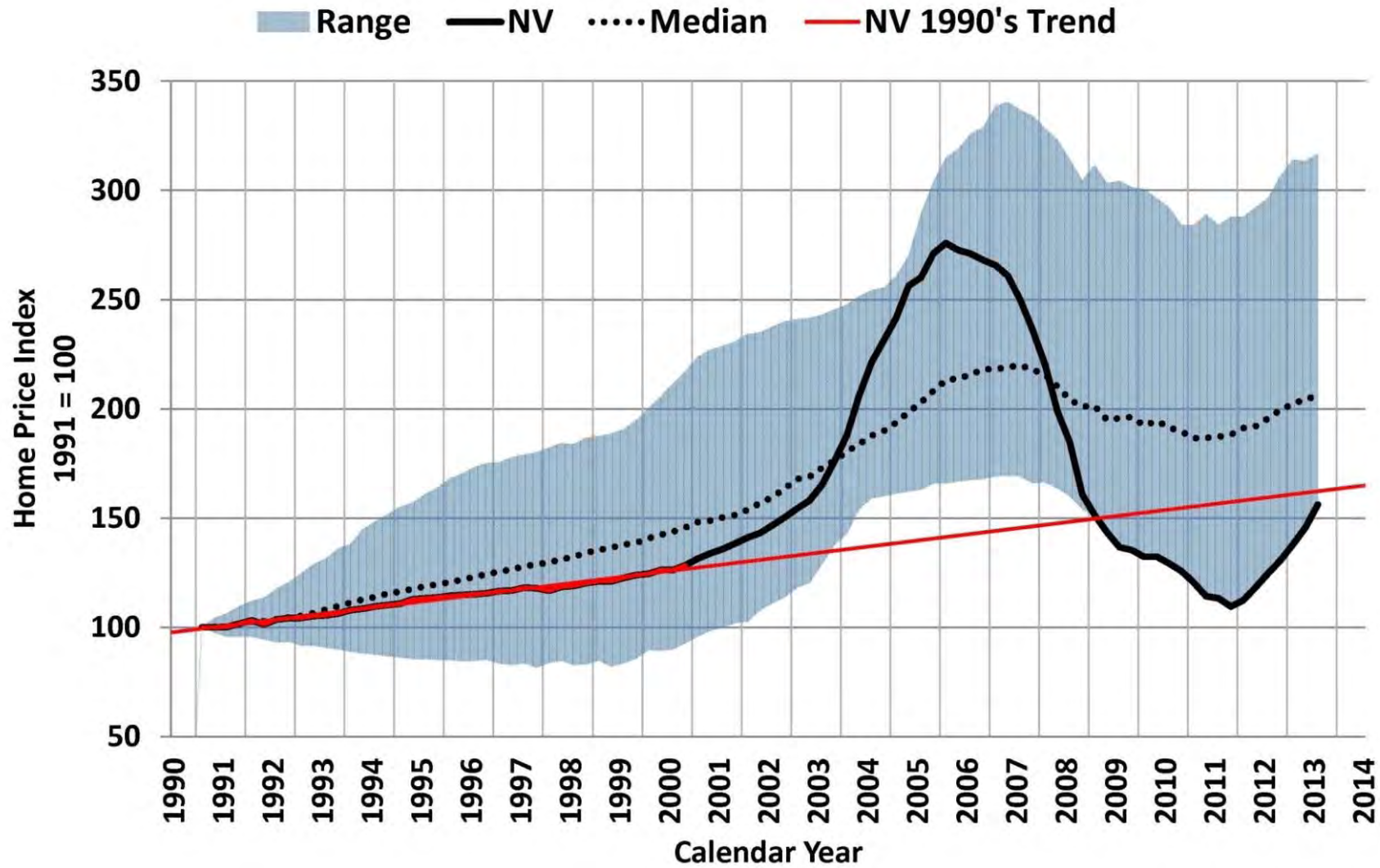
Nevada Residential Construction



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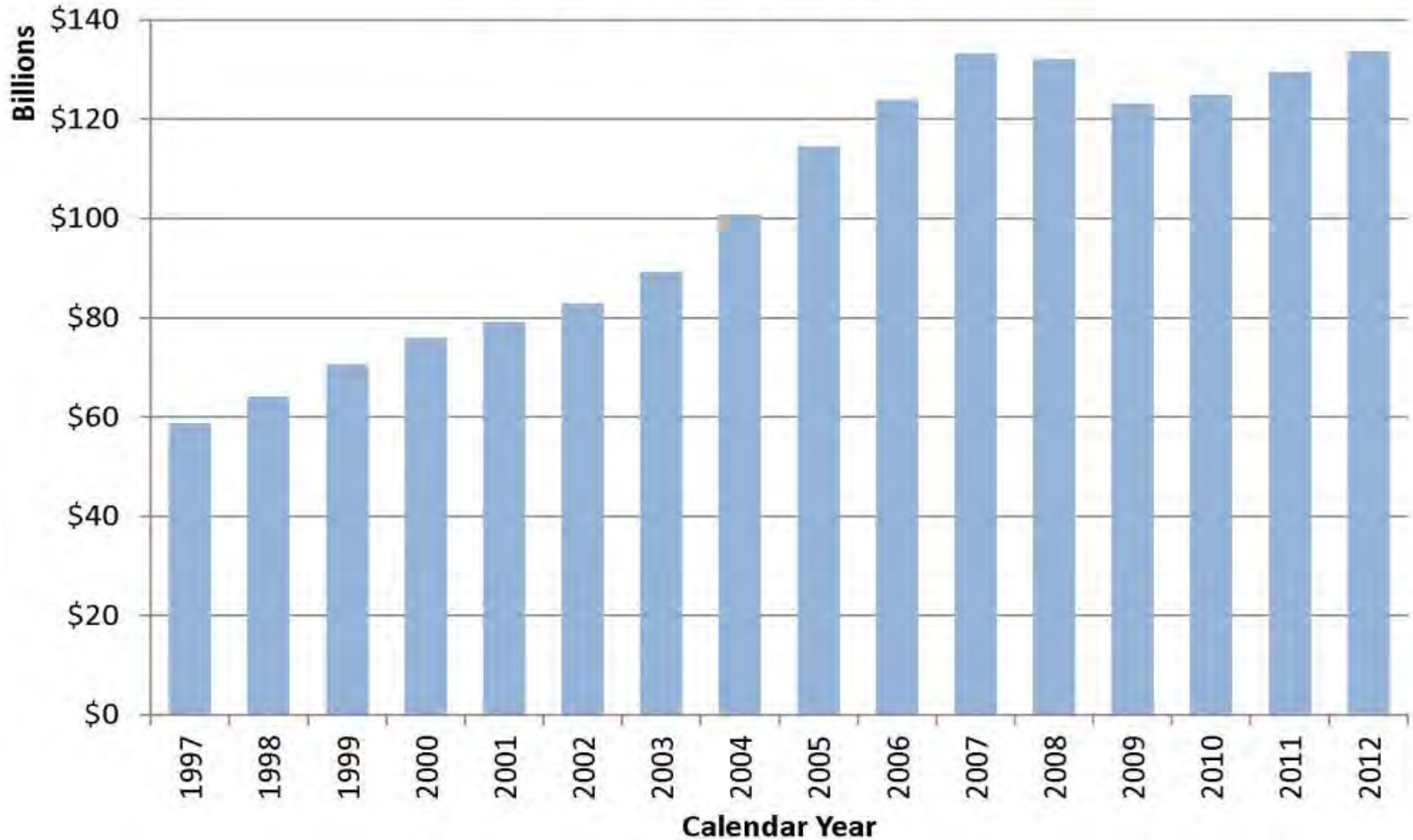


Federal Housing Finance Agency Home Price Index for States
(seasonally adjusted)





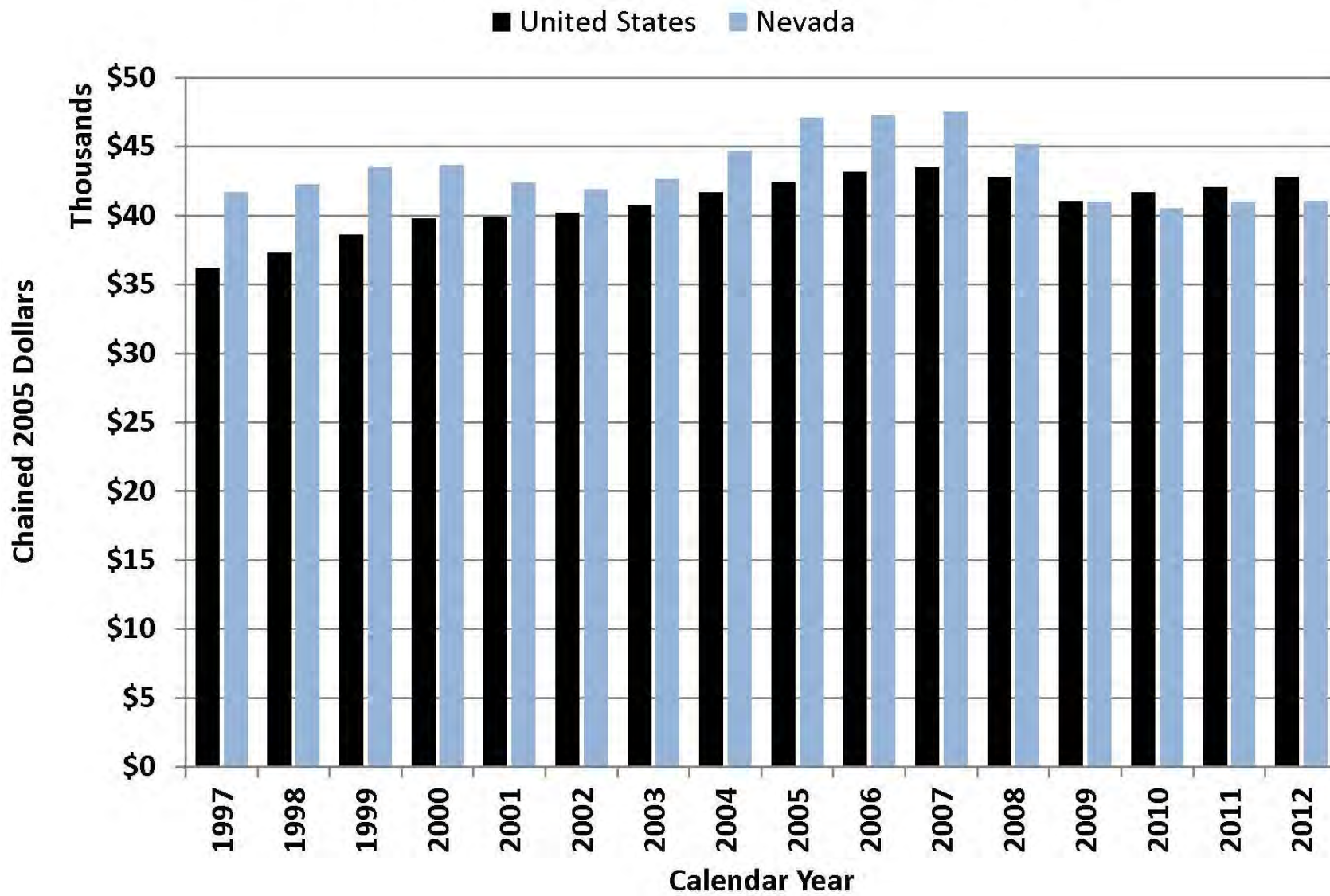
**Nevada Gross Domestic Product
Not Adjusted for Inflation**



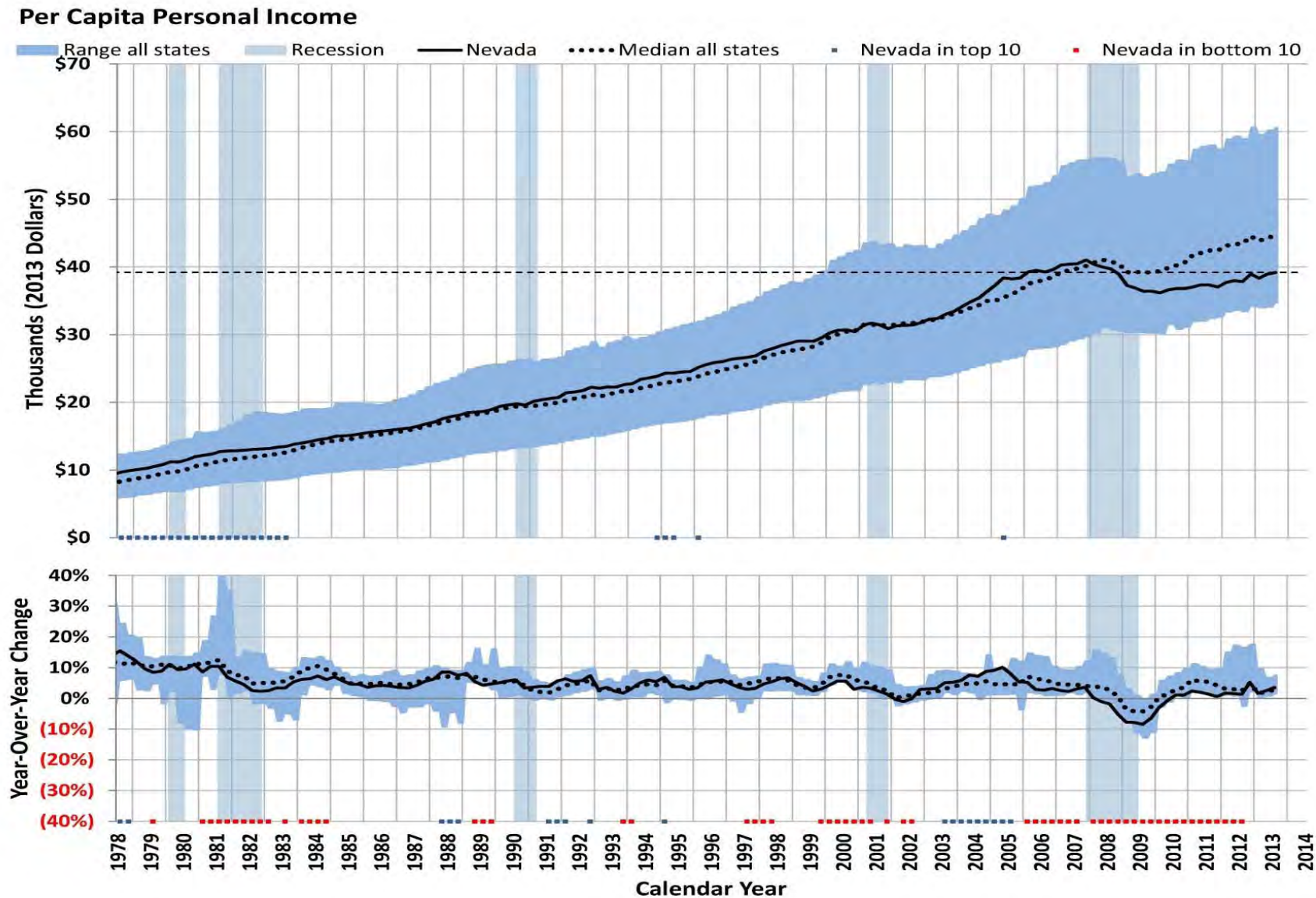
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Inflation-Adjusted Per Capita Gross Domestic Product



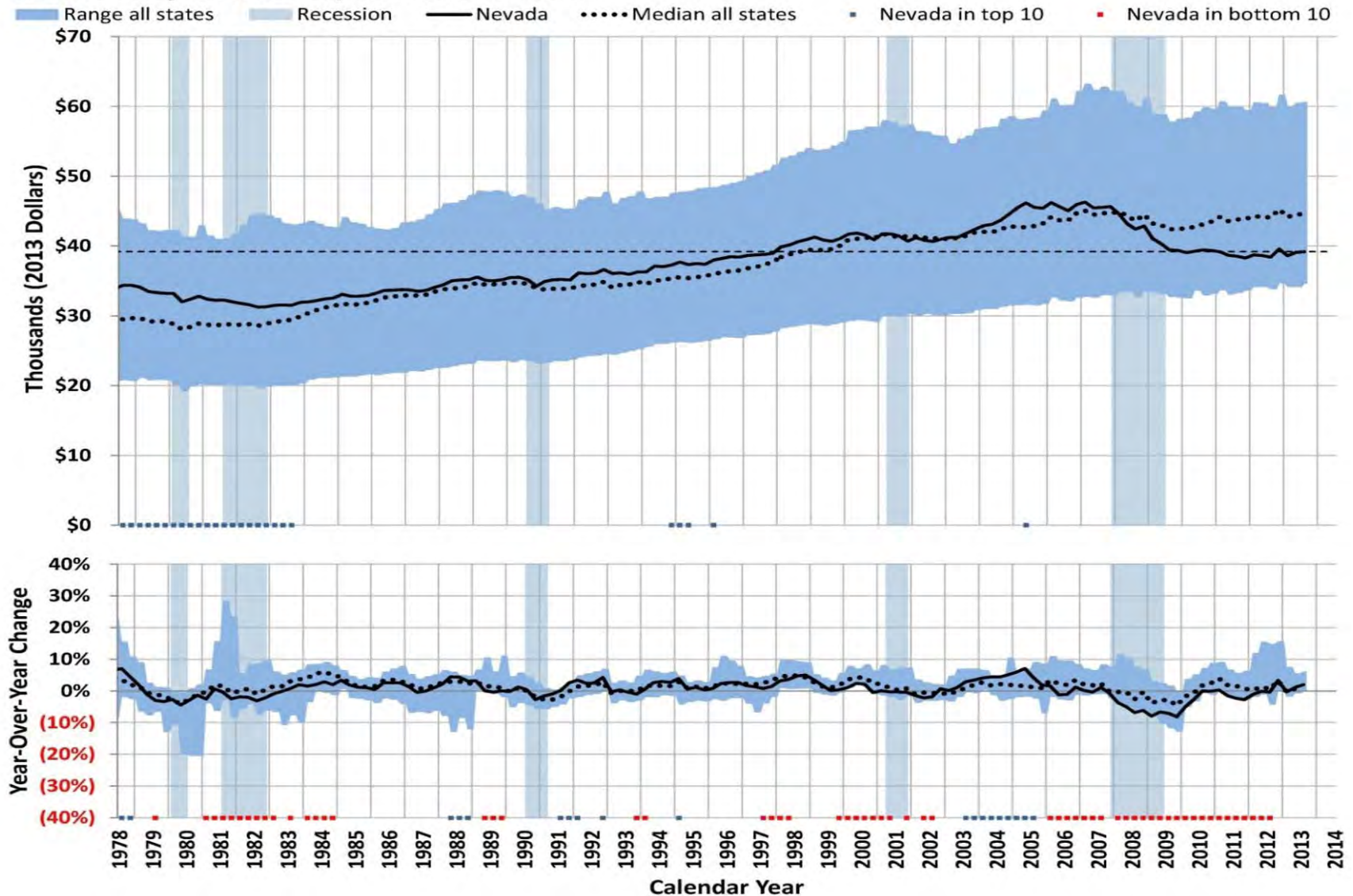
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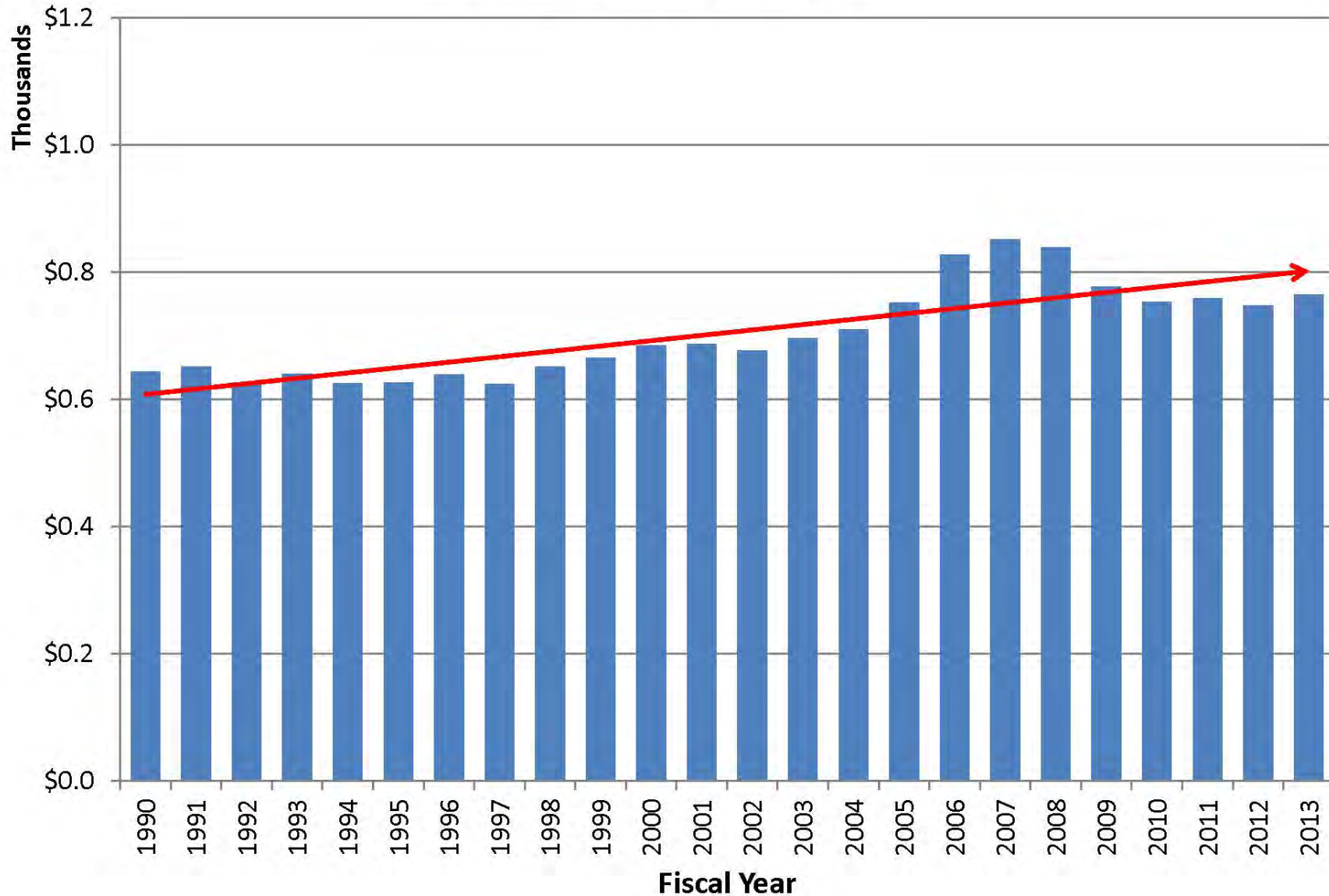
Inflation-Adjusted Per Capita Personal Income



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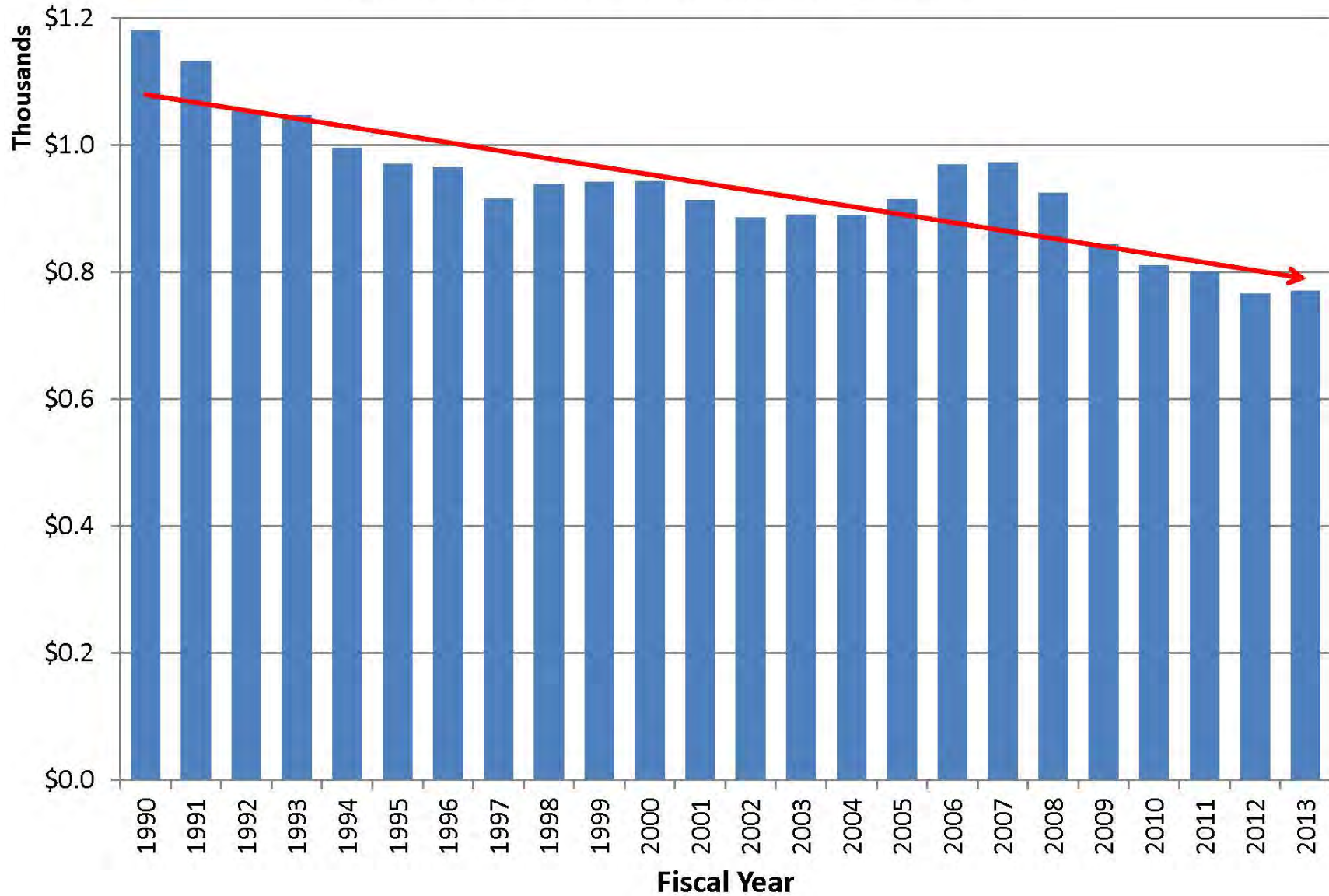
Win Per Las Vegas Visitor



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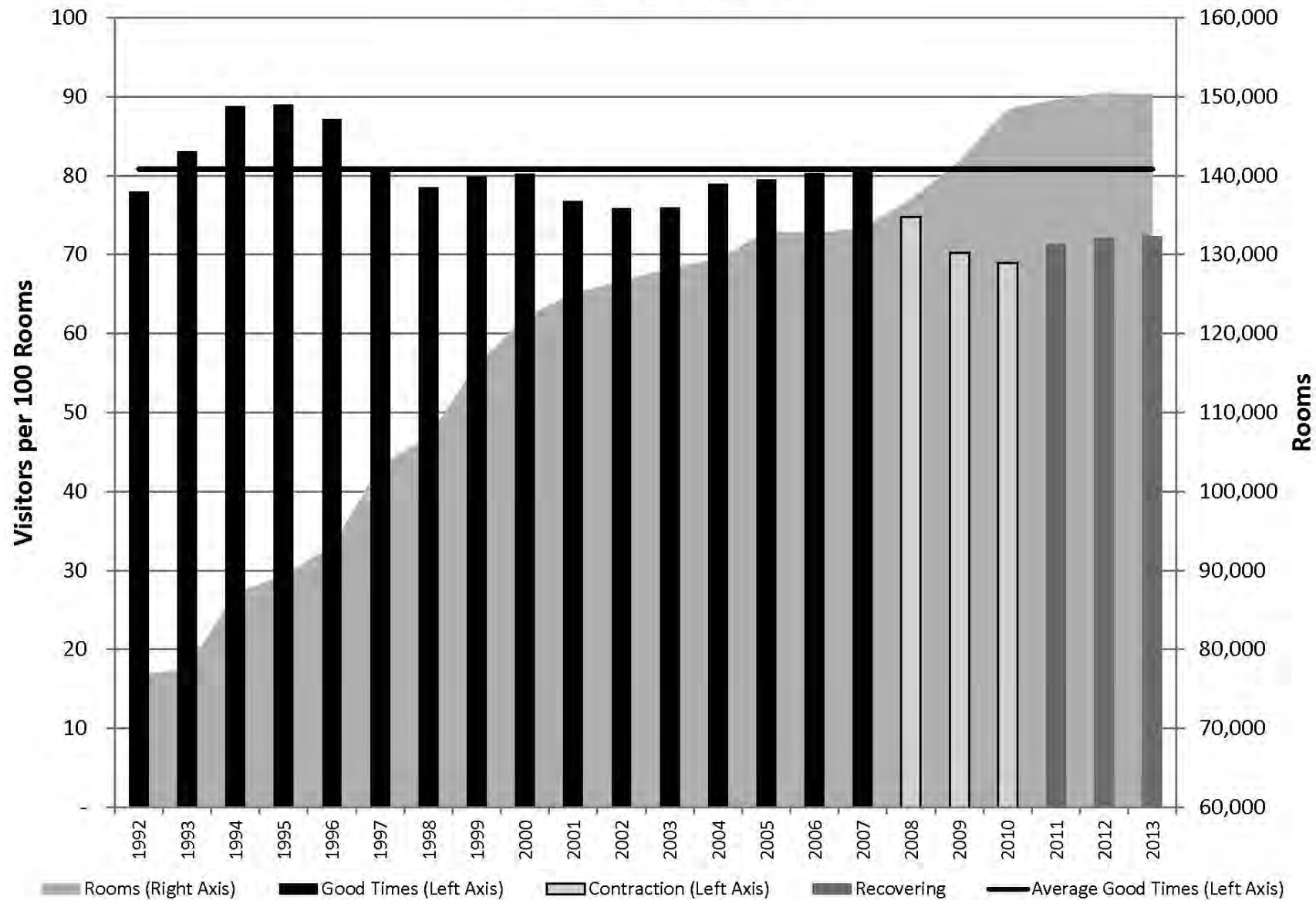
Inflation-Adjusted Win Per Las Vegas Visitor



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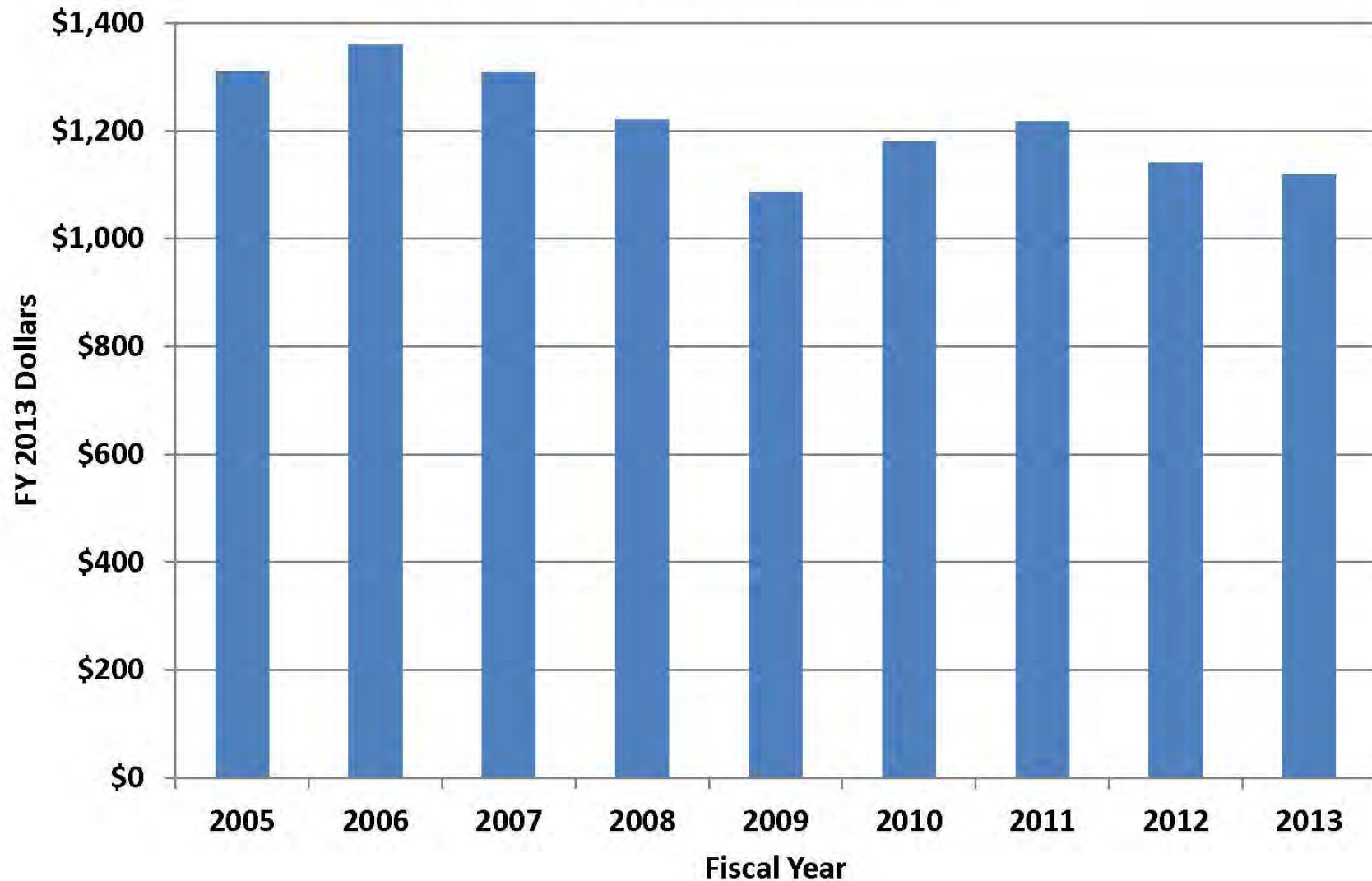
Las Vegas Visitors



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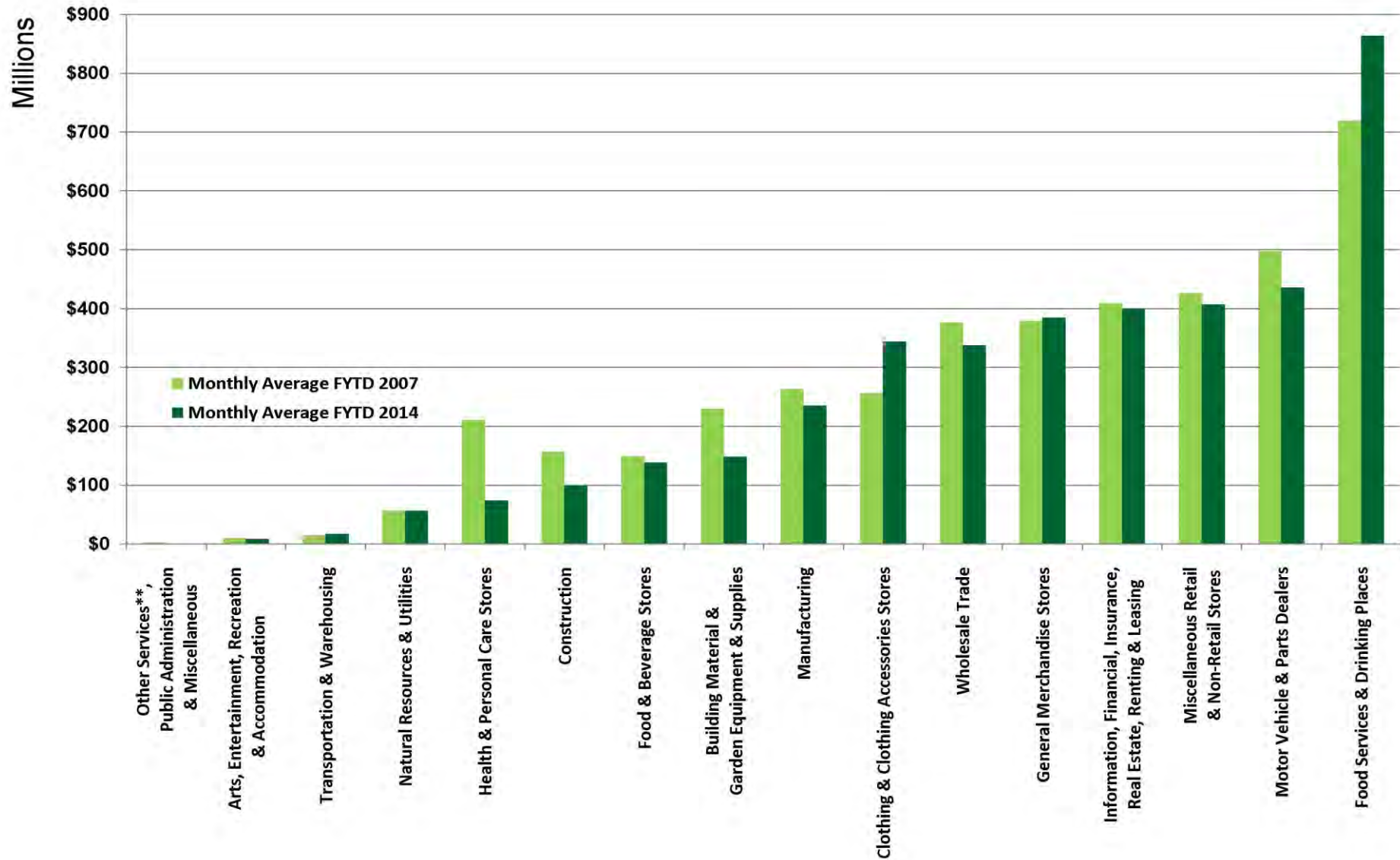


**Inflation-Adjusted Per Capita General Fund Revenues
Including Sunsets & Diversions**



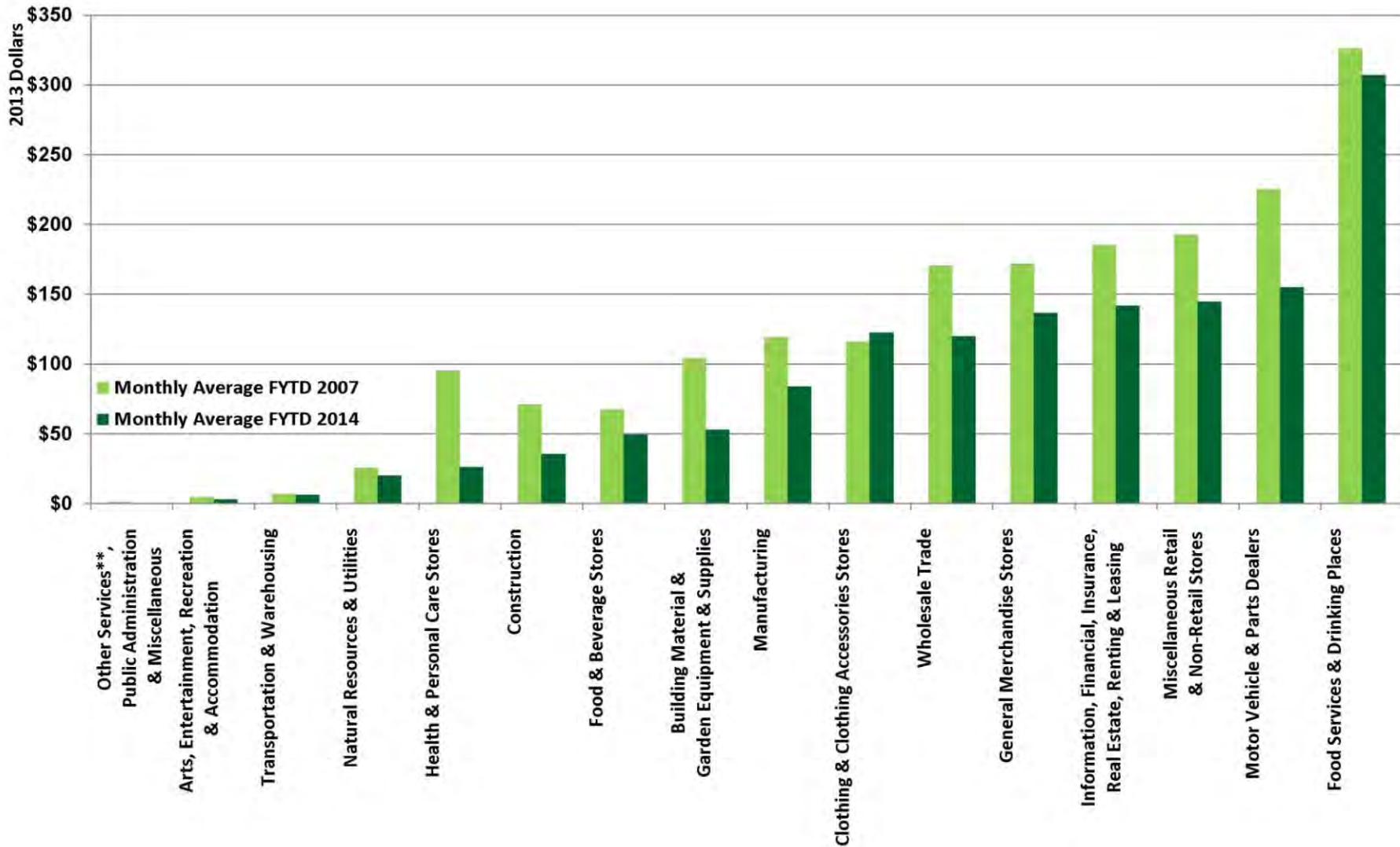


Nevada Retail Sales by Sector

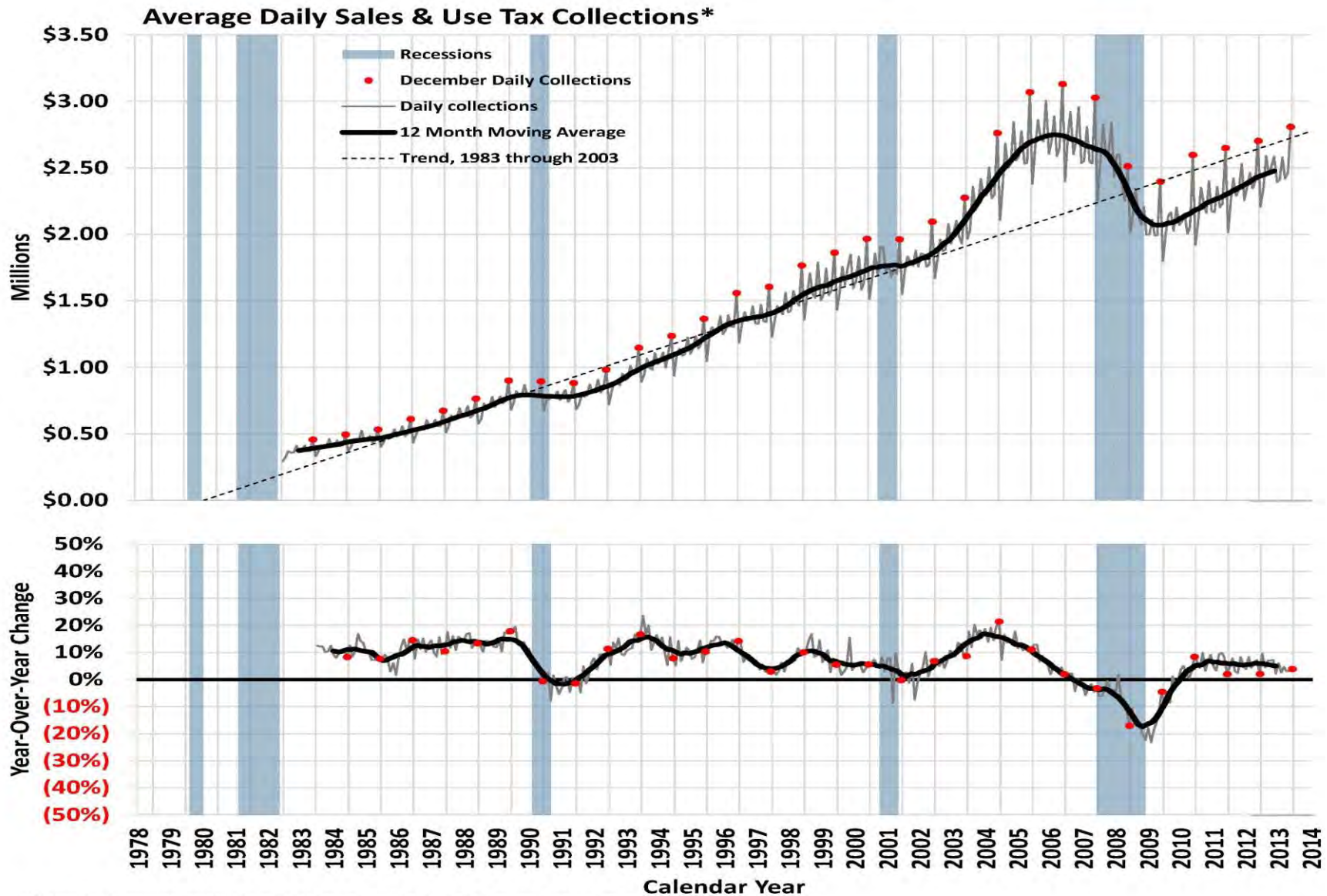




Inflation-Adjusted Per Capita Nevada Retail Sales by Sector

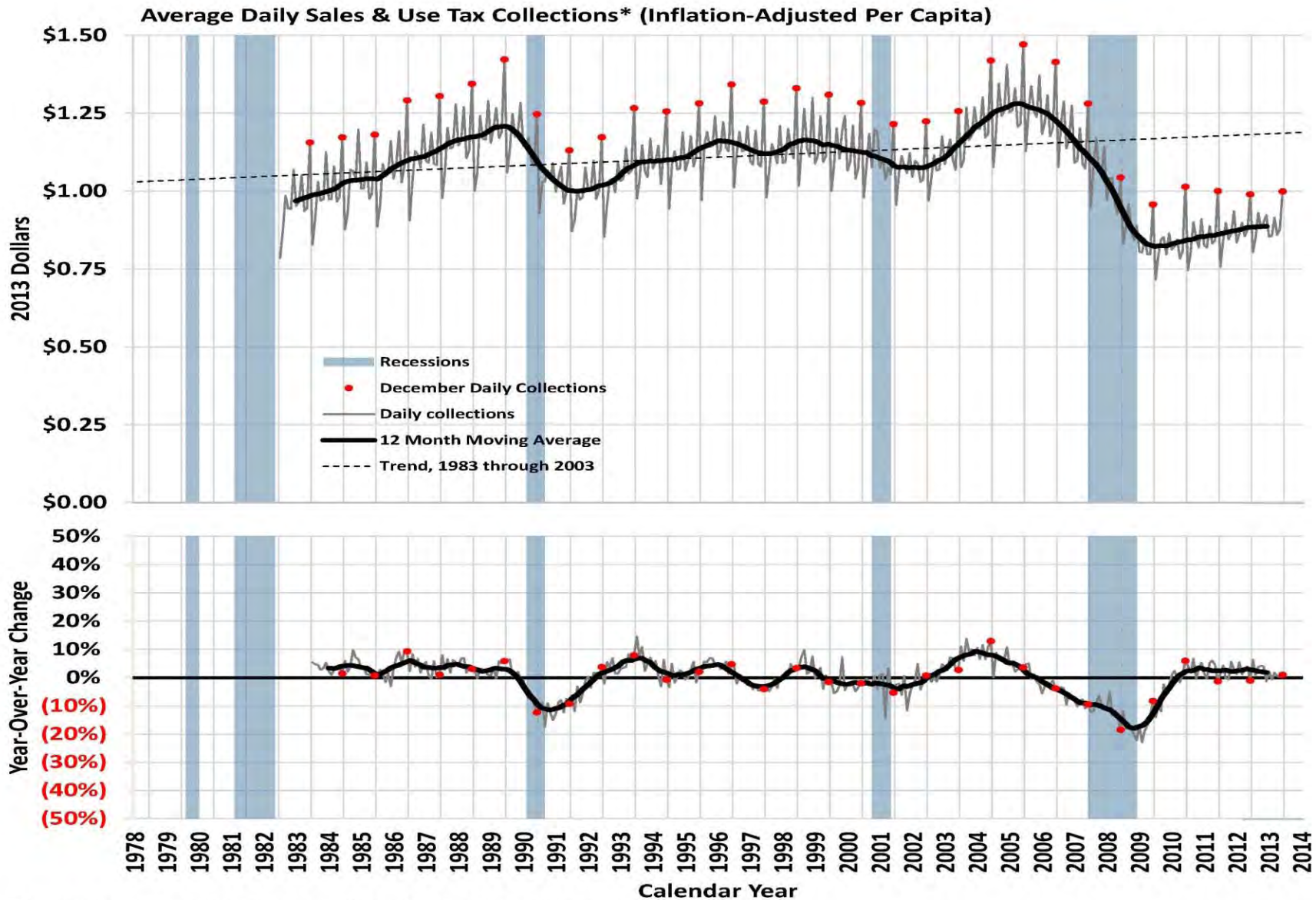


BUDGET KICKOFF 2015-2017 Biennium Executive Budget



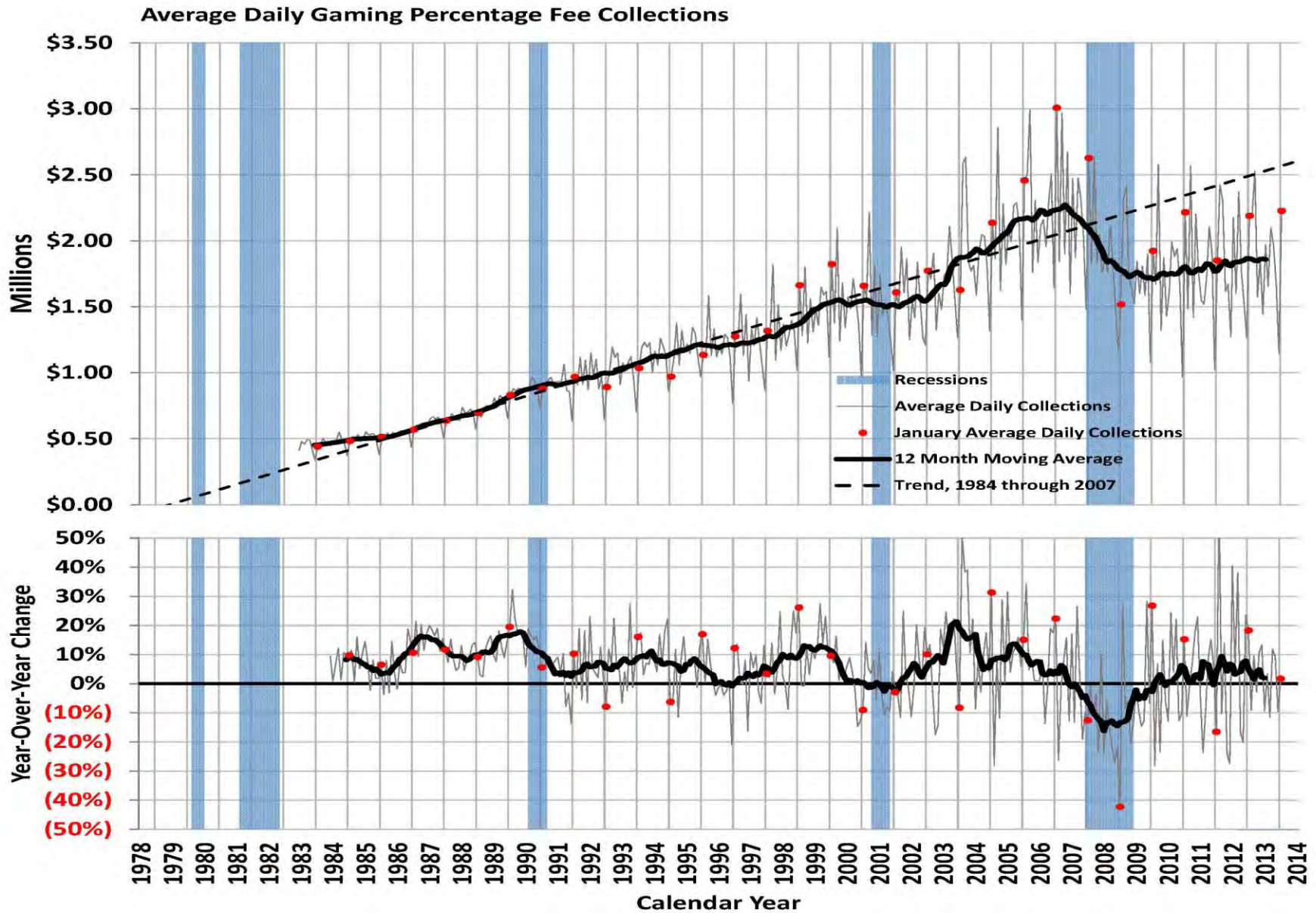
*Reported values exclude amounts collected under state tax amnesty programs.

BUDGET KICKOFF 2015-2017 Biennium Executive Budget

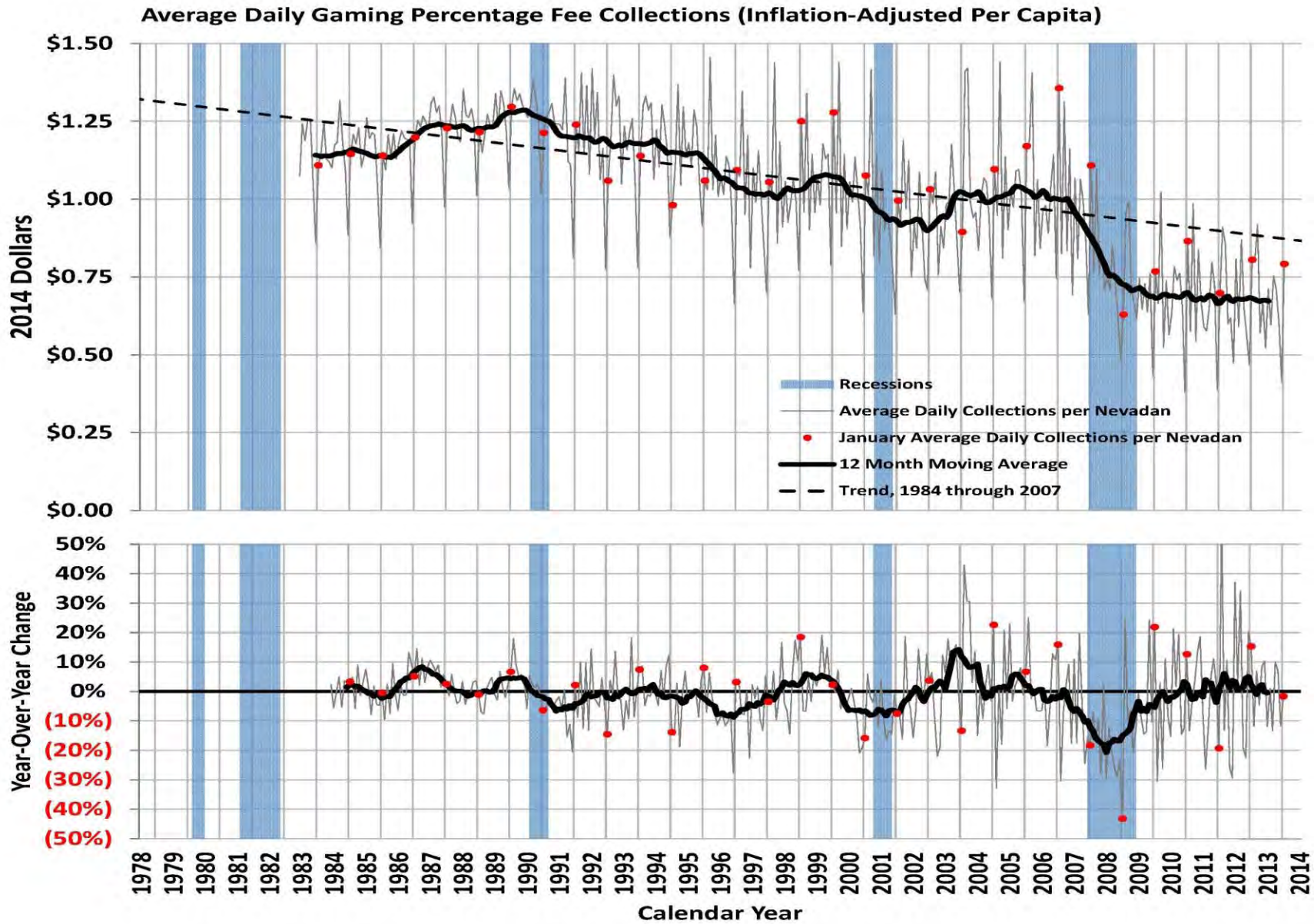


*Reported values exclude amounts collected under state tax amnesty programs.

BUDGET KICKOFF 2015-2017 Biennium Executive Budget



BUDGET KICKOFF 2015-2017 Biennium Executive Budget





General Fund Outlook

- May 2013 Economic Forum Forecast
 - FY 2013: up 0.2% compared to FY 2012
 - FY 2014: up 1.2% compared to FY 2013
 - FY 2015: up 5.4% compared to FY 2014
- FY 2013 revenues 1.4 pct.pt. above forecast
 - 1.6% year-over-year increase
- FY 2014 revenues 0.3 pct.pt. below forecast ytd
 - 1.0% year-over-year increase



Conclusions

- Nevada's economy is recovering
 - Not at rapid pace seen in past recoveries, but slow & steady beats boom & bust!
- Revenues are where they were forecast to be
- No extreme change (up or down) anticipated



QUESTIONS?

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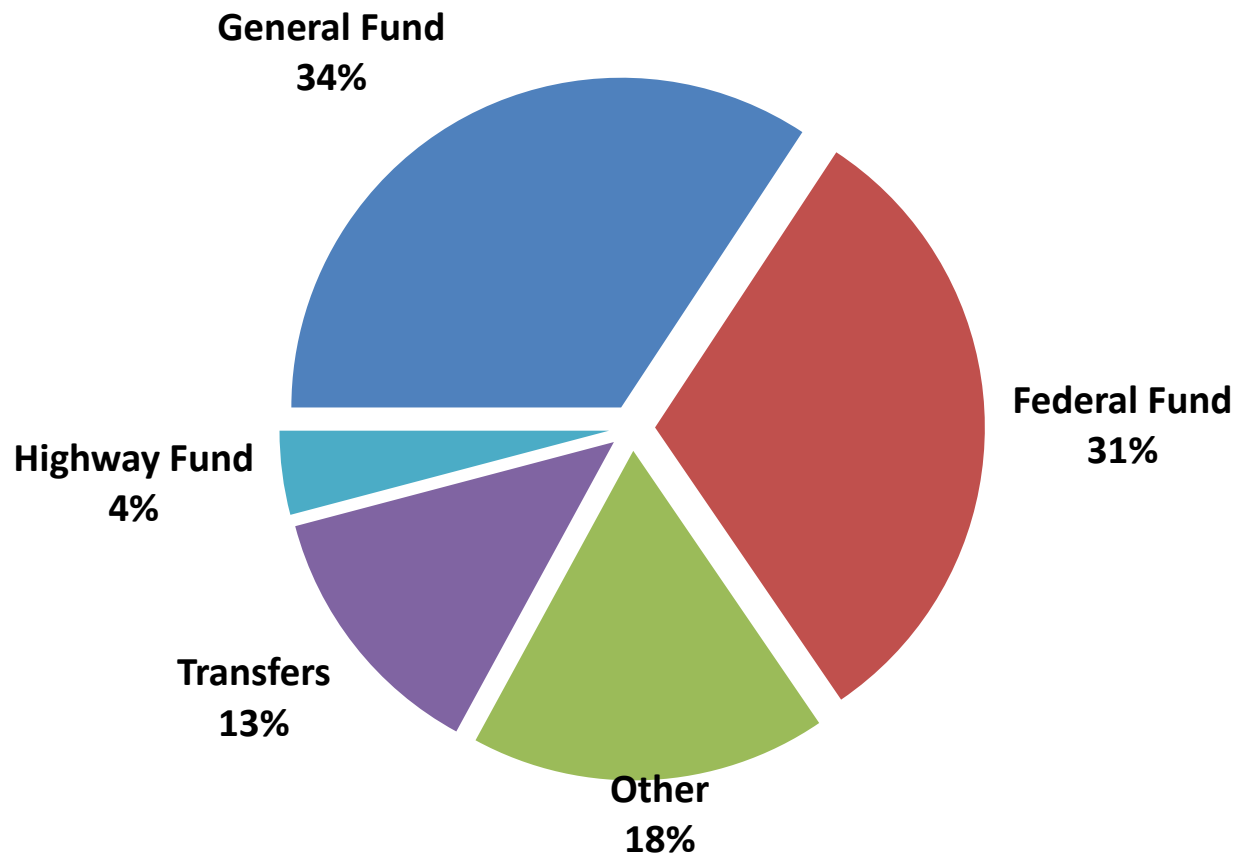
Section 2

Budget Overview
2015-2017 Biennium

Jeff Mohlenkamp, Budget Director

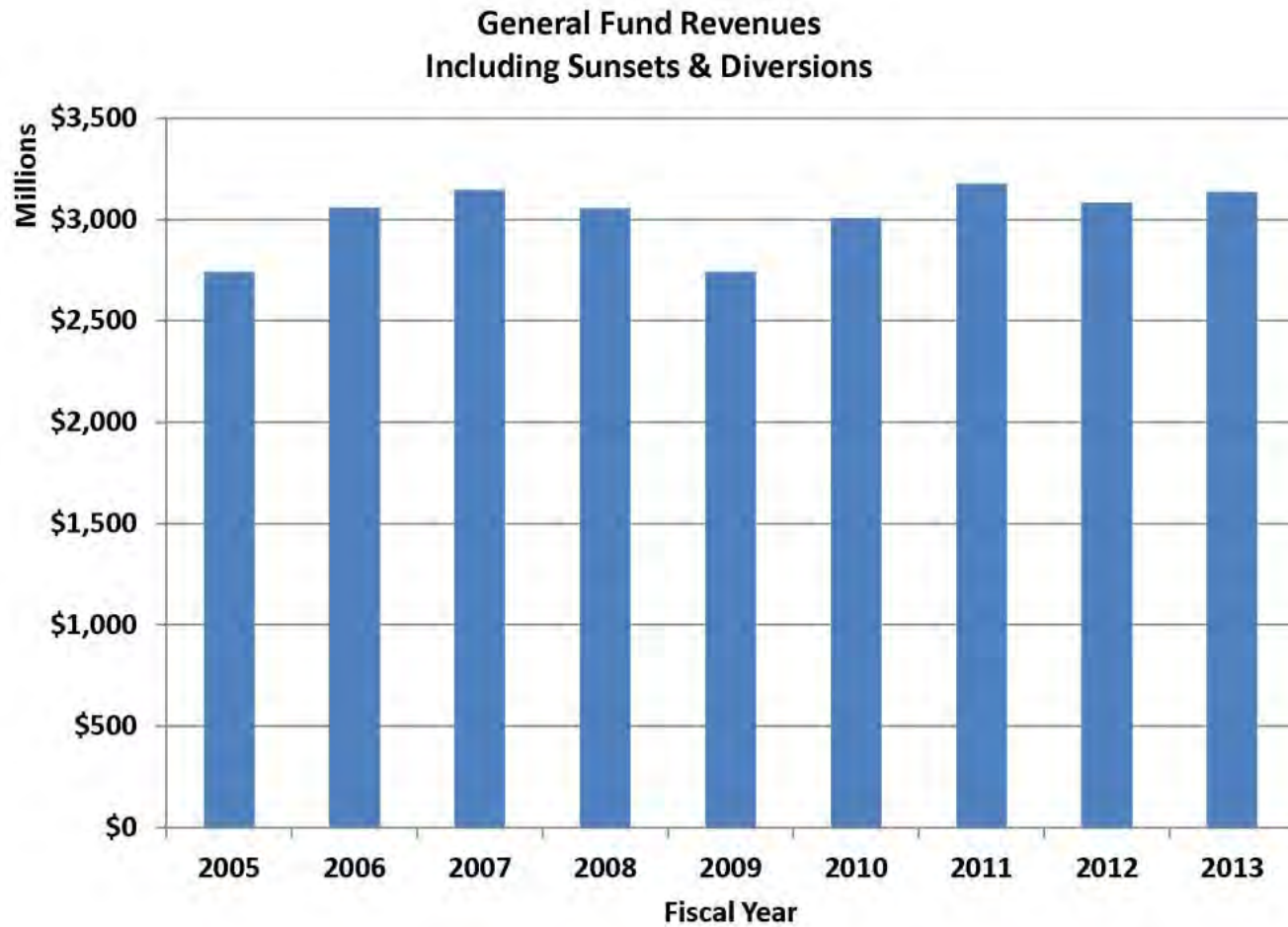


Breakdown of State Revenues 2013 – 2015 Biennium



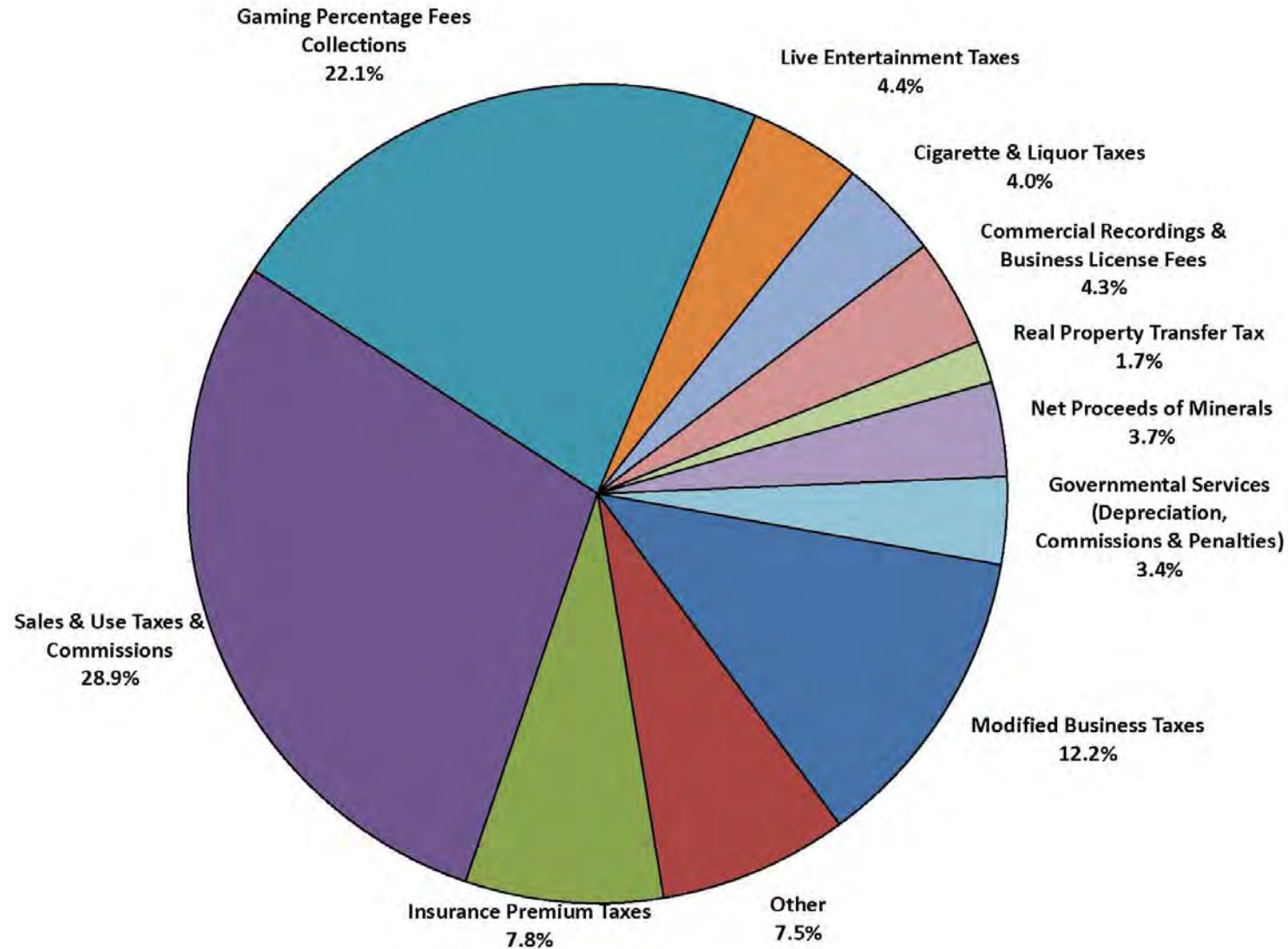


General Funds Comparison Over Time





Sources of General Fund Revenue 2013-2015 Biennium





General Fund

FY 2013 Actual Compared to Budget

- Actual Ending GF Balance - \$299.9 million
- Required 5% ending GF Balance - \$160.4 million
- Over the 5% requirement - \$139.5 million
- *Transfer to Rainy Day Fund* \$28 million



General Fund

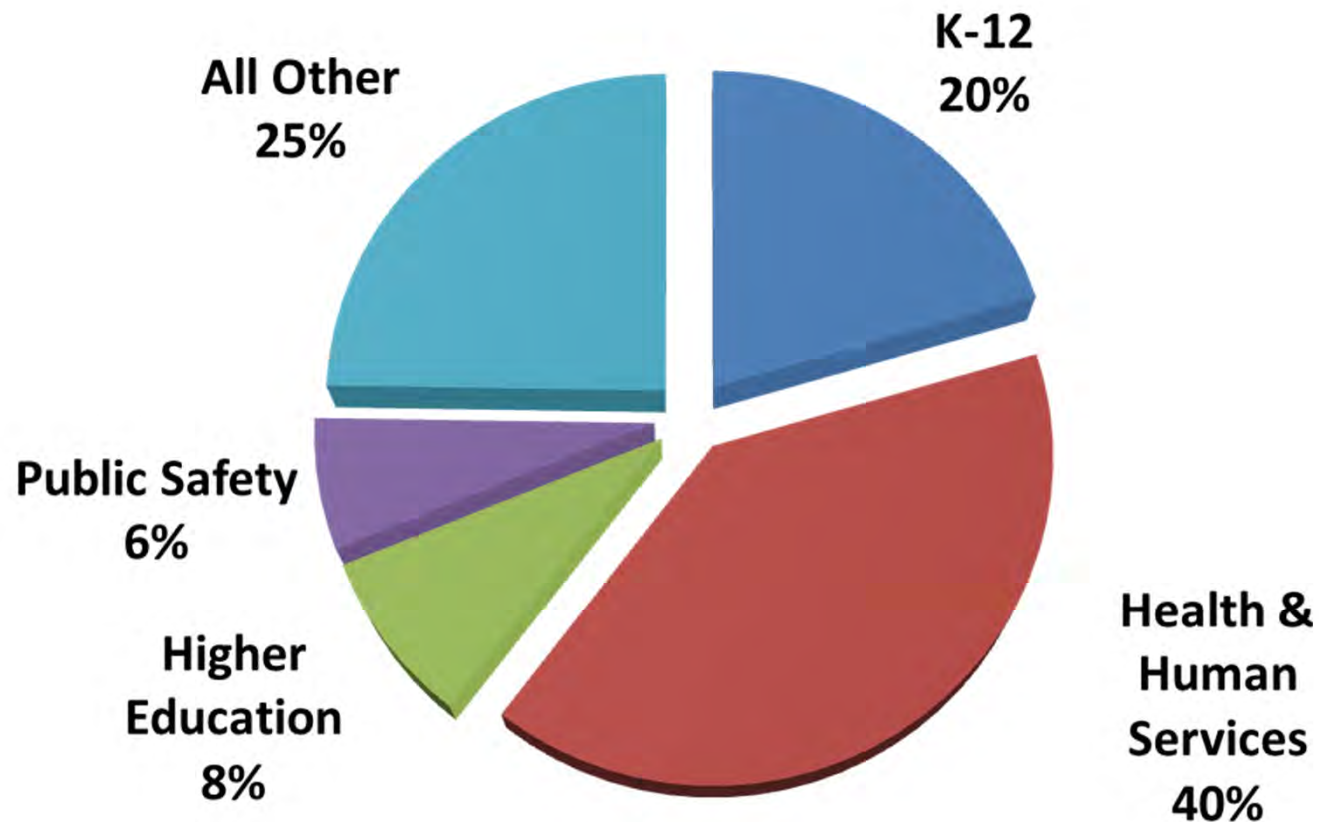
FY 2014 Year to Date Revenues

General Fund Revenue Sources	FY 2014 Budget			FY 2014 Collections vs Budget			
	Total	Yr/Yr Change		Through	Year-to-Date		
	millions	millions	%		Actual	Over (Under)	
					millions	million:	%
Sales Tax	\$934.5	\$45.9	5.2	December	\$462.4	(\$8.6)	(1.8)
Gaming Percentage Fees Collections	696.7	17.8	2.6	February	434.4	(11.3)	(2.5)
Modified Business Tax - Financial & Non-Financial [1]	382.9	(3.7)	(0.9)	December	193.1	(0.6)	(0.3)
Insurance Premium Tax	262.2	13.7	5.5	December	135.0	5.4	4.2
Live Entertainment Tax - Gaming	124.5	(1.2)	(1.0)	February	80.4	8.2	11.4
Cigarette Tax	80.4	(2.6)	(3.1)	December	41.4	0.6	1.4
Commercial Recordings	64.5	(0.6)	(0.9)	February	42.7	(0.1)	(0.3)
Real Property Transfer Tax	52.2	(2.8)	(5.0)	December	31.1	3.5	12.8
Liquor Tax	39.8	(0.1)	(0.2)	December	21.9	1.4	6.9
Governmental Services Tax-Depreciation	64.2	0.7	1.1	January	35.5	(2.0)	(5.4)
Business License Fee [3]	68.3	(0.7)	(1.1)	February	45.7	0.2	0.3
State Share Various Local SUT	26.2	0.5	1.8	December	13.6	0.4	3.0
State Share LSST [4]	9.1	0.3	3.6	December	4.6	(0.0)	(0.1)
Live Entertainment Tax - NonGaming	11.6	(0.1)	(1.0)	December	6.4	0.7	12.8
Quarterly Slots [5]	20.1	(0.6)	(2.9)	January	9.9	(0.1)	(1.2)
Other General Fund Revenues	158.2	(15.1)	(8.7)	February	88.6	(3.1)	(3.4)
Net Proceeds of Minerals [6]	95.7	(15.6)	(14.0)	n/a	n/a	n/a	n/a
Unclaimed Property [7]	32.3	(0.6)	(2.0)	n/a	n/a	n/a	n/a
Totals	\$3,123.5	(\$9.1)	(0.3)		\$1,646.5	(\$5.4)	(0.3)



FY13-15 Biennium Expenditures (All Revenue Sources)

\$17.7 Billion Legislature Approved

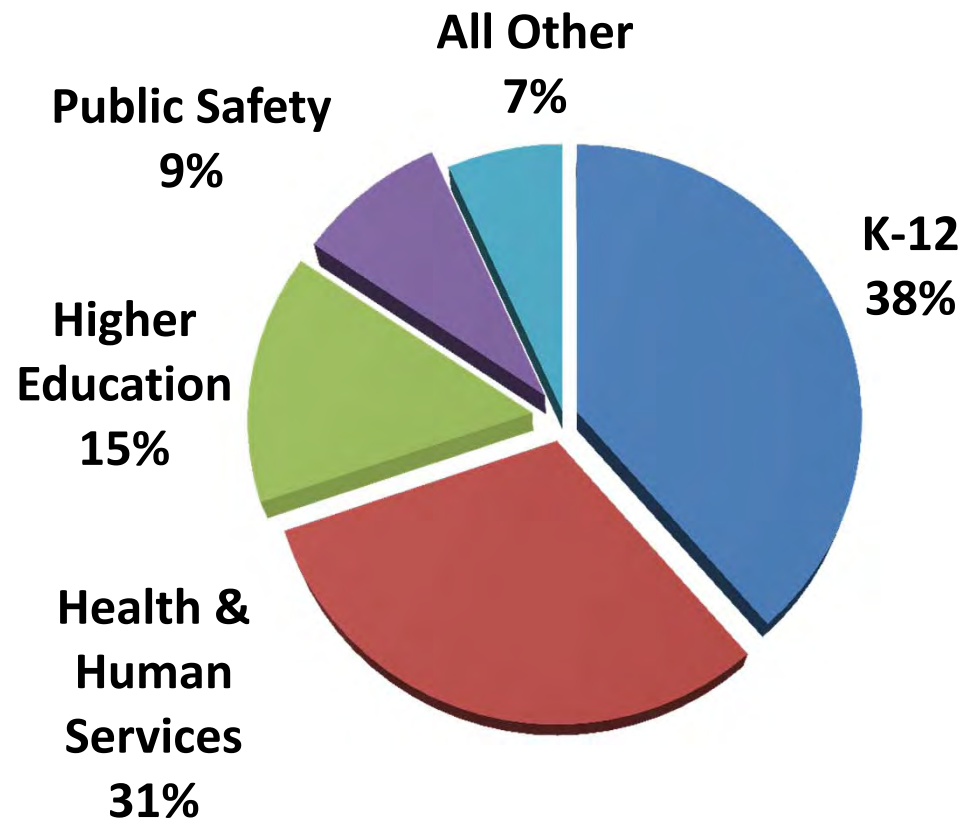




General Fund Appropriations by Function

FY 14-15 Biennium

Total \$6.5 Billion





Moving Ahead to the 2015 -2017 Biennium

What does the upcoming budget look like?



Recovery Warrants Optimism/ State Needs Remain Significant

- Sunsetting revenues need to be addressed
- Employee pay still not fully restored to pre-recession levels
- Despite significant investment in the current biennium – IT needs remain a distinct budget challenge
- Investment in buildings has been low



Health Care Reform and Medicaid Expansion Impacts Remain Uncertain

- While initial enrollment in the Silver State Exchange has been low, the ultimate enrollment is unknown
- Medicaid enrollment has been strong and slightly outpacing expectations



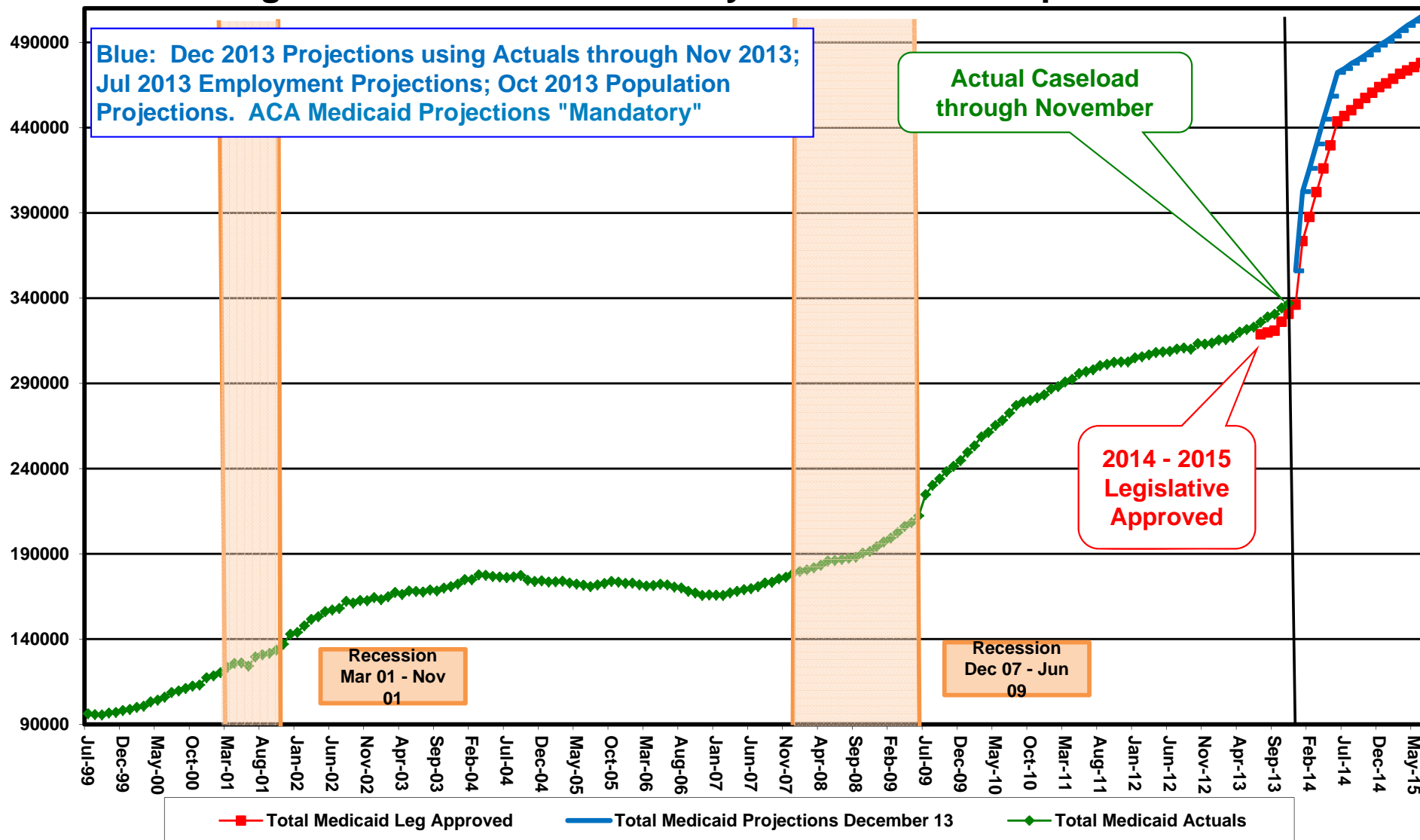
Caseload Growth Needs Require Attention

- Medicaid caseloads
- Other DHHS caseloads (SNAP, TANF, etc.)
- K-12 Education
- Corrections

BUDGET KICKOFF 2015 – 2017 Biennium Executive Budget



Total Medicaid with Retro Projections Using DWSS Home & Community Based Waiver Reported Numbers





Budget Directions for State Departments

- No CAP will be in place for the upcoming agency request budget
- Directors have been given very clear direction to prioritize and be realistic in budget requests
- The Governor has been very engaged in early reviews of budget needs



Budget Directions Continued

- Departments need to identify critical needs and prioritize to allow state government to live within its means
- Only the most important priorities should be brought forward in the budget request (this applies to all funding sources)



Budget Directions Continued

- Major Budget Initiative process will be used to provide a platform for larger budget requests
- Smaller enhancements will need basic input into NEBS by August 1
- Governor and staff will be engaged during August to prioritize requests that will be included in the Agency Request budget



Budget Directions Continued

- We will not be creating an Items for Special Consideration version
- Agency Request will need to closely approximate projected revenues
- Our goal is to reduce unnecessary efforts in developing enhancements that cannot be funded



QUESTIONS?

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**** 15 MINUTE BREAK ****



Section 3

**Priorities and Performance
Based Budget
(PPBB)**

Jeff Mohlenkamp, Budget Director

Melanie Young, PPBB Coordinator



PPBB Overview

- Improve transparency to decision makers and public
- Reduce silos and identify common objectives
- Measure the efforts of state government to determine whether they make a difference
- Link the Agency Activities with the State Objectives
- Provide platform for improvement in funding and budgeting decisions
- Tool for effective management decisions



Core Functions of Government

Business Development & Services	Infrastructure and Communications
Education and Workforce Development	Public Safety
Health Services	Resource Management
Human Services	State Support Services
Legislative Branch	Judicial Branch



PPBB Structure and Hierarchy

Core Functions

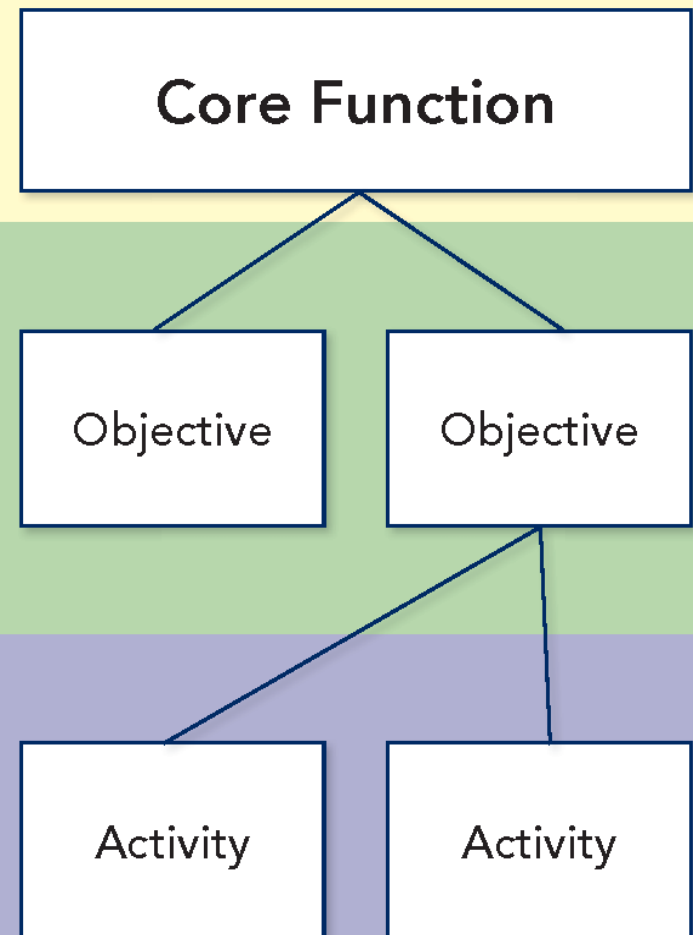
- Core Functions define Statewide categories of services

Objectives link to Core Functions

- Objectives are high-level goals that the State is trying to achieve
- Some Objectives are not entirely within control of the State's Government
- Government can play a key role in advancing all Objectives

Activities link to Objectives

- Resources are budgeted at the Activity level
- Each Activity is specific to a single Division/Department
- Activities from multiple State Agencies can link to a common Objective (goal is to reduce silos and facilitate coordination of resources)

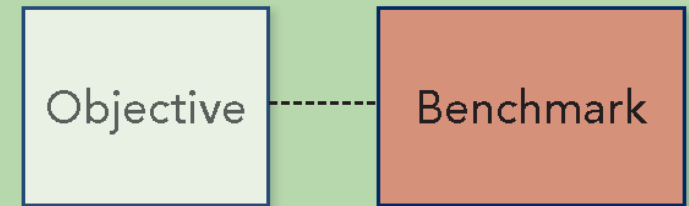




PPBB Metrics

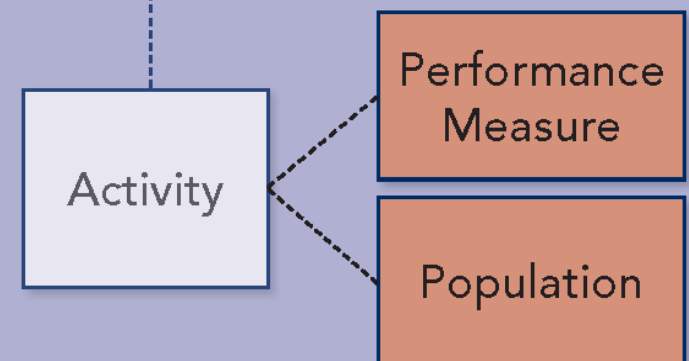
Objectives are tied to Benchmarks

- Benchmarks are high-level measures of how well the state is doing at achieving or making progress on the State's Objectives
- State Government cannot by itself control all Benchmarks, however it should play a key role in all
- Benchmark parameters are correlated with national data and historical data (when available)



Activities are tied to Performance Measures and Populations

- Each Activity can be associated with up to three Performance Measures
- Performance Measures can be Agency-specific (efficiency of administration) or Activity-specific (effectiveness of goal advancement)
- Population data can measure changes in caseload





PPBB Happenings

- The IFC Subcommittee to Review and Advise on the Development of Priorities and Performance Based Budgeting
- NEBS changes
- Hiring of the PPBB Coordinator



Advance PPBB Efforts

- Core Function Teams will be reconvened to evaluate
 - Objectives
 - Do they reflect what the State is trying to accomplish
 - Benchmarks
 - Do they properly measure our objectives
 - Can we obtain the data
 - Are they comparable to National or Regional data



Advance PPBB Efforts Continued

- Agencies have been directed to review:
 - Activities
 - Do they properly reflect the services we perform?
 - Performance measures
 - Do they accurately measure whether we are performing the activity?
 - Is the data available and being reported?



QUESTIONS?

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Section 4

Major Budget Initiatives and Enhancement Requests

Jeff Mohlenkamp, Budget Director



Major Budget Initiative (MBI) Overview

- Definition:
 - Moves the business model forward and/or
 - Improves or increases the level of services an agency performs and/or
 - Demonstrates a material shift in spending and/or
 - Material new services are provided
- NO preset \$\$ level or % change in budget
- Governor will ultimately identify these for his budget



Why Move to Major Budget Initiative Structure?

- Clearly links requests for new funding to expected results
- Ties the line item budget to PPBB
- Provides for an improved method for the Governor and Legislature to access competing demands for funds
- Allows multiple agencies and departments to collaborate on a single initiative



Process for Developing Major Budget Initiatives

- Budget Division had several meetings with LCB Fiscal to develop concept
- Concept embraced by the Governor and Legislative subcommittee
- Budget Director presented new process to the Governor's Cabinet



Process for Developing Major Budget Initiatives Continued

- Governor's office has been meeting with directors to review budget proposals
- Preliminary guidance provided to departments to allow continued development of MBIs



Process for Developing Major Budget Initiatives Continued

- Governor will review MBIs again in late May into early June
 - Governor will provide direction as to which MBIs will be included in the Executive Budget
- Upon approval by the Governor agencies will
 - complete required information for the MBI
 - complete enhancement units in NEBS



Sections of a Major Budget Initiative

- List of lead and any secondary agencies involved
- Description
 - What and How (summary and expanded)
- Justification
 - Why and what other options were considered
- Cost Details
 - Links data from the Decision Unit in NEBS to performance measures within PPBB



Sections of a Major Budget Initiative Continued

- Measurement details
 - how we intend to measure whether the MBI meets expectations
- Cost of measuring the MBI
- Caseload/Population data



Major Budget Initiatives

Lake's Crossing – Case Study



http://ppbb-demo.herokuapp.com/lakes_crossing



Smaller Enhancement Requests

- Limited based upon projected funding
- Directors have been cautioned to prioritize and approve only requests deemed to be necessary to support ongoing operations
- Basic entry, including estimated costs, of all enhancement decision units to be completed in NEBS by August 1st
- Projected resources will be evaluated to determine which enhancements will move forward



Smaller Enhancement Requests

- Agencies should be realistic in budget requests
- Resources available to support enhancements will be limited
- Prioritization at the department level is critical
- Clear and convincing justification is required (safety, security, addressing inequities, etc.)
- Agencies should consider the most cost effective method of meeting needs



QUESTIONS?

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Section 5

Bill Draft Requests
2015 Legislative Session

Stephanie Day, Deputy State Budget Director



Bill Draft Request (BDR)

- A request submitted to the Legislative Counsel Bureau proposing additions, deletions, and/or changes to Nevada Revised Statutes (NRS)



Bill Draft Request (BDR)

- Requests fall into two categories
 - Housekeeping – Clarification or minor changes to existing statutes
 - Substantive – All other requests



Bill Draft Request (BDR)

- Each request must be limited to one subject.
- A BDR may contain proposed revisions to more than one chapter of NRS that relates to the single subject of the proposed bill.
- All requests must be submitted to the Budget Division through the BDR module in the Nevada Executive Budget System (NEBS).



Non-Budgetary Bill Draft Request (BDR)

- Non-Budgetary BDRs
 - No material fiscal impact
 - Due to the Budget Division by May 16, 2014



Budgetary

Bill Draft Request (BDR)

- Budgetary BDRs
 - Necessary to implement the budget proposed by the Governor
 - Provide for the fiscal management of the State
 - Due to the Budget Division by August 29, 2014
 - The fiscal impact of items included in the Executive Budget should not also be included on a fiscal note

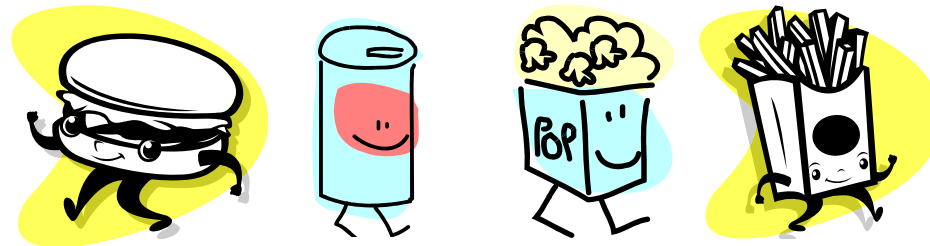


QUESTIONS?

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BREAK FOR LUNCH!





Section 6

NEBS Changes

John Borrowman

Budget Analyst & NEBS Administrator



Recent Developments

- State Fiscal Year End (SFYE) module
- Internet browser compatibility upgrades
- Vacancy Savings



Current Programming Focus

- Pursuant to NRS 353.205 1 (b) 3:
 - Additions, deletions or modifications to Performance Measures must be reported
- Performance Measures
 - Process is being implemented to report changes
 - Fields added for user to provide documentation on where data was obtained and how it was used



Next Programming Focus

- Major Budget Initiatives
- Positions
- Enterprise Information Technology Services (EITS) tables
- Building Inventory
- Mapping



Mapping

- Replaces independent functionality of Fund Mapping and Activity Mapping
- Empowers user to set parameters, or rules, to limit data entries to the appropriate activities, revenues, and categories
- Presents entries and results in grid format to visually align mapping with RGLs and activities



Mapping

- Provides for internal FMAP rebalancing
- Completed mapping is a requirement for the A00 Agency Request budget due on August 29th at 4 PM. Excel files will not be supported.
- Intended to be incorporated in Work Program (WP) and SFYE modules as the utility matures
- Mapping specific training will be provided



Mapping Rules (by Activity)

Copy All to Y2 Check All:

DU:	Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	B000	BASE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	M200	CASELOAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	E226	DESCRIPTION	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	E227	DESCRIPTION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

RGL:	Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	2501	GENERAL FUND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3500	FEDERAL FUND	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	3501	DESCRIPTION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Catg:	Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	01	PERSONNEL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	02	OS TRAVEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	03	IS TRAVEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Mapping Rules (by RGL)

Copy All to Y2 Check All:

Actv:

Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Policy Direction		<input checked="" type="checkbox"/>	<input type="checkbox"/>
General Administration		<input checked="" type="checkbox"/>	<input type="checkbox"/>

DU:

Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
B000	BASE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
M200	CASELOAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E226	DESCRIPTION	<input checked="" type="checkbox"/>	<input type="checkbox"/>
E227	DESCRIPTION	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

Catg:

Copy to Y2	Check All:	<input checked="" type="checkbox"/>	<input type="checkbox"/>
01	PERSONNEL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
02	OS TRAVEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>
03	IS TRAVEL	<input checked="" type="checkbox"/>	<input type="checkbox"/>



Mapping Data Validation

Logical Limits - Exceptions Exist!									
		2501	3500	3501	3502	4000	4001	4002	
Thresholds (\$):	Cap:		1,000	750	1,500				
	Adjust:		Cat 13 7000	Cat 13 7000					
Line Items:	Exceptions:			Exceeds					
	Line Items Total (\$):	900	1,000	1,100	1,000	500	750	750	
	Balance (s/b \$0):			350	(500)				
Mapping:	Exceptions:			Exceeds	Under				
	Mapping Total (\$):	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
	Balance (s/b \$0):			250	(500)				
		Tot Exp	2501	3500	3501	3502	4000	4001	4002
Line Item RGL Total:		9,000	900	1,000	1,100	1,000	500	750	750
GL 9178 Reserves:		1,000				500	250	250	
Item Adjusted Total (\$):		10,000	900	1,000	1,100	1,000	1,000	1,000	1,000
Mapping Total (\$):		10,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Deviation:			100		(100)				

Expanded Description Here.

Click here to expand just the windows that map to this RGL



Mapping Entry

		Total Exp			2501	3500	35
	Expenditure Total:	\$10,000					
	Less Mapped at Lower Level:						
	Less Fixed Mapping:	\$1,000			\$500		
	Actv Dynamic %:	100.00%			10.00%	20.00%	20
	RGL Dynamic %:	100.00%					
	Dynamic Mapping:	\$9,000			\$500	\$1,000	\$1
	Mapped Total:	\$10,000			\$1,000	\$1,000	\$1
	Mapping Check Data (s/b \$0):	\$0			\$0	\$0	
	Activity Policy Direction	Total Exp	Alloc	Balance			
	Expenditure Total:	\$10,000	55.00%	\$5,500			
	Fixed (\$):	\$1,000		\$4,500	\$500	(Disabled)	
	Actv Dynamic %:	100.00%			15.00%	(Disabled)	15
	RGL Dynamic %:	100.00%			33.00%		33
	Dynamic Total (\$):	\$4,500		\$0	\$500		
	Total	\$5,500		\$0	\$1,000		\$1
	Activity General Administration	Total Exp	Alloc	Balance			
	Expenditure Total:	\$10,000	45.00%	\$4,500			
	Fixed (\$):	\$1,000		\$3,500		\$1,000	
	Actv Dynamic %:	100.00%			20.00%		20



Mapping Summary Views

- Provides onscreen summary data to compliment the data entry format
- Mapping summary views will provide the traditional RGL columns/Cat Rows
- Will also provide many alternative views to include summaries by activities, decision units, and mapping trees.



QUESTIONS?

budget@admin.nv.gov

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



Section 7

Nevada Executive Budget System (NEBS) Training

Melanie Young, Budget Analyst & PPBB Coordinator



Agency Training Needs

- NEBS Navigation
- NEBS Mapping (Fund and Activity)
- Other NEBS Changes
- Activities and Performance Measures



Classes to be Provided

- NEBS Navigation for New Users
- Performance Measures
- Strategic Planning and Performance Measures



Training to be Provided by Budget Analyst

- NEBS Mapping
- NEBS Changes
- Activities and Performance Measures
- Agency specific training needs



Online Resources

- <http://budget.nv.gov/Manual-Instructions/>
 - State Administrative Manual (SAM)
 - Budget 101
 - Budget Instructions
 - Fiscal Year End Closing
 - Priorities and Performance Based Budget Instructions



Online Resources Continued

- <http://budget.nv.gov/Manual-Instructions/>
 - Nevada Executive Budget System (NEBS) Manual
 - NEBS Work Program Manual
 - Contract Entry and Tracking System Manual
 - Bill Draft Request (BDR) Instructions



Other Resources

- Budget Division Website
 - <https://budget.nv.gov>
- Your Assigned Budget Analyst
 - 775-684-0222
 - budget@admin.nv.gov



QUESTIONS?

budget@admin.nv.gov



Section 8

Capital Improvement Program (CIP)
Facilities Maintenance
Deferred Maintenance
Leased Facilities

Chris Chimits, Deputy Administrator
Julie Kidd, Head of Leasing Services
State Public Works Division



What is a CIP Project?

- NEVER : Carpet/painting/drapery projects.
- ALWAYS : Roofing replacement, ADA, fire and life safety, paving, environmental or structural projects.
 - Other projects with construction cost estimates greater than \$100,000.



IS a CIP Project





***IS NOT* a CIP Project**





CIP Application Overview

- Download the Project Application Worksheet from State Public Works Division (SPWD) website at www.SPWB.state.nv.us.
- Contact the appropriate SPWD project manager for assistance in preparing your application.
- The deadline for submitting the web-based application form on the SPWD website is April 2, 2014.
- Plan to present your project to the SPWD on August 26 – 27, 2014.



The Application

- Basic information – project name, project description, location, requesting agency, contact person, etc.
- Priority rank within requesting department
- Justification
- Programming
- Site analysis
- Preliminary cost estimate and funding sources
- Proposed schedule



Results of an incomplete and confusing CIP application



Project Justification

Required for all projects

- Health, safety and legal issues
- What is driving the need for your project
- Ramifications if project is not approved



Programming

**Required for new construction,
remodels and additions only**

- Square footage
- Staff count
- Occupancy type
- Special facilities
- Furniture, fixtures & equipment



Project Schedule

Required for all projects

- What is the latest date this project could be completed without disrupting your program and why?



Approval Process

- Management review with each agency in late July
- August 26 – 27, 2014 - Agency presentation to State Public Works Board (SPWB)
- September 2014 – SPWD Administrator’s recommendations to SPWB
- October 1, 2014 – SPWB recommendations to the Governor
- January 2015 – Executive budget submitted to Legislature
- February – April 2015 – Legislative hearings



How do I Develop a Maintenance Project Request?

- Facility Condition Analysis Reports
 - Estimates for Facility Maintenance and Deferred Maintenance are planning level estimates only
 - These estimates do not include soft costs (Permitting, Design Fees, Contingency, etc.)
 - These planning level estimates should be substantiated with additional due diligence prior to making budget requests

~OR~

- Deferred Maintenance [website pull down menu]
 - see www.SPWB.state.nv.us. for further guidance



Leased Facilities

- Reminders – what we do and what we need from you
- Common issues to avoid
- New services we offer



Remember to:

- Include scheduled, contractual rent increases that coincide with your lease as adjustments to base. The log of all leases statewide can be found at:
http://www.bandg.state.nv.us/leased_properties.xls
 - *Watch for our report that will assist you with this task 😊*
- If your lease is expiring, check holdover rent increase language
 - *Again, there will be a report for that!*
- Estimate rent rate increases if your lease is renewing
 - *We can help with that too!*



Items to Consider as you estimate facility needs:

- New staff will need new space – refer to our “Space Justification Form” for statewide norms
- Existing office equipment & furniture may not work in new space
- Moving Costs – if relocating or asking for a major remodel (sometimes for new furniture)
- Telephone & data costs for relocations and additional staff (installation AND ongoing)



New this biennium

- Complete a space request when you budget for a new facility, an expansion or a renewal of an expiring lease. This allows us to forecast leasing activity for the biennium
- You will be receiving 2 reports from us:
 - 1) Contractual lease payments for the biennium (to confirm your information)
 - 2) Expiring leases for the biennium with *estimated* market rates for the facility location and type



New this biennium - continued

- Earlier lease assessments to avoid the end of year rush
- Remodels, expansions, reconfigurations of leased facilities **MUST** be done through SPWD
 - Policy and request form can be found at <http://www.bandg.state.nv.us/leasing1.htm>



Contact Information

- Website – for forms and other information
<http://www.bandg.state.nv.us/leasing1.htm>
- Leasing Services Main number:
– 684-1815



QUESTIONS?

budget@admin.nv.gov



Section 9

Internal Service Funds

Evan Dale, Administrator
Administrative Services Division



2 CFR Part 225

Cost Principles For State, Local, And Indian Tribal Governments

(Formerly OMB A-87)

- Statewide Cost Allocation Plan (SWCAP)
- Internal Service Funds



SWCAP

- Controller's Office
- Treasurer's Office
- Budget Office
- State Archives
- Legislative Audit
- Internal Audit
- Building Depreciation



SWCAP Methodology

FY '3 Actual Allocation

Less: FY '3 Plan Amount (based on FY '1 actual)

FY '5 Carry Forward

Plus: FY '3 Actual Allocation

FY '5 Fixed Plan



SWCAP Example

Central Service

FY '13 Actual Cost	\$100
<u>Divided by: Allocation Base (units)</u>	<u>100</u>
FY '13 Actual Allocation per unit	\$ 1



SWCAP Example

Operating Unit

Amount Allocated from Central Service <u>in FY '13 Plan (based on FY '11 actual)</u>	\$ 8
Actual FY '13 Units of Central Service	10
<u>Actual FY '13 Central Service Allocation</u>	\$10
Carry Forward Amount	\$ 2



SWCAP Example

Operating Unit (cont.)

Actual FY '13 Central Service Allocation	\$10
<u>Carry Forward Amount</u>	<u>\$ 2</u>
<u>FY '15 <i>Fixed Plan</i> Amount</u>	<u>\$12</u>



SWCAP Exhibit A

- Budgeted SWCAP Amounts **May Not** be the Approved Plan Amounts
- <http://adminsvcs.nv.gov>



Internal Service Funds

- Mail Service
- Enterprise IT Services (EITS)
- Motor Pool
- Purchasing
- Personnel
- Buildings and Grounds
- Risk Management



Internal Service Fund Billing Methods

- Assessment
- Billed Service



Internal Service Fund (ISF) Billed Service Example

ISF Budgeted Cost to Provide Phone Service	\$100
Divided by: Statewide Budgeted Units of Phone Service	
Operating Unit A – 50 Units	
Operating Unit B – 50 Units	100
<hr/>	
Budgeted Per Unit Cost of Phone Service	\$ 1



Internal Service Fund

Billed Service Example (cont.)

Actual Units Phone Service

Operating Unit A – 50 Units

Operating Unit B – 20 Units 70

Multiply: Budget Per Unit Cost of Phone Service \$ 1

Actual ISF Revenue \$70



QUESTIONS?

budget@admin.nv.gov



**May fair
winds be
with you as
you sail on to
build your
budget!**