

## 2017-2019 Executive Budget Frequently Asked Questions

### Agency Request Limit Questions

- Q1. Where General Fund dollars are used as a match to a grant and the 5% reduction to General Fund impacts the ability to bring in the federal dollars, will the General Fund be exempt from the Agency Request Limits and Reduction Plans?

**No, the General Fund is not exempt from the Agency Request Limits. The Agency Request Limits and Reduction Plans apply to General Fund appropriations, Highway Fund appropriations, Court Assessments and those budget accounts that impact accounts funded with these revenues. An All Agency Memo was sent out noting the limits and reduction targets by department.**

**Five percent reduction plans should be prioritized around programs, statutory assignments, or other whole functions, not across-the-board reductions. Agencies should prioritize their programs and eliminate or reduce lower priority programs and utilize the resources for higher priority programs in line with the agency's core mission.**

**Agencies are required to report the federal match requirements for each grant and should indicate if the five percent reduction plan proposed will reduce the receipt of federal funds. Agencies should also include the programmatic impact of the lower funding levels.**

- Q2. Specifically which decision units must be in the Agency Request Limit and which are outside of it?

**Decision units M100, M101, M200's, M500's, and M600's are outside the Agency Request Limits. Any approved Compensation Plan Adjustments (due to the Budget Division by July 1<sup>st</sup>) and Budget Enhancement Concept Requests (due to the Budget Division by May 16<sup>th</sup>) are outside the Agency Request Limits.**

**All other enhancement units, including those for equipment replacement, new equipment, reclassification of single positions, addition of new positions, maintenance of buildings and grounds, and deferred maintenance must be within the Department's Agency Request Limits.**

### Enhancement Request Questions

- Q3. Slide 54: Budget Enhancement Concept Requests Due 5/16 – Is this applicable to all agencies or just those who receive General Fund or Highway Fund?

**Budget Enhancement Concept Requests are applicable to all agencies and should be submitted for each new or expanded program or initiative. Typically these requests would be requested in decision units E125–E559, E737-E739, and E850-E859. Budget Enhancement Concept Requests are typically not needed for equipment replacement, new equipment or deferred maintenance requests. However, those decision units must fit within the Agency Request Limit for the Department.**

Q4. Will the Budget Division be tracking the enhancement Decision Units that are submitted via the Budget Division to the Governor's Office and the go/no-go status returned from the Governor's Office?

**Yes.**

Q5. What are the ramifications to an agency if their enhancement decision units were not submitted to and approved by the Governor's Office and are part of their agency request budget on September 1<sup>st</sup>?

**Agencies may submit enhancements within their Agency Request Limit which are offset by reductions in other areas. These enhancements and reductions will be reviewed on their individual merit. However, enhancements outside the Agency Request Limit which were not submitted to and approved by the Governor's Office will not be considered and will be removed during the Governor Recommends phase of the budget cycle.**

Q6. Does replacement equipment need permission to be included in the budget if it fits within the Agency Request Limits, particularly radios and vehicles? What equipment requires pre-approval and what equipment does not require pre-approval?

**No, replacement equipment does not need approval to be included in the budget. The cost of the replacement equipment must fit within the Department's Agency Request Limit. New equipment also needs to be within the Department's Agency Request Limit. Equipment associated with a project, such as a Technology Investment Request, requires pre-approval via a Budget Enhancement Concept Request.**

#### **Reduction Plan Questions**

Q7. The Agency Request Limit calculation is on the Department level, but I don't remember if you said the 5% Reduction Plans needed to be done on the Department level as well or if they were necessary for each budget account? Also, are the E600s only for those budget accounts with General Fund or Highway Fund?

**The 5% Reduction Plans are required at the Department level. All Agency Memo 2016-07 includes the 5% reduction target for each Department. Reduction Plans are required for those accounts funded with General Fund, Highway Fund, Court Assessments, and those accounts that impact accounts funded with General Fund, Highway Fund or Court Assessments.**

Q8. For the 5% budget Reduction Plan, it was stated "they did not want to see across the board cuts". If we have no other options, are we specifically prohibited from doing that?

**Yes. Agencies should prioritize programs and propose elimination, partial elimination or changes to the lower priority programs.**

Q9. In order to meet the 5% Reduction target, is there any prohibition against cutting new positions and programs added in 2016/2017? For agencies running on bare bones budgets throughout the budget crisis, “last in, first out” may be the only solution.

**No, there is no prohibition against cutting positions or programs added in the current biennium. However, agencies should be looking for efficiencies and reducing lower priority programs not just using a “last in, first out” approach.**

Q10. Are fee-funded agencies subject to the Agency Request Limit? What about cost allocation funded budgets?

**If the fee-funded or cost allocated budget impacts or charges budgets funded with General Fund, Highway Fund or Court Assessments, it would be subject to the Agency Request Limit.**

Q11. Will the Agency Request Limit include salary adjustments?

**Yes, the Agency Request Limits have been adjusted for the amount of Salary Adjustment funds that the agencies are eligible for in Fiscal Year 2017 per Policy Directive D-2016-02.**

Q12. Please verify M300 is going to be excluded from the Agency Request Limit calculations.

**M300 is for fringe benefit rate adjustments as determined by the Budget Division during the Governor Recommends phase and is excluded from the Department’s Request Limits. Keep in mind that the Request Limit applies to the agency’s request due September 1<sup>st</sup>.**

Q13. Where applicable, can agencies use the fee portion of their reserve to cover the 5% Reduction Plan Target?

**No, an agency may not use a reserve to cover their Reduction Plan target since reserves are by their nature one-time revenues. The intent of the Reduction Plan is to identify programs or activities the State should not be performing. Moving expenditures from General Fund, Highway Fund or Court Assessments to fees would require an approved Budget Enhancement Concept Request. The 5% Reduction Plan applies to budgets funded in whole or in part with General Fund, Highway Fund, Court Assessments, and accounts that impact accounts funded with those revenue sources.**

Q14. For those budgets that get court assessments, will the 5% reduction apply as if it were General Fund?

**Yes.**

## Position and Classification Questions

- Q15. If upon our request, Division of Human Resource Management (DHRM) studies the compensation for a classification series, can we submit a decision unit assuming a two grade increase “just in case” as we wait for DHRM’s determination?

**Per the Budget Instructions (page 17), any request to revise the compensation for one or more series of positions must be submitted separately from the Agency Request Budget. On or before July 1, 2016, submit your proposed Compensation Plan Adjustment, including justification supporting the request, to the Budget Division. If approved, changes will be included with the Governor Recommends Budget as a separate enhancement.**

- Q16. If vacant positions are normally budgeted at a step 1 due to the nature of the classification and the turnover rate, can the step be reverted back down to a step 1?

**Yes. The proposed steps for vacant and new positions are “not-to-exceed” levels and are intended as a budget management tool. Agencies should review their hiring practices and budget steps for vacant and new positions accordingly.**

- Q17. What is the process for NPD-19s? Will DHRM review them prior to agencies submitting position changes or additions in their budget?

**If requesting changes to existing positions, determine first if the request requires prior approval via a Compensation Plan Adjustment. If so, an NPD-19 is not necessary unless the request is approved. If adding new positions or reclassifying single positions, agencies should submit an NPD-19 to DHRM during their budget preparation period. DHRM will review the NPD-19 and determine if the classification is correct. Once completed by DHRM, the NPD-19 must be submitted with the agency’s budget request.**

- Q18. Are agencies required to budget new positions or vacant positions at the higher steps? Can this be applied intermittently within Budget Accounts, Departments or programs, and by class or position? Specifically how flexible is this?

**The Budget Instructions provide “not-to-exceed” steps for positions based on the grade of the new or vacant position to give agencies a budget management tool for their operations. Agencies are not required to budget new or vacant positions at the higher steps and higher steps can be applied intermittently within budget accounts, departments, programs, or by class series. Agencies should review their hiring practices and budget steps for vacant and new positions accordingly.**

- Q19. Was there a specific form or format for the Compensation Plan Changes due 7/1?

**There is not a specific form for the Compensation Plan Adjustment submission. Agencies should indicate the series of positions that would be affected by the Plan, including the Department(s), Division(s) and Budget Account(s) where the positions are budgeted. The Plan must include the proposed compensation change(s), justification supporting the requests, and estimated budgetary impact. This request can be submitted on the agency’s letterhead or as an issues brief. As part of the review of the Compensation Plan Adjustment, the Budget**

**Division will review whether or not the request impacts positions in other Budget Accounts outside of the submitting agency.**

Q20. Will positions changes from classified to unclassified be considered?

**Yes. If this change is for a Class Series, it needs to be requested via a Compensation Plan Adjustment Request.**

Q21. For agencies looking to reclassify one or more series of positions through Compensation Plan Adjustments during the Governor Recommends Budget as a separate enhancement, can you clarify if this will be inside or outside of the Agency's Request Limit since this will not be submitted as part of Agency Request?

**This will be outside the Agency's Request Limit.**

### **Technology Investment Requests (TIR) Questions**

Q22. How was Enterprise Information Technology Services (EITS) involved with the TIR review process when the scope has changed by more than 5%? EITS is indicating that the Budget Division is the source for the response.

**Agencies do not need to go back to EITS for a TIR review when the scope of their original TIR has changed. This information is being requested by the Budget Division for budgetary purposes and should be reported along with a copy of the agency's current TIR document with the Agency's Request Budget. Supplemental information must be included that details the changes from the original project schedule, budget or scope.**

Q23. Does the 5% change apply to TIR's that have decreased in scope or costs?

**Yes, it applies to increases and decreases in scope or costs.**

Q24. The Fiscal Year 2017 expenditure related to an approved continuing TIR was removed from the Agency Request Limit calculation. Does the agency need to get the Governor's Office approval for the enhancement decision unit the TIR is associated with?

**Yes via a Budget Enhancement Concept Request.**

Q25. When an agency is considering the submission of a new TIR, how will it work in regard to having an enhancement decision units approved before proceeding since the TIR deadline falls before the Enhancement Concept Request deadline.

**To meet the corresponding deadlines, agencies will need to submit the TIR document to EITS prior to having approval of the Budget Enhancement Request Concept.**

Q26. Does video conference equipment of \$100,000 require a TIR?

**Please contact EITS as they determine whether or not a TIR is required for a specific project.**

## Other Questions

- Q27. Is there a specific form or format required for the Non-budgetary Bill Draft Request (BDR) Concept Statement that is due 4/15?

**Please reference All Agency Memo 2016-06 – Bill Draft Request Instructions, which instructs agencies to create a new BDR in the Nevada Executive Budget System (NEBS) and complete the Title field and the Description tab. Once completed, save the draft. The Budget Division will download this information for the Governor’s Office on April 15, 2016.**

- Q28. Slide 6: Fees projection deadline for July 1<sup>st</sup> – Is this applicable to lodging tax as well or just “Fees”?

**All Agency Memo 2016-09 was issued on March 29, 2016 providing direction to agencies on providing information regarding their fees to the Budget Division. The information is being collected for every tax or fee which is not used entirely to fund either General Fund or Highway Fund appropriations such as Sales Tax, Gaming Fees, Insurance Premiums Tax, etc. The Lodging Tax is used for appropriations to the Distributive School Account and is already collected as part of the General Fund revenues.**

**The July 1, 2016 deadline for providing information related to fees charged by the agency has been extended to September 1, 2016.**

- Q29. Will agencies still be able to fund map to our old activities?

**Only if the old activity has been deemed a Statewide activity. See the crosswalk of activities to determine whether or not the old activity is a Statewide activity or to find out the Statewide activity to which it was linked. The crosswalk will be available after the Governor releases his Strategic Planning Framework the week of April 10<sup>th</sup>. Fund mapping of activities will also be discussed at the Priorities and Performance Based Budget (PPBB) training on April 27, 2016.**

- Q30. Who should sign the Budget Submission Certification Letter?

**The director of the agency should sign the certification letter. Signature authority must not be delegated to lower level staff. If the agency is headed by a board or commission, then the chair of the board or commission should co-sign the certification letter with the director.**

- Q31. Could you help clarify the timeline for BDRs? What is the deadline for non-budgetary BDR Concept Statements?

**Non-budgetary (Policy) BDR Concept Statements are due in NEBS by April 15, 2016, and should be approved or denied by the Governor’s Office by May 6, 2016.**

- When are Budget Enhancement Concepts due?

**Budget Enhancement Concepts are due to the Budget Division on May 16, 2016 and should be approved or denied by the Governor's Office by June 17, 2016.**

- How do "other requests" from Slide 7 cross-walk to Slide 96, which speaks to "Legislative Summaries"? I'd like to confirm that "legislative summaries" refers only to non-budgetary BDRs not Budget Enhancement Concepts.

**Legislative Summaries refer to non-budgetary BDRs (i.e. Policy BDRs) only and are due April 15, 2016 and should be approved or denied by May 6, 2016. "Other Requests" from slide 7 refers to Budget Enhancement Concept Requests which are due to the Budget Division by May 16, 2016.**

- Q32. Would it be possible for us to get a sample of the program organization charts that were referenced in the instructions? A sample would make it much easier for us to determine how to parcel our programs for the charts.

**A sample of a program organizational chart is available on the Budget Division website.**

- Q33. On page 58 of the presentation, there is the following statement: "not include agency specific inflation without adequate justification". Does this mean we cannot include the demographers projected increase for items or is this specific to items such as postage that typically are not adjusted for inflation?

**Agencies that have approved agency specific inflation must provide sufficient justification supporting their request. Typically, agency specific inflation is for food and/or medical costs specific to the programs for that agency and is usually requested in decision unit M101. Agencies should not include inflationary adjustments for statewide items such as postage, utilities or fuel. These adjustments will be considered during the Governor Recommends phase.**

- Q34. One Shots were not discussed during the kickoff. Will we be able to utilize them and will they fall outside the Agency Request Limits? Will we need special permission, particularly for vehicles and radios.

**One Shot appropriations are discussed in the Budget Instructions on page 14 and in the Budget Building Manual on page 16. If there is a large, one-time purchase, such as vehicles, the agency needs to request an enhancement decision unit such as E-710 or E-720. These requests must fall within the department's Request Limit and do not require approval from the Governor's Office. The Budget Division will determine which requests will move to a One-Shot appropriation during Governor Recommends phase.**

- Q35. Longevity Schedule is still showing up, as well as Eliminate Longevity Pay? Do we ignore or correct?

**As longevity was eliminated effective June 9, 2015 in A.B. 436 of the 2015 Legislative Session, agencies are not required to complete the Longevity Schedule. Agencies' legislatively approved budgets were loaded in NEBS and include GL 5930, Longevity Pay, and GL 5929, Eliminate Longevity Pay. Actual year (FY16) expenditures should be update to zero out these two GLs. This will eliminate the costs in FY18 and FY19 for these two GLs.**

- Q36. Will a brief summary of changes from the previous biennium be compiled and distributed to state agencies?

**Please reference page 2 of the Budget Instructions. Also, a copy of the Budget Kickoff presentation showing additional information is available on the Budget Division website.**

- Q37. What supporting documentation would the Budget Division like to see to document federal grant carry forward dollars for the 2017-2019 biennium? Is it ok to use the grant reconciliation that agencies currently use for work programs or is additional documentation required?

**A reconciliation of the federal grant carryforward as well as historical trends documenting the amounts carried forward in previous years are required to calculate the amounts used for the beginning balances in Fiscal Years 2018 and 2019.**