

Items and Adjustments that Should be Considered During the Adjusted Base Budget Review Process

1	Compare Budget Status Report actuals from DAWN/CORE.NV with the amounts downloaded into NEBS/BASN for the first year of the current biennium (Actual fiscal year) since this information will ultimately be presented in <u>The Executive Budget</u> .
2	Ensure the BASE decision unit reflects the Actual fiscal year (actuals for the first year of the current biennium).
3	Ensure that budgeted transfer and cost allocation revenues match budgeted expenditures in the transferring account. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these items.
4	Check for imbalances of reserve and balance forward amounts. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these items.
5	Annualize grants to adjust revenue to correspond to the state fiscal year, rather than the federal fiscal year. Adjustments to grant revenue is an acceptable base budget adjustment under the GFO Director's authority provided by NRS 353.211(5)(d).
6	Check the budgeted grant revenue amount against the notice of grant award (NOGA). If the agency anticipates an award, but has not received the official notification, the request should be reflected in a maintenance or enhancement decision unit.
7	Check the reasonableness of fee revenue projections. Although revenue is not included in the statutory definition of 'adjusted base budget,' the GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to revenue and reserves in the adjusted base budget.
8	Eliminate allocations from the IFC Contingency Account or advances from the General Fund in the adjusted base budget.
9	Eliminate one-time General Fund appropriations and one-time Highway Fund appropriations.
10	Verify the BASE decision unit reflects all positions included in the legislatively approved budget for the second year of the current biennium. In addition: - Review the payroll position roster for reclassifications that may have occurred over the current biennium. - Delete positions legislatively mandated to expire from the BASE decision unit. - Ensure positions approved by the IFC during the interim continue in the BASE decision unit unless there were special provisions. - Ensure the FTE count in the Actual and Work Program fiscal years in the BASE decision unit align with the amounts approved by the Legislature and the IFC since this information will ultimately be presented in <u>The Executive Budget</u> .
11	Identify positions vacant longer than 12 months as of September 1st of the current year, and ensure justification to retain the positions is attached in NEBS/BASN. If such a position will be proposed to be eliminated, that should occur through an enhancement decision unit and not in the BASE or adjusted base decision unit.
12	Review the Pay Bill to ensure the budgeted salary amounts for unclassified positions do not exceed the legislatively approved amounts, while also accounting for any legislatively approved cost of living adjustments (COLAs).
13	Verify positions are funded with the appropriate funding source.
14	Review the Positions tab in NEBS/BASN to ensure fringe benefit selections are appropriate and research any anomalies.
15	Eliminate Terminal Annual Leave Pay and Terminal Sick Leave Pay expenditures.
16	Eliminate Comp Time Payoff expenditures.
17	Eliminate Overtime Pay expenditures, unless the budget account is authorized to retain those expenditures. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these expenditures (e.g., adjustments for legislatively approved COLAs).
18	Eliminate Seasonal Pay expenditures, unless the budget account is authorized to retain those expenditures. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these expenditures (e.g., adjustments for legislatively approved COLAs).
19	Eliminate Shift Differential Pay expenditures, unless the budget account is authorized to retain those expenditures. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these expenditures (e.g., adjustments for legislatively approved COLAs).
20	Eliminate Standby Pay expenditures, unless the budget account is authorized to retain those expenditures. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to these expenditures (e.g., adjustments for legislatively approved COLAs).
21	Eliminate Call Back Pay expenditures.
22	Eliminate Forfeited Annual Leave Payoff expenditures.
23	Review the Vacancy Savings calculation for reasonableness and question significant changes. This review only applies to budget accounts receiving General Fund or Highway Fund, or internal service budget accounts. The GFO Director may exercise authority under NRS 353.211(5)(d) for adjustments to the calculations of these projected savings (e.g., vacancy percentage rate calculation adjustments due to prior year anomalies).

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24	In-state travel (CAT 03) and out-of-state travel (CAT 02) expenditures in the adjusted base budget should be based on the Actual fiscal year and adjusted (increased or decreased, as applicable) based on the market rate for such travel in the second year of the current biennium and for any change in the location of a reoccurring event that is included in the base budget for the current biennium. Agencies are still required to maintain a spreadsheet detailing travel during the Actual fiscal year that provides the employee, employee title, destination, dates traveled, the purpose of the trip, and the costs by GL. This information does not need to be provided for the development of the adjusted base budget, but may be requested for enhancement decision units related to travel.
25	Annualize costs if these expenditures (operating, travel, etc.) are not reflected for an entire year in the current biennium. This is allowable under NRS 353.211(5)(c).
26	Do not annualize expenses not incurred due to <u>routine</u> position vacancies. In some instances, with compelling justification, adjustments may be allowed.
27	Eliminate equipment purchases <u>except</u> for equipment purchases <\$1,000 (GL 7460 - GL 7464). Generally, other equipment purchases will be funded through a one-time appropriation that should be eliminated.
28	Eliminate one-time contract expenditures or contractual obligations that have expired or will expire during the current biennium and is no longer needed by the agency.
29	Eliminate expenditure items approved for a one-time basis.
30	Review adjustments (increases or decreases, as applicable) for assessments, insurance premiums and cost allocations based on projections for the next biennium.
31	Review adjustments (increases or decreases, as applicable) for the costs to continue services provided pursuant to contractual obligations that were approved by the Legislature during the current biennium at the same level as provided during the second year of the current biennium and for ongoing contractual obligations.
32	Review all expenditures that are calculated in the Schedules tab of NEBS/BASN.
33	Review adjustments (increases or decreases, as applicable) for the costs of renting building space pursuant to NRS 331.102 or a rental or lease agreement, except costs associated with moving, including the costs for the renewal or renegotiation of a rental or lease agreement or the relocation of the office space of an agency if the relocation is necessary as a result of the expiration of an existing lease, unavailability of the current facility or other operational requirements of the agency and the new facility is of a comparable size and functionality as the current location of the agency.
34	Review adjustments (increases or decreases, as applicable) for expenditures that occur in only one year of a biennium and ongoing expenditures approved by the Interim Finance Committee during the current biennium.
35	Review adjustments (increases or decreases, as applicable) for actual caseloads incurred during the first year of the current biennium.
36	Do not allow the consolidation of expenditure categories in the adjusted base budget. These changes should be reflected in an enhancement decision unit.
37	Review and identify any significant differences between Actual and Work Program/Year 1/Year 2 expenditures. These differences may illustrate an enhancement decision should also be considered to increase or decrease funding in a particular area.
38	Adjust for expenses that only occur in one year of the biennium (e.g., <i>Nevada Revised Statutes</i> books purchased in an even-numbered fiscal year). The GFO Director may exercise authority under NRS 353.211(5)(d) for such adjustments.
39	Eliminate operating expenditures that are no longer required to be made by the agency as a result of the expiration of a program.
40	Verify any required General Fund or Highway Fund repayments have been budgeted.
41	Review the GFO and LCB Fiscal adjusted base budget questions from the prior interim. This information will not be needed to develop the adjusted base budget but may provide insights into adjustments that may need to be requested through an enhancement decision unit.
42	Review enhancement decision units in the agency requested budget (A01) to determine if there is any overlap with the adjusted base budget.
43	Review the Appropriations Report, CIP Bill, special appropriation bills, and letters of intent from the prior session to determine if any items should be included/excluded from the adjusted base budget.
44	Use the NEBS and BASN out-of-balance reports to identify possible issues.
45	Review the GFO/LCB Fiscal questions and responses from the agency to determine if any base budget adjustments would be warranted under NRS 353.211 or if adjustments should be requested through an enhancement decision unit.
46	Review the fund map for appropriate funding of categories.
47	Review and eliminate transfers from Category 01 to other expenditure categories.