




**STATE OF NEVADA  
GOVERNOR'S FINANCE OFFICE**

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**ALL AGENCY MEMO #2016-07**

March 22, 2016

To: All Agencies

From: James R. Wells, Director  
Governor's Finance Office 

Subject: Agency Request Limits and Agency Reduction Plans

As presented at the Budget Kickoff and outlined in the Budget Instructions, certain agencies must adhere to Agency Request Limits and Agency Reduction Plans. Agencies receiving General Fund or Highway Fund Appropriations, Court Assessments or whose budget accounts indirectly receive funding from those sources such as Internal Service Accounts or Cost Allocated accounts are subject to the Agency Request Limits and Agency Reduction Plans.

The Budget Division has calculated the agency request limits for General Fund, Highway Fund and Court Assessment Accounts based on the Fiscal Year 2017 Legislatively Approved funding adjusted for one-time type expenditures and 2017 salary adjustment funds, and annualized for decision units that were not funded for a full twelve months in Fiscal Year 2017. The Budget Division also calculated the amounts for Internal Service Accounts using a similar approach based on expenditures instead of revenue in order to account for reserves in those accounts. The annual amounts were multiplied by two and can be reviewed on the accompanying spreadsheet.

Separate from the "two times" cap, agencies must submit reduction scenarios. These figures are also reflected on the spreadsheet, based on the annual amounts multiplied by two with the 5 percent agency reduction target subsequently calculated.

[NOTE: Departments with cost allocated accounts are responsible for calculating the limits using the methodology discussed above and provide the calculation to the Budget Division.]

The following decision units are outside the "two times" limits: M100 (system generated inflation used only by the Budget Division), M101 (agency specific inflation), M200s (legislatively approved caseload increases), M500s (federal mandates) and M600s (court orders). Note: M425 (deferred maintenance) decision units must fall within the agency request limit.

Target amounts are listed on the attached [Agency Request Limits](#) and are applied on a department wide basis. Any exceptions will be considered and determined on their individual merit on a case by case basis.

Also attached is a [form for reporting compliance](#) with the agency request limits. Please prepare a separate form for each General Fund, Highway Fund, Court Assessment or Internal Service Account target that pertains to your agency and include all forms with your budget submission on September 1, 2016.

If you have any questions or concerns, please consult your assigned analyst in the Budget Division.