

# Introduction to State Budgeting

An Overview of the State of Nevada Budget Process



**Governor's Finance Office  
Budget Division**

# Course Roadmap

- Definition of a budget
- Three main budget types, and how they impact you
- Who is responsible for developing a budget for the state
- Overview of the State of Nevada budget process
- Important budget timelines and deliverables
- Who are the primary players and what are their roles
- What is the Economic Forum
- Overview of the State of Nevada budget structure
- Discussion of major budget elements
- What happens after the budget is passed and approved
- Helpful budget building tips

# What is a Budget?

- ✓ A budget is an **action plan** that **balances** your “**need** to haves” and your “**like** to haves” with the **resources** you estimate you will have.
- ✓ Includes estimate of **required** resources together with **available** resources.
- ✓ Usually **compares** to one or more past periods and shows future requirements.
- ✓ It is a plan for the accomplishment of **programs** related to **objectives** and **goals** within a definite time period.
- ✓ Time period is based on Nevada’s fiscal year - **July 1 – June 30**.

# Three Types of Budgets

## **Capital Improvement Budget:**

Funding for planning, design and maintenance construction of state facilities and associated infrastructures such as schools, water facilities, parks, correctional facilities, hospitals, fire stations, etc.

## **Executive Operating Budget:**

Funding for the day-to-day operation of state agencies/entities. Includes the operation of state buildings and facilities, salaries for state employees, technology, travel, training, supplies, and other program/administrative costs.

## **Non-Executive Operating Budget:**

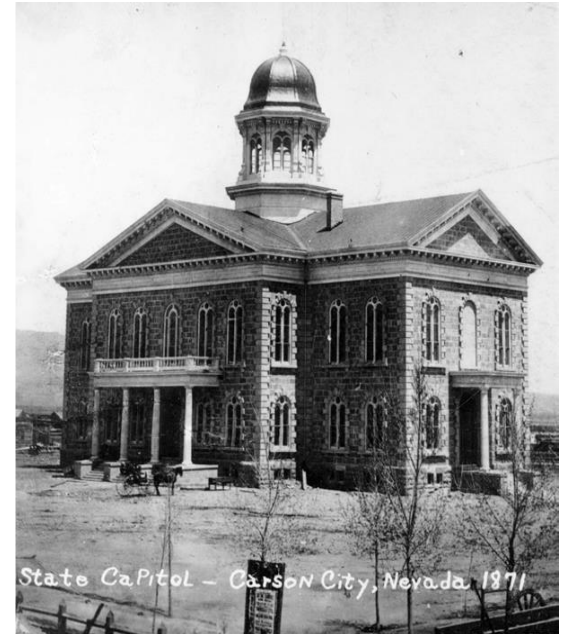
Similar to Executive Operating Budgets but:

- Doesn't go through the legislative budget approval process
- Doesn't typically include positions
- Doesn't normally contain General Funds or Highway Funds

# Capital Improvement Budget

- Facilitated by State Public Works Division (SPWD)
- Capital improvement requests are submitted to the SPWD by April 1<sup>st</sup>
- Approved by the Legislature by way of a bill, separate from approval of the Executive Budget
- Major construction and or modifications (>\$100K) to existing state facilities such as major HVAC, electrical or mechanical system repair or replacement, modifications to buildings, interior replacements or upgrades, etc.
- CIP Categories – New Construction, Maintenance, Advance Planning, Statewide Maintenance

**Note:** Ongoing facility maintenance costs must be included in the agency budget request



# Key Dates for Capital Improvement Projects (CIP)

## Even-numbered Year:

- February** SWPD will activate website
- Mar. - April** SWPD conducts CIP workshops for state agencies
- Early April** CIP applications due to SPWD
- August** Agency CIP presentations to the SPWD are held
- September** SPWD Manager makes recommendations to the SPW Board
- October 1st** SPWD Mgr. makes Board's recommendation to the Governor

## Odd-numbered Year:

- January** CIP submitted to the Legislature with the Executive Budget
- Feb. - May** Legislative hearings on the Governor's Recommended CIP

# Executive Operating Budget

- Facilitated by the Governor's Finance Office (GFO), Budget Division.
- The Executive Budget is the operating budget of the State.
- Detailed projection of all estimated income and expenses based on forecasted revenues during a given biennium.
- The budgets for Executive Branch agencies are prepared and presented to the Legislature through the GFO.
- The Legislative branch of government and Public Employees Retirement System provide budget requests to the Executive Budget as a pass-thru to the Legislature for review and approval. They are not subject to Executive Branch review.



# Key Deadlines - Operating Budget

## Even-numbered Year:

February/ March	○ Statewide budget kick-off meeting, budget instructions and budget building manual available
April	○ Deferred maintenance request > \$100K due to SPWD ○ CIP applications due to SPWD ○ Technology Investment Notifications (TINs) due to EITS
April-July	○ Non-Budgetary Bill Draft Requests due mid-April ○ Governor's Office review during May/June ○ Approved Non-Budgetary Bill Draft Requests sent to LCB June/July
May	○ Request for non-state building lease due to SPWD, Leasing Unit
June	○ Agencies input EITS services and related utilizations into NEBS ○ TINs returned to agencies by EITS
July	○ Agency presentations to the IT Strategic Planning Committee



# Key Deadlines - Operating Budget

## Even-numbered Year (continued):

September	<ul style="list-style-type: none"><li>○ Agency Request as Submitted budgets and budget bills due on or before 9/1 (NRS 353)</li><li>○ Agency presentation to the Budget Division</li></ul>
October	<ul style="list-style-type: none"><li>○ Agency Request transmitted by Budget Division to LCB's Fiscal Analysis Division and becomes public on or before 10/15 (NRS 353)</li></ul>
December	<ul style="list-style-type: none"><li>○ Economic Forum projections (NRS 353)</li><li>○ Adjusted Base Budget transmitted to LCB's Fiscal Analysis Division on or before 12/31 (NRS 353)</li></ul>

## Odd-numbered Year:

January	<ul style="list-style-type: none"><li>○ Governor's Executive budget transmitted to LCB's Fiscal Analysis Division and presented in the Governor's State-of-the-State address (NRS 353)</li></ul>
February	<ul style="list-style-type: none"><li>○ Legislative Session begins on the 1<sup>st</sup> Monday (Article 4 of the Constitution of the State of Nevada)</li></ul>
May	<ul style="list-style-type: none"><li>○ Final Economic Forum Projections (NRS 353)</li></ul>
June	<ul style="list-style-type: none"><li>○ Budgets are approved and the Legislative Session ends</li></ul>

**\* Dates vary and are provided in the Budget Instructions**

# Requirement for a Balanced Budget

## Nevada Constitution, Article IX, Section 2

- Requires the State of Nevada to have a balanced budget.
- Revenues **must equal** Expenditures.

## NRS 353.260

- It is unlawful for any state officer, commissioner, head of state department or other employee, whether elected or appointed, to expend more money than the sum specifically appropriated by law for any such office, commission or department.



# Various Budget Approaches

## **Biennial vs. Annual Budgets**

Nevada budgets on a biennial schedule (every other odd year)

- 3 other states budget biennially, with a biennial Legislative Session
- 31 states budget annually
- 15 states budget biennially but conduct annual Legislative Sessions

# Nevada's Approach to Budgeting

## Line Item Budget, but with Performance Overlay

- Divided process creates 2 Budgets:
  1. Line Item Budget
  2. Priority and Performance Based Budget
  
- Line Item Budget constructed in 3 Parts:
  1. Base and Adjustments to Base
  2. + Maintenance
  3. + Enhancements
  4. = Total Budget Request









# Who is Responsible for Developing the State Budget?

The State Budget Act NRS 353.150 – 353.246





**The Budget Division in cooperation with state agencies, the Governor's Office and the Legislature:**

- Prepares and formats the Governor's Executive Budget.
- Assists state agencies in implementing, monitoring, and/or modifying the legislatively approved budget.
- Develops comprehensive, long-range plans for Capital Improvement Projects in conjunction with SPWD.
- Monitors and reports on the financial status of the state as required to formulate plans for better and more effective state management.

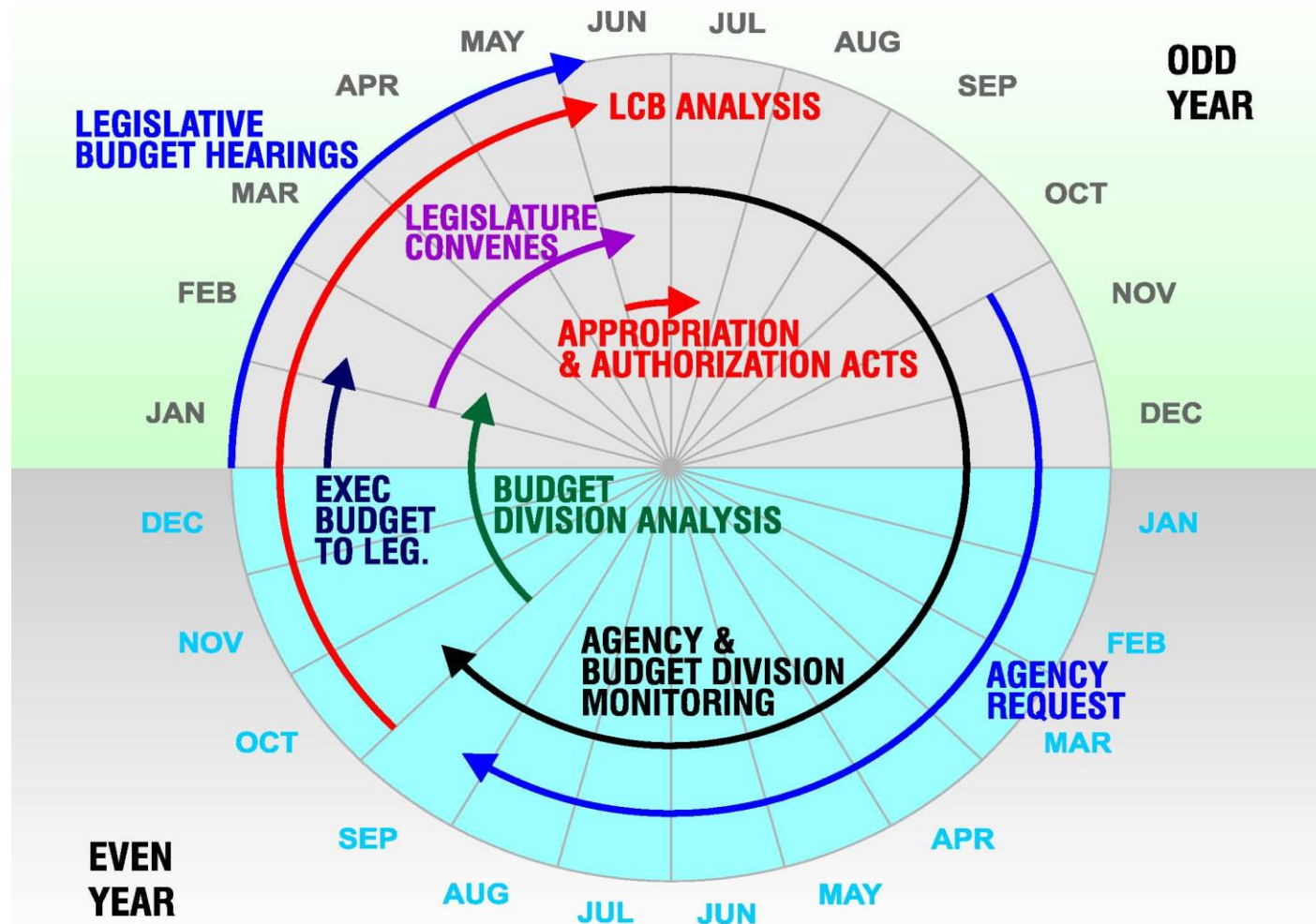
# NV Executive Budget Process

-  Governor communicates goals and objectives to agency heads.
-  Agency heads share Governor's direction with senior managers.
-  Agency managers apply Governor's direction to create agency master budget plan.
-  Agency Request as Submitted is presented to Budget Division and LCB Fiscal Division for review on or before September 1 of even-numbered year.
-  Budget Division works with the agencies on any known corrections following state law and budgetary policies and updates amounts based on the base fiscal year end closing.
-  Agency Request is submitted electronically to LCB Fiscal Analysis Division on or before October 15<sup>th</sup>, when it becomes public.

# NV Executive Budget Process

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-  Budget Division evaluates Agency Request which becomes the Governor Recommends budget incorporating directions from the Governor's Office, state law and budgetary policies. **CONFIDENTIAL**
  -  The Governor Recommended Budget is submitted to the Legislature approximately two weeks prior to the start of the Session. It becomes public at the State-of-the-State address to the Legislature.
  -  Legislature deliberates and approves (or disapproves) Executive Budget – (approved by Budget Account).
  -  Legislatively approved budget is transmitted to Budget Division, who works with the Controller's Office for implementation and agency management.
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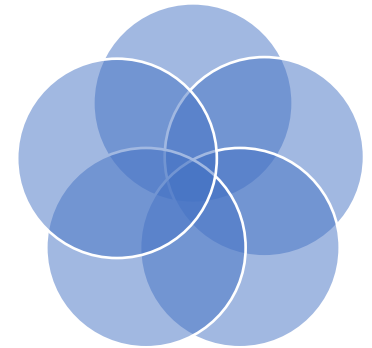
# Biennial Budget Cycle





# Primary Players in Budget Process

<b>Governor</b>	Establishes the policy and direction for Executive Branch agencies, occupational Boards and Commissions
<b>State Agencies</b>	Develops and supports agency's budget request; then implements enacted budget for agency
<b>Governor's Finance Office, Budget Division</b>	Establishes technical guidelines for the budget; assists agencies in budget development; prepares Governor's Recommended Budget
<b>Legislature</b>	Examines and approves the Governor Recommends Budget with changes they deem necessary; passes Appropriations and Authorizations bills and other bills to fund state operations
<b>Economic Forum</b>	Provides accurate estimate of revenues to be collected



# State Agency's Role

- Develop priorities according to the Governor's direction and provide for those priorities in the Agency Request budget
- Gather data, perform critical program cost analysis, revenue analysis, develop supporting documentation and make overall program decisions based on projected resources
- Develop, document and maintain agency performance measures to support budget
- Input the agency requested budget into NEBS and make all required technical adjustments to the budget
- Make adjustments to the base budget for one-time and partial-year expenses (i.e. equipment, vehicles, other unplanned program costs or expansions)

# State Agency's Role (cont'd)

- Request statutory changes, called Bill Draft Requests (BDRs), to accommodate policy decisions and implement the Agency Request budget
- Submit completed Agency Request budget, along with any required BDRs, to the Budget Division on or before September 1<sup>st</sup> of the even-numbered year
- Be available to answer questions asked from both the Budget Division and LCB Fiscal through the Governor Recommends and Legislature Approved phase of the process
- Make presentations, testify at hearings for both the budgets and any proposed legislative bills

# Budget Division's Role



- Develop and provide guidance and resources.
- Provide technical assistance and training.
- Analyze and adjust Agency Request per applicable laws, regulations, budget manual.
- Recommend program modifications.
- Implement the Governor's priorities.
- Balance the Governor Recommends Budget with the Economic Forum's December revenue projections.
- Review BDRs and monitor fiscal notes.

# LCB Fiscal Division's Role

- Present Governor Recommends Budget to the Legislature.
- Evaluate major policy issues and analyze programs.
- May make further technical adjustments for budget errors, omission and updates.
- Track budget BDRs (and request associated fiscal notes).
- Produce the major budget bills.
- Review fiscal notes.

**Note:** Include your Executive Branch Budget Officer in response to any information requested by LCB Fiscal.



# Legislature's Role

- Conduct public hearings on the Governor Recommends Budget.
- Make decisions regarding the Governor Recommends Budget.
- Pass Appropriations and Authorizations bills and other bills to fund state operations including K-12 education system.
- Complete the legislative process in no more than 120 consecutive calendar days.



# The Money Committee Process

- **Article IV, Sec. 2** of the **Nevada Constitution** - the Legislature shall be a biennial process and begin the first Monday of February in odd-numbered years.
- Approximately two weeks before the beginning of the legislative session, the Legislative Commission's Budget Subcommittee (NRS 218E.255) which is comprised of the members of Senate Finance and Assembly Ways and Means (i.e. the money committees), conducts pre-session budget hearings to have certain state agencies provide a high-level overview on recommendations within the Governor's budget.
- During session, agency budgets are presented at hearings scheduled either before the full money committees (which may meet jointly) or before a joint subcommittee consisting of designated members of Senate Finance and Assembly Ways and Means (e.g. Human Services Subcommittee).
- For agencies having their budgets heard before a joint subcommittee, the subcommittee will make closing recommendations to, and for consideration by, the full money committees when the budget closing process begins (typically April/May during session). The full money committees will take final action in closing decisions for all agency budgets.
- During session, LCB Fiscal coordinates the gathering of information from agencies to better inform the money committee members on the Governor's recommended budget, as well as to facilitate requests for information directly from legislators. Any changes to the Governor's recommended budget as a result of committee action, including budget amendments and/or technical adjustments, are processed by LCB Fiscal for inclusion in the legislatively approved budget.

# Economic Forum's Role

- Established by NRS 353.226 – 353.229
- Economic Forum: A panel of 5 economic and taxation experts from the private sector : three selected by the Governor, one by the Senate, and one by the Assembly
- Members serve on the Economic Forum for a term of two years
- They determine how much revenue will be available for the budget. Budget is restricted to General Fund revenues projected by the forum (NRS 353.230)
- Economic Forum impaneled by July 1 of even-numbered years
- The forum submits revenue projections to the Governor and the Legislature by December 3, of even-numbered years, and May 1 of odd-numbered years
  - **Dec 3 projections** - Agency Request/Governor's Recommended Budget
  - **May 1 projections** – Legislatively Approved Budget
- A seven-member Technical Advisory Committee (the TAC) advises the Economic Forum, as requested



# Overview - State Budget Structure

- The budget is developed in NEBS.
- Nevada Produces a divided budget:
  1. A three-part line item budget:
    - Base and adjusted base
    - + Maintenance
    - + Enhancements
    - = Total Budget Request
  2. An activity budget
- “Decision Unit” is a mechanism by which agencies add or subtract to Base to make adjustments.
- Each Decision Unit is evaluated and considered on its own (stand-alone mini budgets).

# NV State Budget Structure

## **Base Budget (B000)**

is the continuation of budgeting for existing levels of services. Assembly Bill 346 of the 2023 Legislative Session changed the parameters of the Base Budget from the expenditures made in the even-numbered year of the biennium to the amount appropriated by the Legislature for the second year of the current biennium that will constitute the “base”

## **Adjusted Base (M150)**

includes adjustments to base for one-time purchases and ongoing expenditures approved by the Interim Finance Committee during the second year of the biennium (The *adjusted base budget* = Base Budget +/- Decision Unit M150) = Budget to maintain existing levels

## **Maintenance (M Decision Units)**

Stand-alone, balanced request – represents the incremental costs to continue existing programs at levels needed to meet demands caused by external factors (federal mandates, court orders, caseload growth, consent decrees, inflation)

## **Enhancements (E Decision Units)**

Stand-alone, balanced request – represents costs of new and expanded programs or adjustments to enhance/reduce operations

# Budget Structure - Maintenance

## **Maintenance (M Decision Units)**

The maintenance decision unit represents the incremental costs to continue existing programs at levels needed to meet demands caused by external factors such as:

- Caseload and population growth
- Federal mandates
- Court orders
- Consent decrees
- Inflation

A list of agencies with Legislatively approved caseload decision units and detailed instruction on the budget building process can be found in the Budget Building Manual.

# Common Maintenance Decision Units

## **Agency use:**

- M101 - Inflation, agency specific
- M150 - Adjusted base
- M200 - Caseload
- M425 - Deferred maintenance
- M500/600 - Federal mandates/court orders
- M800 - Agency-specific cost allocation

## **Budget Division use:**

- M100 - Inflation (Statewide)
- M300 - Salary and fringe rate adjustment

# Budget Structure – Enhancement Requests

*Enhancement requests specifically answer:*

- Which strategies will most effectively achieve agency and state goals/priorities?
- Which activities are mandatory and/or mission-critical?
- How are the outcomes of our highest priority services and activities maximized?

*Agencies should:*

- Outline efforts taken and/or plans to find additional capacity
- Focus on improving performance through innovation
- Include rigorous evaluation plan and measures to show how new \$ invested will result in the intended outcomes

# Budget Structure – Enhancement

## *Enhancement Decision Unit Examples*

**E125 – E150** Economic Opportunity & Skilled Workforce

**E225 – E249** Efficiency and Innovation

**E250 – E274** Infrastructure, Energy & Environment

**E275 – E299** Elevating Education

**E300 – E349** Safety, Security and Justice

**E350 – E375** Promoting Healthy, Vibrant Communities

# Enhancement DU - Example

DPS - DIRECTOR'S OFFICE  
201-4706

## M300 FRINGE BENEFITS RATE ADJUSTMENT

This request funds changes to fringe benefits rates.

	2017-2018 ACTUAL	2018-2019 WORK PROGRAM	2019-2020 AGENCY REQUEST	2019-2020 GOVERNOR RECOMMENDS	2020-2021 AGENCY REQUEST	2020-2021 GOVERNOR RECOMMENDS
<b>RESOURCES:</b>						
COST ALLOCATION REIMBURSEMENT	0	0	0	25,460	0	40,445
<b>TOTAL RESOURCES:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,460</b>	<b>0</b>	<b>40,445</b>
<b>EXPENDITURES:</b>						
PERSONNEL	0	0	0	25,460	0	40,445
<b>TOTAL EXPENDITURES:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,460</b>	<b>0</b>	<b>40,445</b>

## ENHANCEMENT

### E226 EFFICIENT AND RESPONSIVE STATE GOVERNMENT

This request funds additional subscription costs for background check automated services.

	2017-2018 ACTUAL	2018-2019 WORK PROGRAM	2019-2020 AGENCY REQUEST	2019-2020 GOVERNOR RECOMMENDS	2020-2021 AGENCY REQUEST	2020-2021 GOVERNOR RECOMMENDS
<b>RESOURCES:</b>						
COST ALLOCATION REIMBURSEMENT	0	0	0	23,040	0	23,040
<b>TOTAL RESOURCES:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,040</b>	<b>0</b>	<b>23,040</b>
<b>EXPENDITURES:</b>						
INFORMATION SERVICES	0	0	0	23,040	0	23,040
<b>TOTAL EXPENDITURES:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>23,040</b>	<b>0</b>	<b>23,040</b>

### E230 EFFICIENT AND RESPONSIVE STATE GOVERNMENT

This request funds the initial purchase and subsequent renewal of Microsoft Office 365 and Adobe Acrobat Pro for 40 computers.

	2017-2018 ACTUAL	2018-2019 WORK PROGRAM	2019-2020 AGENCY REQUEST	2019-2020 GOVERNOR RECOMMENDS	2020-2021 AGENCY REQUEST	2020-2021 GOVERNOR RECOMMENDS
<b>RESOURCES:</b>						
COST ALLOCATION REIMBURSEMENT	0	0	0	20,480	0	7,360
<b>TOTAL RESOURCES:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>20,480</b>	<b>0</b>	<b>7,360</b>
<b>EXPENDITURES:</b>						
INFORMATION SERVICES	0	0	0	20,480	0	7,360

# Common Enhancement Decision Units

- E100-E599 - Governor's functional goals
- E600-E609 - Budget reductions
- E710 - Replacement equipment
- E720 - New equipment
- E730 - Maintenance
- E800 - Agency-specific cost allocations
- E805-E809 - Classified position reclassifications
- E815-E819 - Unclassified position changes
- E877 - Supplemental Appropriations (Odd-Numbered Years Only)
- E888 - One-shot Appropriations (Budget Division Only)
- E900 - Transfers between budget accounts



# Enhancement Requests cont'd

## May Be Required Each Biennium – A Budget Cap

Establishes constraints for enhancements that can be requested.

Generally this is legislatively approved funding for second year of biennium, doubled



**2025 X 2 = Agency Request Limit (or 2X Cap for the department)**

- General Funds, Highway Funds, Court Assessments or Internal Services Fund supported accounts
- Pre-calculated for each department, not each budget
- Excluded from the calculation – statewide inflation, caseload changes, federal mandates, court orders
- Enhancements outside of 2X Cap are included in “Items for Special Consideration”

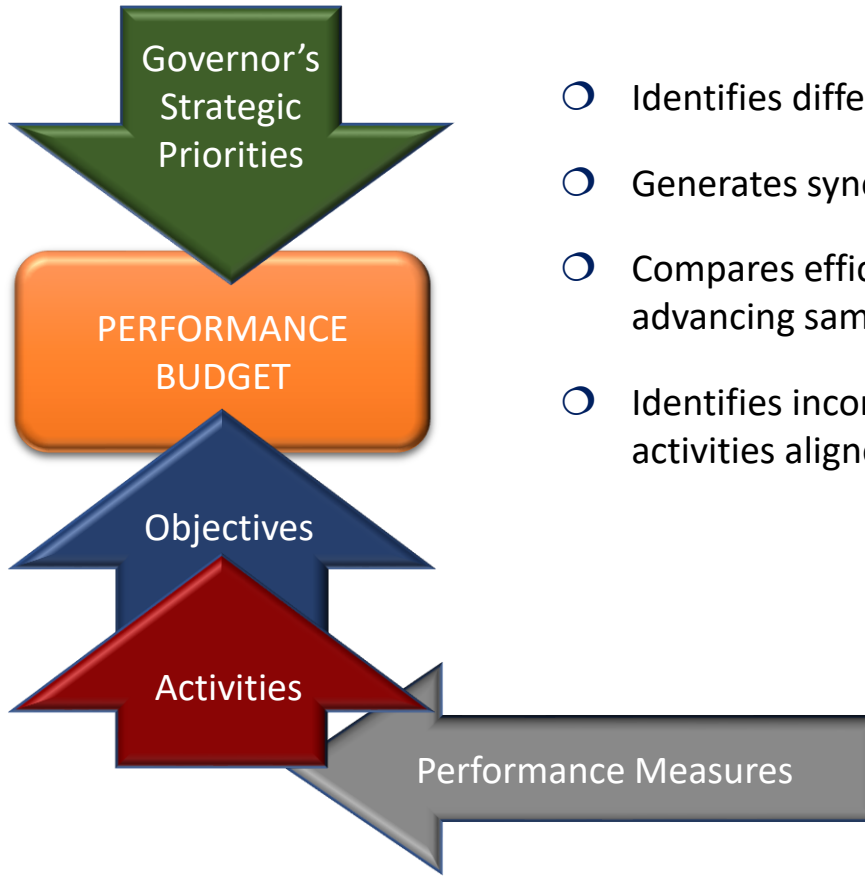
# Enhancement Requests cont'd

## What happens if there is a downturn in the economy?

- Budget Reduction enhancements may be required
- May be asked for varying degrees of reductions (e.g., 5%, 8%, and 15% reductions)
- Agencies asked to focus on ongoing funding reductions, rather than eliminating one-time expenditures
- Typically happens as a result of expected decreases in revenue projections from the Economic Forum

# Activity Budget aka PPBB

**Combines *top down* and *bottom up* budgeting**



- Identifies different activities aligned to same objective
- Generates synergies among activities across departments
- Compares efficiency and effectiveness of different activities advancing same objective
- Identifies inconsistencies in performance measures for activities aligned to common objective

# The Activity Budget

## Activities

By grouping activities through objectives, we accomplished the following:

- Identify Activities of different agencies seeking the same objective
- Generate synergies between activities in different departments
- Compare efficiency and effectiveness of activities towards the objective
- Identify inconsistency in performance measures for activities that are tied to a common objective

## Performance Measures

- Performance measures are used for each activity to monitor its effectiveness at providing the service
- Performance measures are a key means that decision makers and the public monitor whether resources applied are having the desired impact

**Note:** Additional information and training on the activity budget is found online under the training section of the Governor's Finance Office website

# Performance Measures

A method of systematically and objectively tracking and quantifying an agency's progress toward achieving its mission and goals

## Create SMART Objectives

Specific/Measurable/Achievable/Relevant/Time-Bound

1. Example: "Reduce workload per staff person by 10% by Dec. 31 two years from now."
2. Example: "Increase number of clients served by 5% by June 30 of next year."
3. Example: "Achieve an 'excellent' rating by 80% of our clients by Jan 15 of next year."

## 3 Main Types of Performance Measures:

1. **Output/Workload** Example: Percent reduction in workload per staff member  
*\*Tells us did the agency hit its target objective of 10% reduction? Was it 7%? Did the workload increase per person?*
2. **Efficiency** Example: Number of cases managed per employee  
*\*Tells us did the agency hit its target objective of 5%? Was it only 3%? Did they exceed the 5%?*
3. **Quality** Example: Percent of clients rating services excellent  
*\*Tells us did the agency hit its target objective of 80% "excellent" rating? Was it only 50%? Was it better than expected at 85%?*

# Performance Measures

## Example:

### Activity: Audits, Compliance, and Enforcement

This activity ensures compliance with real estate laws and regulations. The process of enforcement is through complaint processing, investigations, audits, and commission disciplinary hearings.

### Performance Measures

#### 1. Percent of Appraisal Discipline Cases Closed within Federal Guidelines

	2019	2020	2021	2022	2023	2024	2025
Type:	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Percent:	67.35%	71.43%	18.60%	133.33%	77.78%	77.78%	77.78%

#### 2. Percent of Ombudsman Investigations Completed within 120 Days

	2019	2020	2021	2022	2023	2024	2025
Type:	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Percent:	62.75%	81.54%	91.67%	95.76%	95.83%	95.83%	95.83%

#### 3. Percent of Real Estate Investigations Completed within 120 Days

	2019	2020	2021	2022	2023	2024	2025
Type:	Actual	Actual	Actual	Actual	Projected	Projected	Projected
Percent:	67.67%	60.03%	68.66%	77.65%	70.00%	70.00%	70.00%

# Major Budget Elements

Agency defined budget priorities and objectives are an accumulation of the following budget components:

- **Revenues**
  - Appropriations (General Fund and Highway Fund)
  - Authorizations (grants, fees, licenses, transfers, etc.)
- **Expenditures**
  - Personnel
  - General operating (travel, training, IT, maintenance, etc.)
  - Special programs (supported with dedicated funding)
  - Equipment and other costs
- **Statewide Cost Allocation/Cost Recovery**
- **Budget Transfers**
- **Reserves**

# Revenue Sources

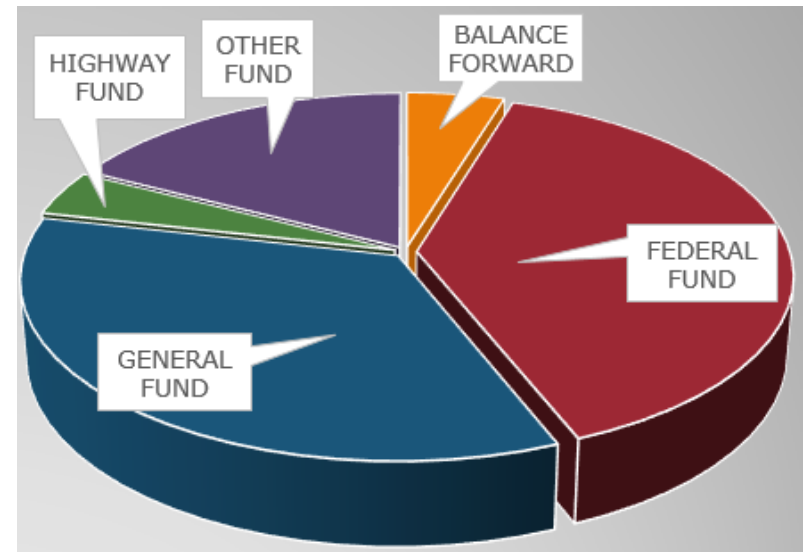
**General Fund:** The chief operating fund of the State that derives its income from taxes, fees, and other non-tax sources, limited to Economic Forum projections.

**Highway Fund:** Revenues from fuel sales and motor vehicle licensing (supports highway infrastructure and related items).

**Other:** Money coming into the state in the form of fees, licenses, federal and private grants, court assessments, interest income, gifts, and other sources.

**Balance Forward:** Funds in the previous fiscal year to balance forward.

**Federal Fund:** Funding provided by the federal government to support programs and special uses that may have restrictions on use of funds.





# Appropriation vs Authorization

## **Appropriation:**

Legislative allocation from the State General Fund or State Highway Fund for a specific purpose or operation of an agency.

## **Authorization:**

The authority granted by the Legislature that allows state agencies to collect and expend funds other than General Fund or Highway Fund (example: grants, county funds, gifts, donations, fees, sales, etc.).

# Supplemental and One-Shot Appropriations

## E877 Supplemental Appropriations

- Used to meet a shortfall in the odd-numbered fiscal year, when the Legislature is in session.

**Note:** *Interim Finance Contingency Account funds are not available during the Legislative sessions.*

## E888 One-Shot Appropriations

- Used for one-time medium to large-sized expenses of items such as vehicles, telephone systems, specialized equipment, etc.

# Expenditures

- Expenditures represent decreases in financial resources available within an account.
- Expenditures include costs for personnel, travel, operating, equipment, building maintenance, information services, utilities, training, special programs, etc.

**Note:** Reserve categories are **not** considered an expenditure category.

# Statewide Cost Allocation

## Statewide Cost Allocation Plan (SWCAP)

- Method of recovery for costs associated with statewide administrative functions provided by agencies such as:
  - Controller
  - Treasurer
  - Governor's Finance Office:
    - Budget Division and Internal Audit
  - Legislative Auditor
  - State Library and Archives



## Attorney General Cost Allocation (AGCAP)

- Method of recovery for costs associated with legal, investigative and administrative services provided to state agencies.

# Technology Investments

**Information Technology (IT) Project:** enactment of IT improvements (computer, telecommunications or any other IT developments) or enhanced capabilities using IT services within a defined period of time.

## **Required:**

- Project costs and/or contracts related to an IT project >\$50,000 (including all amendments and Cloud Based items)
- Part of biennial budget process and interim budget process

## **Provides:**

- A business case for IT investment
- Examination of benefits
- Evaluates risks and assumptions
- Analysis of plausible solutions
- Recommendation of action

## **Includes:**

- Executive project summary
- Cost and funding summary
- Current business environment
- Expected benefits
- Detailed application requirements
- Alternative evaluation
- Risk evaluation
- Project characteristics
- Project budget estimates

**For additional information or questions on this topic contact the  
Office of the Chief Information Officer  
[TIRs@it.nv.gov](mailto:TIRs@it.nv.gov)**

# Facility Maintenance

There are two types of facility maintenance costs provided for in the Executive Budget (state-owned facilities only):

- Regular ongoing facility maintenance
- Deferred maintenance

## **Regular Ongoing Facility Maintenance**

Expenditures related to the ongoing maintenance of buildings and grounds may include: contracts, supplies and materials for electrical, plumbing, air conditioning, heating, and sprinkler systems; building materials such as lumber, paint, locks, doors, etc. for minor improvements; equipment rental to make building or grounds repairs; and minor building improvements.

# Deferred Maintenance

## **Deferred Maintenance (M425)**

Facility maintenance that has been previously requested in the agency budget request, but due to budgetary constraints was not funded, and, as a result, diminish the quality of the work environment for employees, clients, and the general public. Agency must reference previous qualifying submittal where the requested maintenance was rejected in its deferred maintenance request.

Deferred maintenance projects are not restricted to the \$100,000 CIP limit.

Deferred maintenance items may qualify for an M425 request or a CIP request depending on the size, priority and complexity of the project.

More information on the State Public Works Board website at:  
<http://publicworks.nv.gov>

# Bill Draft Request (BDR)

A written request submitted to the LCB proposing additions, deletions, and/or changes to NRS

Two Types: BUDGETARY and NON-BUDGETARY  
(i.e., policy, housekeeping, budget implementation)

## Who May Request BDRs

Legislators	Judicial Branch	Association of Cities or Counties
Executive Agencies	Local Governments	School Districts
NV Silver Haired Legislative Forum		Occupational Boards/Commissions



# Bill Draft Request (BDR) cont'd

## Important BDR Dates for 2024

MAY

Agency deadline for submittal of **non-budgetary (policy or housekeeping)** BDRs in NEBS

JUNE

Governor approves/disapproves **non-budgetary (policy or housekeeping)** BDRs and advises agencies

SEPTEMBER

Agency deadline for submittal to the Budget Division of **budgetary** BDRs with in-depth justification; must be necessary change to support budget request

# Fiscal Notes

**Fiscal Note: NRS 218D.400 to 218D.495 requires a fiscal note be prepared for every bill or joint resolution which:**

- makes an appropriation or increases to any existing appropriations
- creates or increases any fiscal liability or decreases any revenue which appears to be in excess of \$2,000
- increases or requires a term of imprisonment in the state prison or makes release on parole or probation from the state prison less likely

**Fiscal notes requested by the Legislative Branch must:**

- be prepared by the agency receiving the appropriation or collecting the revenue, reviewed by the Governor's Finance Office and returned to the LCB **within 5 working days of the note's request date**
- contain a reliable estimate of the anticipated change in appropriation authority, fiscal liability of State revenue and, to the extent possible, a projection of such changes in future biennia

# What happens after the Budget is passed and approved?

- The **framework** has been set for your budget for the next two years
- The agency will **implement and monitor** the approved budget
- Requests for **budget changes**, **contracts** and **leases** are prepared by the agency and then provided to the Budget Division to ensure such changes are consistent with legislative intent, all appropriate laws, regulations, policies and procedures

# Budget Monitoring

## *When the budget is done, what happens?*

- Accomplish what you set out to do, while not overspending your budget and conforming with state law/regulation/policy/procedure
- Fiscal staff should work with program staff to keep track of expected payroll and operating expenses, and any big changes that need to be made to the budget

## *What resources exist to guide me?*

- State Administrative Manual – contracts, travel policies, Open Meeting Law, etc.
- Your agency NRS, NAC, and department-specific policies
- Your fiscal staff's cash flow projections, payroll projections, and YTD budget spend tracking

# Recap - Agency Request Dates

## Even-numbered year:

**Feb. - Mar.** -Budget Kick-off meeting (account access opens in NEBS)

**April**

- Technology investments due to EITS
- Capital improvement requests due to the SPWD
- New/replacement vehicle requests to Fleet Services Division

**April – June** -Non-budgetary BDRs concept process to the Budget Division

**June** -EITS services and utilizations due in NEBS

**September 1** -Agency Requests due to the Budget Division and LCB Fiscal

**September**

- Agency submittal of final modifications to the Budget Division
- Budget hearings with the Governor's Office, Budget Division and LCB Fiscal Division

# Helpful Budget Building Tips

- Read and follow the budget instructions, they are updated each biennium.
- Start early on building your budgets, break it down into manageable bites, create internal deadlines and share these deadlines with agency program staff and management.
- Set Outlook to open on the calendar page so you are briefed on your day prior to reading emails.
- Allow time for entry into NEBS as it can be time consuming and there may be unexpected system downtime.
- Provide detailed documentation, calculations and backup to support the request.
- Be proud of your work submitted, take time to proof read, ensure all attachments are legible, facing the right way, and the font size is readable.

# Resources

- Budget Division – [budget.nv.gov](http://budget.nv.gov)
- Office of the Chief Information Officer – [it.nv.gov](http://it.nv.gov)
- State Public Works Division – [publicworks.nv.gov](http://publicworks.nv.gov)
- Buildings & Grounds – [publicworks.nv.gov](http://publicworks.nv.gov)
- Purchasing Division – [purchasing.nv.gov](http://purchasing.nv.gov)
- Controller's Office – [controller.nv.gov](http://controller.nv.gov)
- Data Warehouse of Nevada (DAWN) – [dawn.state.nv.us](http://dawn.state.nv.us)
- Legislative Counsel Bureau – [leg.state.nv.us](http://leg.state.nv.us)