



DEPARTMENT OF ADMINISTRATION

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ALL AGENCY MEMORANDUM #2010-38

September 16, 2010

TO: All Agencies

FROM: Andrew K. Clinger, Director
Department of Administration

SUBJECT: GENERAL FUND SAVINGS FOR CONTRACTS AND LEASES
PURSUANT TO AB 6, SECTION 17 OF THE 26TH SPECIAL SESSION

As you may recall, the Governor issued a letter to all departments on February 11, 2010 referencing *2010 Emergency Budget Action*. In this letter, the Governor directed all departments to analyze existing contracts and leases and determine if renegotiations could reduce costs by a minimum of 15%. Subsequent to this letter, the 26th Special Session approved AB 6. Section 17 of this bill directs the Executive, Judicial and Legislative Departments of State Government to identify reductions that may be made to appropriated amounts as a result of the renegotiation of contracts for services or for the rental or leasing of buildings, facilities or real property. If any such additional reductions are identified, the Department shall renegotiate the applicable contracts and the money saved must be reserved for reversion to the State General Fund in the manner provided by law.

Although not specifically cited in the bill, the amount of General Fund savings that needs to be realized is \$10.3 million over the 2009-11 biennium. Although General Fund agencies are not being given a target at this time, it is imperative that we meet this statewide target. To accomplish this, agencies must prepare and submit work programs transferring General Fund savings to category 93 unless the savings is less than \$100. Work program numbers should follow the configuration of "LC", budget account number, followed by the next letter of the alphabet, starting with A. For instance the first reduction work program submitted by Department of Taxation would be LC2361A, the second work program would be LC2361B. Once posted, transfer the General Fund to budget account 9081 – Budget Reserve via a journal voucher.

To assist you in your efforts, create consistencies, and to track the General Fund savings, we have developed a spreadsheet for you to use. The spreadsheet is located on our website at <http://budget.state.nv.us/> or to access it directly, please click on the following link: [General Fund Reductions to Contracts and Leases Spreadsheet](#). Please send quarterly updates to your assigned budget analyst beginning October 1st, 2010 (due the first business day of each month following the end of the quarter). Please contact your assigned budget analyst if you have any questions.

Although this exercise is directed at General Fund agencies, all other agencies should continue efforts as directed in the Governor's memo dated February 11th, 2010.

Thank you,



Andrew K. Clinger, Director