

ASSEMBLY COMMITTEE ON WAYS AND MEANS
JOINT SUBCOMMITTEE ON GENERAL GOVERNMENT
CLOSING REPORT
DEFERRED COMPENSATION COMMITTEE

The Joint Subcommittee on General Government has completed its review of the budget for the Deferred Compensation Committee.

DEFERRED COMPENSATION COMMITTEE (101-1017) DEFERRED

COMP-3: The Subcommittee recommended approving the Governor's recommendation with technical adjustments to replace the temporary services contract with a .75 FTE Administrative Assistant.

The Subcommittee recommended approving the remainder of the budget as recommended by the Governor with technical adjustments.

DEFERRED COMPENSATION COMMITTEE
General Fund Impacts of Subcommittee Closing

Page	Budget	Title	FY 2016	FY 2017
AS CLOSED BY SUBCOMMITTEE:				
DEFERRED COMP-3	101-1017	*Deferred Compensation Committee	-	-
			-	-
*No General Fund impact				

Title: DEFERRED COMPENSATION COMMITTEE
 Account: 101 - 1017

Budget Page: DEFERRED COMP-3, Volume III

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	(5,001)	125,812	(2615.74)	125,402	(0.33)	92,593	(26.16)
OTHER FUND	272,722	376,854	38.18	258,994	(31.27)	269,139	3.92
Total Revenues	267,721	502,666	87.76	384,396	(23.53)	361,732	(5.90)
Total FTE		1.00		1.75		1.75	

Adjustments to Revenue

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	00	2511	Increase balance forward due to adjustment in investment consultant contract cost.		20,000
B000	00	3849	Increase Client Charge revenue due to reinstatement of temporary services contract in Base.	18,910	18,910
E250	00	3849	Decrease Client Charge revenue due to elimination of temporary services contract upon approval of new position.	(14,182)	(18,910)
Sub-total				4,728	20,000
Line Item Changes to Revenues				4,728	20,000

Adjustments to Expenditures

Dec Unit	Cat	GL	Description	2015-16	2016-17
B000	04	7000	Reinstate temporary services contract in Base.	18,910	18,910
B000	04	7000	Reduce investment consultant contract per testimony at 3/5/15 budget hearing	(20,000)	(20,000)
B000	86	9000	Increase Reserve due to adjustment in investment consultant contract cost.	20,000	40,000
E250	04	7000	Eliminate temporary services contract upon approval of new position.	(14,182)	(18,910)
Sub-total				4,728	20,000
Line Item Changes to Expenditures				4,728	20,000

Total	0	0
Grand Total General Fund Impact of Closing Changes	0	0

Overview

The Nevada Deferred Compensation Program is a voluntary, tax-deferred supplemental retirement savings program for employees of the State of Nevada and other local government employers. The Deferred Compensation Committee (DCC) is comprised of five members appointed by the Governor, who, in conjunction with the Program Coordinator, are responsible for the administration of the deferred compensation plan with contractual assistance from qualified investment firms. The DCC reviews and determines plan activities, such as provider issues, changes to the plan, and appeals by the participants. In addition, the DCC contracts for completion of program compliance and financial audits of the plan. The budget is primarily funded from fees collected from plan providers and beneficiaries.

Major Closing Issue

New Administrative Assistant to Replace Contract Administrative Personnel

Discussion of Major Closing Issue

New Administrative Assistant to Replace Contract Administrative Personnel (E-250, DEFERRED COMP-5): The Executive Budget includes a net increase in Client Charges of \$7,985 in FY 2016 and \$17,297 in FY 2017 to replace current contract administrative personnel with a .75 FTE Administrative Assistant after eliminating \$18,910 in each fiscal year for contract administrative personnel. The Deferred Compensation Committee has contracted for the temporary position since FY 2008. Staff would note the temporary services contract expenditure was eliminated in the adjusted base budget. Staff has made technical adjustments to reinstate the temporary services contract expenditure in the adjusted base budget with a corresponding elimination in this decision unit effective October 1, 2015, which is reflected on the first page of the closing document. This request appears reasonable to Fiscal staff.

Does the Subcommittee wish to approve the replacement of the temporary services contract with a .75 FTE Administrative Assistant?

The Subcommittee recommended approving the Governor's recommendation to replace the temporary services contract with a .75 FTE Administrative Assistant effective October 1, 2015.

Other Closing Items

1. Cost Allocation (E-804, DEFERRED COMP-5): The Executive Budget includes \$68 in Client Charges over the 2015-17 biennium to cover centralized personnel services provided by the Department of Administration, Division of Human Resource Management. This recommendation appears reasonable to staff.
2. Reserve Level (Summary, DEFERRED COMP-5-6): The Governor recommends a reserve level at the end of the 2015-17 biennium of \$17,951, which is a significant reduction from the FY 2014 actual reserve level of \$125,812. The agency testified at the March 5, 2015, Joint Subcommittee on General Government that the agency has successfully negotiated a decrease in the investment consultant contract of \$20,000 per fiscal year. Staff has made a technical adjustment to decrease the investment contract by \$20,000 per fiscal year with a corresponding increase to reserve in the base budget, which is reflected on the first page of the closing document. The revised reserve level at the end of FY 2017 is projected to be \$57,951 after the technical adjustments, which is approximately a 65-day reserve. With the technical adjustment made by staff, the reserve level appears reasonable.

Does the Subcommittee wish to approve Other Closing Items as recommended by the Governor with technical adjustments made by Fiscal staff, and provide Fiscal staff the authority to make other technical adjustments as necessary?

The Subcommittee recommended approving Other Closing Items as recommended by the Governor with technical adjustments made by Fiscal staff, and provides Fiscal staff the authority to make other technical adjustments as necessary.