

**Assembly Committee on Ways and Means  
CLOSING LIST #9  
April 27, 2015**

<u>BUDGET ACCOUNT</u>	<u>EXECUTIVE BUDGET PAGE</u>
	<u>Volume I</u>
<b><u>Office of the Treasurer</u></b>	
State Treasurer (101-1080)	ELECTED-179
Nevada College Savings Trust (101-1092)	ELECTED-196
Endowment Account (101-1094)	ELECTED-201
Higher Education Tuition Administration (603-1081)	ELECTED-207
Millennium Scholarship Administration (261-1088)	ELECTED-214
Unclaimed Property (101-3815)	ELECTED-222

Title: TREASURER - STATE TREASURER  
 Account: 101 - 1080

Budget Page: ELECTED-179, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
<b>Revenues</b>							
BALANCE FORWARD	(42,972)	18,590	(143.26)				
GENERAL FUND	741,099	721,515	(2.64)	476,564	(33.95)	419,998	(11.87)
INTERAGENCY TRANSFER	762,827	799,292	4.78	1,013,021	26.74	1,025,663	1.25
INTERIM FINANCE	57,806	27,140	(53.05)				
OTHER FUND	951,208	992,801	4.37	1,355,884	36.57	1,372,788	1.25
Total Revenues	2,469,968	2,559,338	3.62	2,845,469	11.18	2,818,449	(0.95)
<b>Total FTE</b>		23.00		24.00		24.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E225	00	4330	Adjust Treasurer's Assessment to reflect the reduction in the number of trips from 29 to 15 and the cost of roundtrip airfare.	(13,909)	(13,909)
E225	00	4330	Adjust Treasurer's Assessment to reflect the elimination of per diem reimbursement for 6 trips for the State Treasurer.	(4,278)	(4,278)
<b>Sub-total</b>				(18,187)	(18,187)
<b>Line Item Changes to Revenues</b>				(18,187)	(18,187)

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16	2016-17
E225	03	6000	Reduce number of trips from 29 to 15 and adjust roundtrip airfare.	(13,909)	(13,909)
E225	03	6000	Eliminate per diem reimbursement for 6 trips for the State Treasurer.	(4,278)	(4,278)
<b>Sub-total</b>				(18,187)	(18,187)
<b>Line Item Changes to Expenditures</b>				(18,187)	(18,187)

<b>Total</b>	0	0
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<b>Grand Total General Fund Impact of Closing Changes</b>	0	0
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**Overview**

The State Treasurer, which has offices located in Carson City and Las Vegas, is responsible for investing state and local governments' funds, issuing and servicing debt on behalf of the state, managing the state's pooled collateral program, distributing interest earnings to statutorily approved funds and budget accounts, managing the state's banking relationships, reconciling bank transactions, drawing federal funds, and the distribution of state checks. The office is also responsible for the administration of the Governor Guinn Millennium Scholarship program, Nevada Prepaid Tuition program, the state's 529 College Savings Plans program, and the Unclaimed Property program. The Executive Budget recommends \$5.7 million in total funding for the State Treasurer for the 2015-17 biennium compared to the \$5.0 million approved by the 2013 Legislature, an increase of 12.8 percent.

**Major Closing Issues**

1. Management Analyst Position for New Micro Loan Program
2. In-State Travel Increase
3. Office Moving/Remodeling in Las Vegas
4. Position Changes

**Discussion of Major Closing Issues**

1. Management Analyst Position for New Micro Loan Program (E-250, ELECTED-182): The Executive Budget includes \$125,797 over the 2015-17 biennium for a Management Analyst position for a new Micro Loan Program. However, staff received formal communication from the State Treasurer on February 17, 2015, to withdraw the request for the new Management Analyst position. Based on the withdrawal of the request by the State Treasurer’s Office, Fiscal staff recommends the Committee not approve this decision unit.

**Does the Committee wish to not approve the addition of a Management Analyst position for a new Micro Loan Program pursuant to the request of the State Treasurer?**

2. In-State Travel Increase (E-225, ELECTED-181): The Governor recommends \$24,567 in Treasurer’s Assessments in each fiscal year of the 2015-17 biennium to fund 29 additional in-state trips to allow the State Treasurer and several deputies to oversee programs or attend and meet with boards and committees on which they serve. However staff received formal communication from the State Treasurer on February 17, 2015, proposing to reduce the request to 15 additional in-state trips per fiscal year. Additionally, the Treasurer’s Office requested roundtrip airfare between Reno and Las Vegas at \$242.20 each for Las Vegas staff traveling to Carson City and \$182.20 each for Carson City staff traveling to Las Vegas. In response to questions by Fiscal staff, the Treasurer’s Office has requested the roundtrip airfare for all trips to be consistent at \$216.50 each, which appears reasonable to staff.

During the April 20, 2015, Committee on Ways and Means budget closing and through formal communication to staff, the Treasurer’s Office requested a reduction in the costs for the 6 trips recommended for the State Treasurer by eliminating the per diem reimbursement originally recommended. The revised request for 15 additional in-state trips, including the adjustment to roundtrip airfare for all trips and the elimination of per diem for 6 trips for the State Treasurer, totals \$6,380 per fiscal year as outlined on the following table:

State Treasurer - Additional In-State Travel				
Position	Additional Travel Requested	Revised Request		
		Number of Trips	Price Per Trip	Total
State Treasurer	5-day trip to <b>Las Vegas</b>	6	\$ 363	\$ 2,175
Chief Deputy Treasurer	1-day trip to Las Vegas	3	\$ 332	\$ 995
Chief of Staff	1-day trip to Las Vegas	3	\$ 332	\$ 995
Senior Deputy, North	3-day trip to Las Vegas	1	\$ 739	\$ 739
Senior Deputy, South	3-day trip to Carson City	1	\$ 739	\$ 739
Deputy - Cash Management	3-day trip to Las Vegas	1	\$ 739	\$ 739
<b>Totals</b>		15		<b>\$ 6,380</b>

Bold Items are changes requested by the State Treasurer at the April 20, 2015 budget closing.

Staff has made a technical adjustment to reduce the number of in-state trips from 29 to 15, adjust the roundtrip airfare between Reno and Las Vegas to \$216.50, and eliminate the per diem reimbursement for 6 trips for the State Treasurer, which is reflected on the first page of this closing document. The request, as revised by the Treasurer's Office, would increase in-state travel from \$6,606 in FY 2014 to \$12,986 in each fiscal year of the 2015-17 biennium.

**Does the Committee wish to approve the increase in in-state travel recommended by the Governor, including the technical adjustment made by Fiscal staff to reduce the number of trips, adjust the cost of roundtrip airfare, and eliminate the per diem reimbursement for six trips for the State Treasurer as requested by the Treasurer's Office?**

3. Office Moving/Remodeling in Las Vegas (E-226, ELECTED-181 and 182): The Governor recommends \$3,750 in Treasurer's Assessments in FY 2016 to fund moving and remodeling costs to meet the agency's current needs in Las Vegas. Fiscal staff notes that the Treasurer requested a total of \$50,000 in FY 2016 for the moving and remodeling project. Although the recommendation is included in the State Treasurer (\$3,750), Millennium Scholarship Administration (\$10,400), and Unclaimed Property (\$25,400) budgets, the request for the Higher Education Tuition Administration budget (\$10,450) was inadvertently excluded from The Executive Budget. Staff has worked with the agency and the Executive Budget Office to determine the technical adjustment that will be made by staff in the Higher Education Tuition Administration budget if this decision unit is approved by the Committee.

According to the information included in The Executive Budget, the current space occupied by the Treasurer in the Grant Sawyer Building is spread out over three sections in the building and is too small for the agency's current needs. Based on responses to questions from Fiscal staff, as of April 15, 2015, the Treasurer's Office does not have any definitive information on plans or costs regarding the office consolidation and/or relocation. Staff will ensure the companion budgets are updated to accurately reflect the decision made by the Committee in this budget.

**Does the Committee wish to approve the Governor's recommendation to fund moving/remodeling costs for the State Treasurer's Las Vegas office?**

4. Position Changes: Budget Amendment A150781080 was received by the Fiscal Analysis Division on April 15, 2015, recommending \$123,154 (\$5,407 in Bank Assessments, \$49,877 in Cost Allocation Reimbursement, \$63,092 in Treasurer's Assessment, and \$4,778 in Tobacco Settlement funds) over the 2015-17 biennium to reclassify an Accounting Assistant position to a Management Analyst effective July, 2015 and add a Public Information Officer position effective October, 2015.
  - a. Reclassification of an Accounting Assistant position to a Management Analyst: The Interim Finance Committee approved the addition of a Management Analyst position for the Merchant Services Division on December 11, 2012, to support the state's e-payment/merchant services program and provide oversight for the arbitrage program. This request would provide total funds of \$9,082 (\$399 in Bank Assessments, \$3,678 in Cost Allocation Reimbursement, \$4,653 in Treasurer's Assessment, and \$352 in Tobacco Settlement funds) over the 2015-17 biennium for an additional Management Analyst position for the merchant services program. According to information included in Budget Amendment A150781080, the additional Management Analyst position is necessary due to a 31 percent increase in agencies that are now using e-payments since FY 2012 as well as an increase in transactions from 2.4 million in FY 2012 to over 3.0 million in FY 2014. Although the information provided by the Treasurer's Office states that these increases have yielded a measurable increase in the workload for the Merchant Services Program and resulted in the need for resources designated specifically for the management and oversight of the program, no information was provided to explain how the increase in agency and transaction

volume impacts the workload of the existing Management Analyst. Additionally, the information provided does not address the current workload of the Accounting Assistant position.

**Does the Committee wish to approve the Governor's amended recommendation to reclassify a position from an Accounting Assistant to a Management Analyst for the Merchant Services Program?**

- b. Public Information Officer: This request would provide \$114,072 (\$5,008 in Bank Assessments, \$46,199 in Cost Allocation Reimbursement, \$58,439 in Treasurer's Assessment, and \$4,426 in Tobacco Settlement funds) over the 2015-17 biennium for a Public Information Officer position that, according to information included in Budget Amendment A150781080, is necessary to address inquiries, appointments, and press related items, which are currently being handled by the Chief of Staff and Senior Deputy Treasurer. The position would be responsible for responding to questions by media, state and local officials, and the public regarding activities and programs managed by the Treasurer's Office; writing speeches for presentations; drafting articles for the public; interacting with the public; planning photo shoots; acting as a liaison with school districts; and explaining technical activities and programs overseen by the Treasurer's Office.

**Does the Committee wish to approve the Governor's amended recommendation to add a new Public Information Officer position?**

#### **Other Closing Items**

1. Replacement Equipment (E-710, ELECTED-183): The Executive Budget includes \$34,710 in FY 2016 and \$8,511 in FY 2017 for computer hardware and software including 1 switch, 2 servers, and 11 desktop computers. **This recommendation appears reasonable.**
2. New Equipment (E-720, ELECTED-183): The Governor recommends \$20,443 in FY 2016 for computer hardware and software including a server and associated software licenses. **This recommendation appears reasonable.**

**Fiscal staff recommends approving the Other Closing Items as recommended by the Governor and requests authority for staff to make technical adjustments as necessary.**

Title: TREASURER - NEVADA COLLEGE SAVINGS TRUST  
 Account: 101 - 1092

Budget Page: ELECTED-196, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
OTHER FUND	3,727,243	4,083,251	9.55	3,641,611	(10.82)	1,643,650	(54.86)
Total Revenues	3,727,243	4,083,251	9.55	3,641,611	(10.82)	1,643,650	(54.86)
<b>Total FTE</b>		2.00		2.00		2.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Revenues</b>				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Expenditures</b>				0	0

**Total** 0 0

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

**Overview**

The Nevada College Savings Program is overseen by the statutorily-created, five-member Board of Trustees of the College Savings Plans of Nevada (Board). The programs' plans allow individuals to establish and contribute to a child's college savings account and then use the savings proceeds to pay for qualifying higher education expenses. Withdrawals, including earnings on contributions, which are used for qualifying educational expenses are not subject to federal taxation. The value of each account is based upon investment performance. Unlike the Nevada Prepaid Tuition program operated by the Treasurer's Office (Budget 1081), which locks in the cost of future educational expenses at current prices, the value of a college savings account is subject to investment gains and losses. The proceeds from the 529 College Savings Plan can be used at any eligible educational institution in the United States. The value of each college savings account is based upon investment performance. The Governor recommends \$5.3 million inclusive of the \$796,894 in non-cash, in-kind program marketing and staffing by UPromise, the program's manager, over the 2015-17 biennium, which represents an increase of 30.2 percent over the \$4.1 million approved by the 2013 Legislature.

**Major Closing Issues**

There are no major closing issues.

**Other Closing Items**

1. College Kick Start Program (BASE, ELECTED-196): The adjusted base budget includes \$2.0 million in funds transferred from the Endowment Account budget in FY 2016 for the Nevada College Kick Start (CKS) Program that establishes college savings accounts with an initial deposit of \$50 for all public school kindergarten students in Nevada. The program was initially established in the fall of 2013 as a

pilot program for kindergarten classes in 13 rural counties and was expanded statewide by the Board on December 9, 2013, with an evaluation of the program required after three years. Funding is included in The Executive Budget for FY 2016, which is the third year of the program, but is not included for FY 2017 since the Board requires a reevaluation of the program after three years. According to the Treasurer's Office, measurement of the progress of outreach and enrollment, along with other metrics, would be examined by the Board in making a decision on whether to extend the program past the initial three years.

According to testimony by the agency at the budget hearings, the CKS program includes 64,221 students participating in the program, but it does not include individual participant accounts of \$50 each. The funds are located in two general accounts for investment purposes. The funds remain with the state until the individual student withdraws the funds to attend college. The families will receive periodic information on the importance of planning and saving for an education beyond high school. As of February 2015, a total of 348 participants have established a second account for depositing their own funds. In response to questions by Fiscal staff, the Treasurer's Office indicated that CKS participants, upon attendance at an eligible postsecondary institution, will receive any principal saved plus any accrued interest in their CKS account to pay for qualified expenses. **This recommendation appears reasonable.**

2. Cost Allocation (M-800 and E-800, ELECTED-198 & 199): The Governor recommends \$17,171 over the 2015-17 biennium for costs related to the Treasurer's Office centralized personnel services function. **This recommendation appears reasonable.**
3. Replacement Equipment (E-710, ELECTED-198): The Executive Budget includes \$2,833 in FY 2016 for one desktop computer and one laptop computer. **This recommendation appears reasonable.**
4. New Equipment (E-720, ELECTED-198 & 199): The Governor recommends \$4,592 in FY 2016 for server licenses, hardware and associated software. **This recommendation appears reasonable.**

**Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.**

Title: TREASURER - ENDOWMENT ACCOUNT  
 Account: 101 - 1094

Budget Page: ELECTED-201, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
BALANCE FORWARD	(3,793,331)	6,764,235	(278.32)	3,824,134	(43.47)	3,969,546	3.80
OTHER FUND	9,724,677	4,786,535	(50.78)	6,258,123	30.74	6,792,596	8.54
Total Revenues	5,931,346	11,550,770	94.74	10,082,257	(12.71)	10,762,142	6.74

**Total FTE**

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				0	0

**Overview**

*Nevada Revised Statutes* (NRS) 353B.350 establishes a Program Account in the Nevada College Savings Trust Fund, as well as an Administrative Account (Budget 1092) and an Endowment Account in the State General Fund. Pursuant to NRS 353B.350(5), the Endowment Account must be used for the deposit of any money received by the Nevada College Savings Program that is not received pursuant to a savings trust agreement and, in the determination of the State Treasurer, is not necessary for use in the Administrative Account. The main source of revenue in this budget is the program management fees (contract services charges) paid by the 529 Plan managers for being part of the pool of state-sponsored plan options. The money in the Endowment Account may be expended for any purpose related to the Nevada College Savings Program, to administer the Governor Guinn Millennium Scholarship program or to otherwise assist the residents of this state to attain postsecondary education. The Executive Budget includes total funding of \$20.8 million over the 2015-17 biennium.

**Major Closing Issues**

There are no major closing issues.

**Other Closing Items**

1. Prepaid Tuition Stabilization (BASE, ELECTED-201): The base budget includes Contract Services Charges of \$3.6 million over the 2015-17 biennium to improve the financial viability of the Prepaid Tuition Trust Fund. The 2011 Legislature approved the Board of Trustees of the College

Savings Plans of Nevada's recommendation to transfer \$1.32 million in each year of the 2011-13 biennium from the Endowment Account to the Prepaid Tuition Trust Fund for this same purpose. According to the Treasurer's Office annual report, the statutorily required (NRS 353B.190) annual actuarial study of the Nevada Higher Education Prepaid Tuition Trust Fund, as of June 30, 2014, the Trust Fund held assets of \$194.0 million and a funded status of 112 percent. The transfer of \$1.8 million in each year of the 2015-17 biennium, which is consistent with the level of funding transferred in the 2013-15 biennium, will assist with establishing the Board's goal of 120 percent funded status within ten years (2020) due to higher tuition costs. **This recommendation appears reasonable.**

2. College Kick Start Program (BASE, ELECTED-201): The base budget includes Contract Services Charges of \$2.0 million in FY 2016 that transfers to the Nevada College Savings Account budget to fund the Nevada College Kick Start (CKS) Program. The CKS program is described in detail in the closing document for the Nevada College Savings Account budget. **This recommendation appears reasonable.**

**Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.**

Title: TREASURER - HIGHER EDUCATION TUITION ADMIN  
 Account: 603 - 1081

Budget Page: ELECTED-207, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
OTHER FUND	514,084	594,921	15.72	650,809	9.39	674,703	3.67
Total Revenues	514,084	594,921	15.72	650,809	9.39	674,703	3.67
<b>Total FTE</b>		3.00		3.00		3.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Revenues</b>				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Expenditures</b>				0	0
<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				0	0

**Overview**

The Nevada Higher Education Prepaid Tuition program (Prepaid Tuition Program) is a qualified federal Internal Revenue Code Section 529 plan that provides a method for Nevada’s families to prepay undergraduate tuition at a Nevada System of Higher Education (NSHE) institution or any other accredited public, private, or out-of-state institution that is eligible to participate in federal student financial aid programs. The program is overseen by the statutorily-created, five-member Board of Trustees of the College Savings Plans of Nevada. The Higher Education Tuition Administration budget includes revenues and costs associated with the administration of the program. The Prepaid Tuition Trust Fund, established pursuant to NRS 353B.140, contains receipts and expenditures related to the individual contracts purchased by Nevada families and is not reflected in The Executive Budget. The Governor recommends \$1.3 million over the 2015-17 biennium, which is an 11.3 percent increase over the \$1.2 million approved by the 2013 Legislature.

**Major Closing Issues**

There are no major closing issues.

**Other Closing Items**

1. Office Moving/Remodeling in Las Vegas: The Treasurer requested a total of \$50,000 in FY 2016 for a moving and remodeling project for the Treasurer’s Las Vegas office. Although the recommendation is included in the budgets of State Treasurer (\$3,750), Millennium Scholarship Administration (\$10,400), and Unclaimed Property (\$25,400), the request for the Higher Education Tuition Administration budget

(\$10,450) was inadvertently excluded from The Executive Budget. Staff has worked with the agency and the Executive Budget Office to determine the technical adjustment that will be made by staff in the Higher Education Tuition Administration budget if the moving/remodeling project is approved by the Committee in the State Treasurer budget. **Fiscal staff requests authority to make technical adjustments as necessary to reflect the decision made by the Committee in the State Treasurer's budget.**

2. Cost Allocation (M-800 and E-800, ELECTED-208 & 210): The Governor recommends \$4,293 over the 2015-17 biennium for costs related to the Treasurer's Office centralized personnel services function. **This recommendation appears reasonable.**
3. Replacement Equipment (E-710, ELECTED-209): The Executive Budget includes \$1,258 in FY 2016 for one desktop computer and \$4,991 in each fiscal year of the biennium for DocuSign software. **This recommendation appears reasonable.**
4. New Equipment (E-720, ELECTED-209 & 210): The Governor recommends \$4,630 in FY 2016 for server licenses, hardware and associated software. **This recommendation appears reasonable.**

**Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.**

Title: TREASURER - MILLENNIUM SCHOLARSHIP ADMINISTRATION  
 Account: 261 - 1088

Budget Page: ELECTED-214, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
OTHER FUND	337,474	415,341	23.07	387,277	(6.76)	378,944	(2.15)
Total Revenues	337,474	415,341	23.07	387,277	(6.76)	378,944	(2.15)
<b>Total FTE</b>		3.00		3.00		3.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Revenues</b>				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
<b>Sub-total</b>				0	0
<b>Line Item Changes to Expenditures</b>				0	0
<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				0	0

**Overview**

The Millennium Scholarship program was recommended by Governor Guinn and approved by the 1999 Legislature to increase the number of Nevada students who attend and graduate from Nevada institutions of higher education. In general, to be eligible for a Millennium Scholarship, a student must graduate with a diploma from a Nevada high school with at least a 3.25 grade point average, pass all areas of the Nevada High School Proficiency Examination, and have been a resident of Nevada for at least two years of high school. Alternative eligibility paths have been established for students with a documented physical disability, mental disability or whose K-12 education was subject to an individualized education plan, and for those students who meet high school graduation eligibility without having graduated from a Nevada public or private high school. The Millennium Scholarship provides \$40 per enrolled lower division credit hour and \$60 per enrolled upper division credit hour at a Nevada System of Higher Education (NSHE) community college; \$60 per enrolled credit hour at a NSHE state college; and \$80 per enrolled credit hour at all other eligible institutions, excluding remedial courses. The funding is limited to a maximum of 12 credits per semester, counting all coursework at all institutions with a lifetime maximum award of \$10,000 per student. Pursuant to NRS 353B.350, the Millennium Scholarship Administration budget includes funds transferred from the Endowment Account to cover the costs of administering the program. The Governor recommends \$766,221 in transfers from the Endowment Account over the 2015-17 biennium, which is a 7.6 percent decrease from the \$828,854 approved by the 2013 Legislature.

The purpose of the Millennium Scholarship Administration budget is to account for the costs related to administering the program. The Millennium Scholarship revenues and expenditures are accounted for in the Millennium Scholarship fund, a separate budget account that is not included in The Executive Budget. In response to a request from Fiscal staff, the Treasurer's Office provided an updated projection on the Millennium Scholarship Trust Fund March 26, 2015, that indicates that, if no changes are made to the Governor Guinn Millennium Scholarship program, it is projected to be solvent through FY 2020. The projection includes the elimination of the Strategic Contribution Fund payments to states in FY 2018 that are included in the Tobacco Settlement Master Settlement Agreement and are intended to reflect the level of the contribution each state made toward final resolution of the state lawsuits against tobacco companies.

### **Major Closing Issues**

There are no major closing issues.

### **Other Closing Items**

1. Office Moving/Remodeling in Las Vegas (E-226, ELECTED-216): The Governor recommends \$10,400 in funds transferred from the Endowment account in FY 2016 to fund moving and remodeling costs to meet the agency's current needs in Las Vegas. Fiscal staff notes that the Treasurer requested a total of \$50,000 in FY 2016 is requested in the Treasurer's Office budgets for the moving and remodeling project. Although the recommendation is included in the State Treasurer (\$3,750), Millennium Scholarship Administration (\$10,400), and Unclaimed Property (\$25,400) budgets, the request for the Higher Education Tuition Administration budget (\$10,450) was inadvertently excluded from The Executive Budget. Staff has worked with the agency and the Executive Budget Office to determine the technical adjustment that will be made by staff in the Higher Education Tuition Administration budget if the moving/remodeling project is approved by the Committee in the State Treasurer budget. **Fiscal staff requests authority to make technical adjustments as necessary to reflect the decision made by the Committee in the State Treasurer's budget.**
2. Cost Allocation (M-800 and E-800, ELECTED-215 and 217): The Governor recommends \$4,292 over the 2015-17 biennium for costs related to the Treasurer's Office centralized personnel services function. **This recommendation appears reasonable.**
3. Replacement Equipment (E-710, ELECTED-216): The Executive Budget includes \$1,575 in FY 2016 for one laptop computer. **This recommendation appears reasonable.**
4. New Equipment (E-720, ELECTED-216 and 217): The Governor recommends \$4,630 in FY 2016 for server licenses, hardware and associated software. **This recommendation appears reasonable.**

**Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.**

### **Additional Information - No Action Required**

1. Senate Bill (SB) 128 was re-referred to the Senate Committee on Finance April 6, 2015. Senate Bill 128 increases the number of credit hours in which a NSHE community college student must be enrolled to be eligible for a Millennium Scholarship from 6 credit hours to 9 credit hours beginning July 1, 2015. Additionally, for all students regardless of whether they are enrolled at a NSHE community college, state college, or university or at an eligible accredited private 4-year institution in Nevada (currently Sierra Nevada College and Roseman University), S.B.128 also increases the amount of money that a student may receive from a Millennium Scholarship from not more than the cost of 12 semester credit hours per semester to not more than the cost of 15 semester credits per semester. The cumulative maximum amount of money that such a student may receive remains unchanged at

\$10,000. According to information provided by the Treasurer's Office, SB128 shortens the long-term viability of the program by two years with the program becoming insolvent in FY 2018.

2. Assembly Bill (AB) 111 was passed and approved as amended by the Assembly on April 3, 2015, and was referred to the Senate Committee on Education on April 6, 2015. Assembly Bill 111 increases the number of credit hours in which a NSHE community college student must be enrolled to be eligible for a Millennium Scholarship from 6 credit hours to 9 credit hours beginning July 1, 2015. Additionally, for all students regardless of whether they are enrolled at a NSHE community college, state college, or university or at an eligible accredited private 4-year institution in Nevada (currently Sierra Nevada College and Roseman University), AB111 also increases the amount of money that a student may receive from a Millennium Scholarship from not more than the cost of 12 semester credit hours per semester to not more than the cost of 13 semester credits per semester beginning July 1, 2015, 14 semester credits per semester beginning July 1, 2016, and 15 semester credits per semester beginning July 1, 2017. The cumulative maximum amount of money that such a student may receive remains unchanged at \$10,000. According to information provided by the Treasurer's Office, A.B.111 shortens the long-term viability of the program with the program becoming insolvent as early as FY 2019.
3. Assembly Bill (AB) 150 was passed and approved as introduced by the Assembly on March 16, 2015, and was referred to the Senate Committee on Education on March 17, 2015. Assembly Bill 150 extends eligibility of the Governor Guinn Millennium Scholarship to students who do not meet the minimum grade point average requirement based on his or her year of graduation, but who receive a certain score on a college entrance examination offered in this state. Assembly Bill 150 requires the Board of Regents of the University of Nevada to establish such score requirements. The Treasurer's Office is unable to determine how A.B.150 may affect the total number of eligible students and the impact on the long-term viability of the program.

## **ATTACHMENT (1 PAGE)**

Millennium Scholarship Trust Fund Projected Fund Balance

Millennium Analysis - No Changes

	Actual FY06	Actual FY07	Actual FY08	Actual FY09	Actual FY10	Actual FY11	Actual FY12	Actual FY13
Beginning Fund Balance	3,044,642	31,634,209	29,141,940	29,748,344	18,753,460	12,193,881	10,432,419	10,675,794
Appropriation	35,000,000							
Prior Year Refunds		207		2,720		4,520		
Gifts and Donations/Misc. Income						124,994		
Administration Costs		(320,269)	(393,470)	(390,208)	(11,251)	(7,651)		
Transfer from College Savings					2,300,000	1,906,283		
Transfer from Unclaimed Property (mid year)								
Fall & Summer Scholarship Payments (Sept)	(17,459,798)	(14,990,788)	(15,242,777)	(15,169,550)	(14,779,769)	(13,772,000)	7,600,000	7,600,000
Spring Scholarship Payments (February)	(11,326,506)	(10,468,750)	(10,594,505)	(10,671,022)	(10,657,158)	(9,886,066)	(13,220,982)	(13,268,905)
Interest Revenue (1st & 2nd, 3rd qtrs)	678,612	675,762	691,869	343,704	70,658		(9,833,270)	(9,799,453)
Balance after Spring Scholarship Payment	9,557,852	6,530,372	3,603,056	3,863,988	(4,324,060)	(9,436,039)	(5,021,833)	(4,792,564)
Projected Tobacco Revenue (April)	14,106,876	14,778,081	18,196,213	19,822,336	16,586,869	15,542,056	15,828,273	23,592,868
Reconciliation payment/receipt (June)	153,418	20,776	186,756	(7,051)	(69,332)	(548,604)	(130,645)	77,811
Interest Revenue (4th qtr)	216,064	212,711	162,318	74,187	403			
Appropriation (Gov Rec 2011 Session)				(5,000,000)		10,000,000		
Transfer to General Fund						(5,000,000)		
Transfer from Unclaimed Property (year end)								
Ending Fund Balance	7,600,000	7,600,000	7,600,000	18,753,460	12,193,881	10,557,413	10,675,794	18,878,114

	Actual FY14	Projected FY15	Projected FY16	Projected FY17	Projected FY18	Projected FY19	Projected FY20	Projected FY21	Projected FY24
Beginning Fund Balance	18,878,114	25,451,826	24,709,186	22,623,527	19,374,061	14,131,871	8,357,843	2,236,972	
Administration (paid by College Savings)									
Transfer from Unclaimed Property (mid year)									
Appropriation (Gov Rec 2013 Session)	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000	7,600,000
Fall & Summer Scholarship Payments (Sept)	(13,620,240)	(14,201,332)	(14,635,638)	(15,290,826)	(15,795,318)	(16,071,715)	(16,268,878)	(16,320,857)	(16,320,857)
Spring Scholarship Payments (February)	(10,312,445)	(10,071,660)	(10,500,436)	(10,968,444)	(11,323,261)	(11,528,265)	(11,628,542)	(11,658,477)	(11,658,477)
Interest Revenue (1st & 2nd, 3rd qtrs)									
Subtotal Remaining after Spring Payment	9,645,429	8,778,834	7,173,112	3,964,257	(144,518)	(5,868,109)	(11,939,577)	(18,142,392)	
Projected Tobacco Revenue (April)	15,656,974	15,930,352	15,450,415	15,409,804	14,276,389	14,225,952	14,176,549	14,156,468	
Reconciliation payment/receipt (June)	78,114								
Interest Revenue (4th qtr)	71,309								
Transfer from Unclaimed Property (End FY)									
Ending Fund Balance	25,451,826	24,709,186	22,623,527	19,374,061	14,131,871	8,357,843	2,236,972	(3,985,924)	

Sources for Major Projections:

1. Revised number of eligible students were received from NSHEWICHE on 2/12/14.
2. The percentage utilization of the GEMS program by eligible students is based on actual historical usage for each semester. The projected utilization rate in the first Fall semester by high school graduates is 55.3%. The first spring semester usage was directed by LCB to be the average of the last two available fiscal years, which is 72.8%.
3. Future expenditures per student are based on the average of the last two years' actual costs by institution type.
4. Tobacco revenue projections are based on projections of Barclays Capital/Global Insights, adjusted downward by 0% from FY2014-2021. The AGO estimated FY2013 revenues.
5. On 4-13, LCB requested that we assume \$1 million for administrative costs for Taxation and AGO to be paid from MSA tobacco proceeds.
6. FY15 shows actuals for the fall and projected totals for the spring

Notes:

1. FY 10 & 11 administration costs are for IT Cost allocation only, all other admin costs are covered by the College Savings Endowment Account.
2. FY 12 beginning balance was reduced by \$124,994 when the Kenny G. Guinn Memorial Millennium Trust authorized by SB220 in the 2011 Session was established. Donations had been deposited into the Millennium Scholarship Trust Fund until that time.
3. Transfers from Unclaimed Property were suspended in FY09-FY11 by Legislative action and resumed in FY12

Title: TREASURER - UNCLAIMED PROPERTY  
 Account: 101 - 3815

Budget Page: ELECTED-222, Volume I

	2013-14 Actual	2014-15 WP	% Chg	2015-16 GOV REC	% Chg	2016-17 GOV REC	% Chg
Revenues							
OTHER FUND	1,850,691	1,869,321	1.01	2,073,235	10.91	2,078,415	0.25
Total Revenues	1,850,691	1,869,321	1.01	2,073,235	10.91	2,078,415	0.25
<b>Total FTE</b>		12.00		12.00		12.00	

**Adjustments to Revenue**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Revenues				0	0

**Adjustments to Expenditures**

Dec Unit	Cat	GL	Description	2015-16 Gov Rec	2016-17 Gov Rec
Sub-total				0	0
Line Item Changes to Expenditures				0	0
<b>Total</b>				0	0
<b>Grand Total General Fund Impact of Closing Changes</b>				0	0

**Overview**

Pursuant to *Nevada Revised Statutes* (NRS) Chapter 120A, the Unclaimed Property Division within the Treasurer’s Office is responsible for collecting unclaimed property, locating owners of unclaimed property, and auditing businesses (holders) to ensure that they have reported unclaimed property in their possession. All money received by the division and the proceeds from the sale of other (safe deposit box contents, financial securities) unclaimed property received by the division are deposited in the state’s Abandoned Property Trust (Trust) account. Pursuant to NRS 120A.620, by the end of each fiscal year and after the first \$7.6 million of the Trust account’s balance is transferred to the Millennium Scholarship Trust Fund, the balance of the money in the Trust account must be transferred to the General Fund. Although properties may be sold and the proceeds transferred to the General Fund, the rightful owners or heirs never surrender their claiming rights. According to the Treasurer’s Office website, the Nevada Unclaimed Property Division is currently safeguarding over \$650 million in unclaimed property and more than \$34 million was returned to original owners or their heirs last year.

**Major Closing Issues**

There are no major closing issues.

**Other Closing Items**

1. Office Moving/Remodeling in Las Vegas (E-226, ELECTED-224): The Governor recommends \$25,400 in funds transferred from Abandoned Property in FY 2016 to fund moving and remodeling costs to meet the offices’ current needs in Las Vegas. Fiscal staff notes that the Treasurer requested a

total of \$50,000 in FY 2016 for the moving and remodeling project. Although the recommendation is included in the State Treasurer (\$3,750), Millennium Scholarship Administration (\$10,400), and Unclaimed Property (\$25,400) budgets, the request for the Higher Education Tuition Administration budget (\$10,450) was inadvertently excluded from The Executive Budget. Staff has worked with the agency and the Executive Budget Office to determine the technical adjustment that will be made by staff in the Higher Education Tuition Administration budget if the moving/remodeling project is approved by the Committee in the State Treasurer budget. **Fiscal staff requests authority to make technical adjustments as necessary to reflect the decision made by the Committee in the State Treasurer's budget.**

2. Cost Allocation (M-800 and E-800, ELECTED-224 & 225): The Governor recommends \$11,652 over the 2015-17 biennium for costs related to the Treasurer's Office centralized personnel services function. **This recommendation appears reasonable.**
3. New Equipment (E-720, ELECTED-225): The Governor recommends \$12,762 in FY 2016 for server licenses, hardware and associated software. **This recommendation appears reasonable.**

**Fiscal staff recommends this budget be closed as recommended by the Governor and requests authority to make technical adjustments as necessary.**