

STUDY OF STATE BUDGET PROCESS

*Bulletin No. 91-13*

LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA

SEPTEMBER 1990



Senate Concurrent Resolution No. 44—Senators Rhoads, Raggio,  
Rawson, Jacobsen, Mello, Hickey and Beyer

FILE NUMBER.....194

SENATE CONCURRENT RESOLUTION—Requiring an interim study of the state budget process.

WHEREAS, The State of Nevada has grown from 488,000 residents in 1969 to over 1,000,000 residents today; and

WHEREAS, The biennial budget, which is reviewed by the Legislature for the State of Nevada, has grown from \$397 million in 1969 to over \$3.9 billion in 1989; and

WHEREAS, The diversity and complexity of the services provided by the state to its residents has grown proportionately to the growth in the budget and the population; and

WHEREAS, The executive budget has grown from 230 budgets in 1969 to 445 budgets in 1989 and from 551 pages in 1969 to 1,498 pages in 1989; and

WHEREAS, The format of the current budget document has not changed since 1969 even though the size and complexity of the state's programs have changed; and

WHEREAS, The current budget process starts in June of every even-numbered year and ends when the Legislature adjourns sine die in odd-numbered years; and

WHEREAS, Budget approval is the process whereby the Legislature exercises its constitutional obligation to reflect the needs and wishes of the residents of this state in the allocation of its financial resources; and

WHEREAS, Today's legislator, with the help of modern technology and professional services of a staff, is well-equipped to provide timely and relevant input into the budget process; and

WHEREAS, There is currently no opportunity for the Legislature to review budget proposals of the Governor before the beginning of the Legislative session and the length of the session is often determined by the length of the budget-review process; and

WHEREAS, The budget process should not focus on narrow year-to-year policy decisions, but should evaluate efforts in the past and formulate budgets giving consideration to the long-term effect; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the committee to study the state budget process is hereby created and directed to conduct a comprehensive study of the state budget process; and be it further

RESOLVED, That the study include an examination, review and evaluation of:

1. The current budget process including the documents used and the chronology of the process;
2. The format of the executive budget;
3. The method for the Governor to recommend any new programs or revenues;
4. The budget review process and the documents used in selected other states;

5. The proper role of the Legislature in the budget process and its influence on the outcome of the approved biennial budget and how that role can be enhanced;

6. Long-range planning techniques currently used or which need to be used;

7. The capital budget process;

8. The establishment of measurable indicators of program performance by the various state agencies;

9. The establishment of agency and program goals; and

10. The appropriate role of the Governor and the Legislature in the budget process;

and be it further

RESOLVED, That the committee to study the state budget process consists of eight members including:

1. Six voting members, three Assemblymen appointed by the Speaker of the Assembly and three Senators appointed by the Majority Leader of the Senate; and

2. Two nonvoting members, one who is employed by the Fiscal Analysis Division of the Legislative Counsel Bureau and one who is appointed by the Director of the Budget Division of the Department of Administration and is employed by the Budget Division;

and be it further

RESOLVED, That the committee to study the state budget process report its findings and any recommendations to the 66th session of the Nevada Legislature.

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REPORT OF THE LEGISLATIVE COMMISSION  
TO THE MEMBERS OF THE 66TH SESSION  
OF THE NEVADA LEGISLATURE

This report is submitted in compliance with Senate Concurrent Resolution 44 which created a committee to study the budget process of the State of Nevada. The resolution requires that the results of the study and any findings and recommendations be reported to the 66th Session of the Nevada Legislature.

The resolution created a committee to conduct the study consisting of six voting members including three assemblymen appointed by the Speaker of the Assembly and three senators appointed by the Majority Leader of the Senate and two non-voting members, one employed by the Fiscal Analysis Division of the Legislative Counsel Bureau and one appointed by the Budget Director of the Department of Administration.

Members of the committee appointed to conduct the study were:

Senator Dean Rhoads, Chairman	
Assemblyman Marvin M. Sedway, Vice Chairman	
Senator William J. Raggio	Assemblyman Joseph E. Dini, Jr.
Senator Nicholas J. Horn	Assemblyman John W. Marvel
Judy Matteucci, Director Department of Administration	
Daniel G. Miles, Senate Fiscal Analyst	

Legislative Counsel Bureau staff services for the committee were provided by Daniel G. Miles, Senate Fiscal Analyst; Mark Stevens, Assembly Fiscal Analyst; Lorne J. Malkiewich, Legislative Counsel; Brenda Erdoes, Chief Deputy Legislative Counsel and Secretary Connie Davis of the Fiscal Analysis Division.

This report presents the findings and recommendations of the committee. The information which bears directly upon the recommendations is included either in the narrative or appendices. All supporting documents and meeting minutes are available from the Fiscal Analysis Division of the Legislative Counsel Bureau.

The Legislative Commission, at its meeting on November 30, 1990, accepted this report and ordered it and all its recommendations, except for the recommendation to provide salaries to legislators during the recess period, transmitted to the members of the 1991 Legislature for consideration and appropriate action.

Respectfully submitted,

Senator Dean Rhoads, Chairman  
The Committee to Study the Budget  
Process



## SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the committee. The conclusions are based on: (1) suggestions made to the committee at public hearings by those familiar with the subject; (2) the processes and experiences of selected other states; (3) the experience and knowledge of the members of the committee; and, (4) other studies and materials made available to the committee.

### **The committee recommends:**

1. Limiting the 1991 Legislative Session by Joint Rule to adjourn no later than May 31, 1991, in order to provide incentive to control the length of the session and complete the work of the Legislature in an expeditious manner. (BDR R-375);
2. Recessing the Legislature for two weeks (recess the fourth and fifth weeks) to allow the Senate Finance Committee and the Assembly Ways and Means Committee the opportunity to hold day-long hearings on major agency budgets in order to speed the budget review process. (BDR R-375) The committee also recommends:
  - A. The two committees meet jointly as much as practicable while maintaining dual majorities;
  - B. All morning standing committees of both houses continue to work on matters before them meeting jointly when appropriate;
  - C. That afternoon standing committees would not function normally but could work on certain tasks, as members become available;
  - D. The Senate Finance Committee and the Assembly Ways and Means Committee organize as many joint subcommittees as practicable during and after the recess period; and
  - E. Amending NRS 218 to allow legislators to collect daily salary for work on committees for that period of time when the Legislature is in recess. NOTE: The Legislative Commission, at its meeting on November 30, 1990, accepted this report and ordered it transmitted to the Legislature except for this recommendation to pay salaries to legislators during the recess period (BDR 17-376);

3. That the Fiscal Analysis Division provide a briefing or a report in advance of the Legislative Session to members of the Senate Finance and Assembly Ways and Means Committee detailing estimated annual general fund revenues, levels of agency requested expenditures, major budget issues and historical data. For the 1991 Legislative Session such a report can be made if the Budget Director provides the budget information to the Fiscal Analysis Division and allows its release. The committee recommends making such a report permanent by amending NRS 353 to require the Budget Director to submit the required information and NRS 218.625 to allow disclosure to members of the Legislature. (BDR 31-377);
4. That certain target dates for budget review be established by Joint Rule for the 1991 Legislative Session. (BDR R-375). The recommended target dates are:
  - April 22, 1991 - First Joint Conference meeting between Finance and Ways and Means to resolve differences;
  - May 17, 1991 - Last Joint Conference meeting between Finance and Ways and Means to resolve differences; and
  - May 24, 1991 - All general appropriation and authorization bills would be processed;
5. That use of joint subcommittees of the Senate Finance Committee and the Assembly Ways and Means Committee be encouraged, especially for major agencies and issues, as a means to speed the process, reduce time and travel of those testifying and to ensure the same information is presented to both houses. Joint subcommittees would retain dual majority and both standing committees would receive reports and recommendations from its own subcommittees;
6. Encouraging leadership in both houses, when making committee assignments, to consider the exceptional workload on money committee members so that the work of each house is evenly distributed among its members. This may be accomplished by limiting the number of other major committee assignments for members of the money committees;
7. That NRS 353 be amended to require that mission statements and program measurement data be included in The Executive Budget presentation for all agencies and programs. (BDR 31-377);

8. That for the 1991 Legislative Session, a pilot project be conducted using an alternative program budget format. The alternative format should include mission statements, program measurement data and the elimination of individual line-items of expenditure and position lists. Revenues would be summarized by type and expenditures would be summarized by category of expense. The recommendation also includes:
  - A. Any additional data processing costs for development or operations related to the pilot project should be requested as an allocation from the Contingency Fund of the Interim Finance Committee.
  - B. The agencies selected for the pilot project are:
    1. Rehabilitation Division;
    2. Department of Data Processing;
    3. Department of Taxation;
    4. Gaming Control Board;
    5. Fire Marshal; and
    6. Department of Prisons (Ely Prison only);
9. That the Legislature require that the entire Executive Budget be presented in a format at the 1993 Legislative Session building on the format used in the 1991 Session pilot project by:
  - A. Segregating each budget account into a base budget -- either the current year's budget or a current services budget;
  - B. Including separate decision units for each proposed enhancement to the level of service currently provided; and
  - C. Including the cost of modifying the budget data processing system as a requested appropriation. (BDR 31-378);
10. That NRS 353.246 be amended to require that the Legislative Branch, Judicial Branch and the Public Employees Retirement System and their agencies submit their budget requests in the same format as required of all Executive agencies unless otherwise directed by the Legislative Commission. (BDR 31-377);

11. That the State Public Works Board should prepare, for its own use and for the Legislature, a central inventory of the state's capital stock including its age, an up-to-date assessment of its condition and a long-range capital plan that shows the infrastructure needs of the state over the next five to ten years and how the current biennial program fits that plan;
12. That the Executive Branch should request and the Legislature should commit to appropriating monies needed for ongoing maintenance of the state's facilities based on a maintenance schedule that takes into account age, condition, expected life, continued need for and availability of less expensive alternatives to existing capital stock;
13. That the state should seriously examine the feasibility and desirability of contracting with the private sector for the construction, operation, servicing and/or maintenance of capital projects and the programs they house or operate as a part of the budget review process;
14. That the 1991 Legislature create another budget process study committee, similar to that created in SCR 44, to oversee the development of the proposed new budget format and document and to act as an advisory board to that effort (BDR R-405).

REPORT TO THE 66TH SESSION OF THE NEVADA LEGISLATURE  
BY THE COMMITTEE TO STUDY THE BUDGET PROCESS

I. INTRODUCTION

The 1989 Session of the Nevada Legislature adopted Senate Concurrent Resolution No. 44 which created a Committee to Study the State Budget Process.

The Executive and Legislative branches of government in Nevada have used the same basic budget framework since 1969 and while the size, scope and complexity of the budget has changed immensely since that time, the procedures used to build, examine and approve the budget have not. Improvements to the process have occurred during this time period, however, that have made both the process more efficient and the Legislature more effective exercising its constitutional obligation to reflect the needs of the residents of the state in the allocation of financial resources.

A significant factor that extends the legislative session is the budget review process. The budget document has grown from 551 pages in 1969, to 1,498 pages in 1989. The number of budget accounts has grown from 230 to 445 over that same time period. The population of the state has more than doubled from 488,000 in 1969, to over 1,000,000 in 1989, and there have been corresponding increases in the size and complexity of state agencies and programs. The budget document now fills two volumes and will soon expand to three unless changes are made.

The budget document, currently reviewed by the Legislature, is known as a "detailed line-item" budget. This format tends to direct the reviewer's attention to individual line-items or objects of expenditure and away from the overall function of the budget, its purpose and its success or failure. The current budget document, in most instances, does not include indicators of performance or program accomplishments by which the effectiveness and the efficiency of the program can be analyzed.

In 1989, the Legislature adjourned on July 1, 1989, some 167 days after convening breaking all previous records for length of session. The state's fiscal year ends on June 30, and it is essential to have an approved budget in place so that government can continue uninterrupted. Agencies, the Budget Division and the State Controller need time and opportunity to create agency work programs, based on an approved budget, in order to avoid interruption in services and potential chaos.

It had become apparent that the entire process, from beginning to end, and the roles of the agencies, the Governor and the Legislature needed to be evaluated and methods found to make the process more timely. The Legislature, and particularly members of the Senate Finance Committee and the Assembly Ways and Means Committee, sensed a need to boldly address fundamental changes in the process by

which the state's resources are allocated. The need for change comes from both a desire to speed the process and to make it more effective.

## II. COMMITTEE METHODOLOGY

Senate Concurrent Resolution 44 required that the committee examine and evaluate current budget documents, the budget cycle, the role of the Governor and the Legislature, the process in selected other states, long-range planning, program performance measurement and the capital improvement budget process.

The committee met four times in Carson City to receive and examine information about the budget process. The committee reviewed the 1989 report issued by the Blue Ribbon Commission on the Legislative Process. The committee asked for and received sample documents and specific information from fourteen selected states. Additionally, a specialized presentation by Tony Hutchison, Senior Staff Associate, National Conference of State Legislatures and author of Legislative Budget Procedures in the 50 States: A Guide to Appropriations and Budget Processes was given at the committee's first meeting.

The committee attempted to draw on the experience and expertise of its own membership, the current budget director, the current legislative fiscal analysts, as well as a former budget director, former fiscal analyst and former money committee chairmen. The committee examined carefully what Nevada was doing to develop its budget and then related that to ideas and procedures implemented in selected other states. The committee narrowed its detailed examination of other processes to two states and received a detailed presentation from the Legislative Fiscal Analyst of one of those states.

During its review, the committee specifically examined and made recommendations on the following questions and issues:

1. Does Nevada's budget process need to be changed at all?
2. Should the budget cycle or key dates in the process be changed?
3. Should the structure or the way the Legislature organizes itself for the budget review process be changed?
4. Should the methods or techniques used by the Legislature to review the budget be changed?
5. Should the format of the budget document be changed to facilitate the review process and reduce the size of the budget document?

6. Should the submittal and format of the budgets of agencies, outside the Executive Branch including the Judicial and Legislative branches, be changed?
7. Should any changes be made to the way the Capital Improvement Program is formulated, presented or reviewed?
8. Should changes be made to the states long-term planning effort?

Each of these areas of concern is examined in more detail in the findings and recommendations section of this report.

### III. THE CURRENT BUDGET PROCESS

The fundamental budget process in Nevada has not undergone any significant change since 1969, although numerous changes have occurred to make the system more efficient and effective. Although the basic procedure remains the same, the following changes or initiatives have had a significant impact on the process and the relative balance of power between the branches of government:

1969 Session The Legislature created the Interim Finance Committee (IFC) and the Contingency Fund to deal with budget emergencies between legislative sessions. Initially, the authority of the IFC was limited to allocations from the contingency fund. In 1969, \$1,000,000 was appropriated to the contingency fund. In 1989, the Legislature replenished the fund to the level of \$8,000,000.

1973 Session The Legislature established a fiscal research capability within the Research Division of the Legislative Counsel Bureau and required the state budget director to:

- A. Transmit a copy of each agency's budget request to the Research Director (formerly a copy was required to be filed with the Legislative Auditor).
- B. Allow a representative of the Research Director to participate in the budget review (budget hearings) and have access to all materials connected to the review.
- C. Provide a copy of each part of the budget document to the Research Director as soon as it was prepared (when transmitted to the Printer).

1977 Session The Legislature separated the Fiscal Analysis Division and the Research Division in the Legislative Counsel Bureau. All budget and fiscal

duties, responsibilities and authority were transferred to the new division.

1979 Session The Legislature significantly increased the duties and authority of the IFC over state financial administration. Senate Bill 255 was approved which required IFC approval for:

- A. Reclassification of positions between occupational classes.
- B. Budget augmentations and revisions between categories that exceed 10 percent of that category or \$25,000.
- C. Acceptance of federal grant funds in excess of \$50,000.
- D. Acceptance of any gift exceeding \$10,000.
- E. Acceptance of any gift or grant that added new positions.

1985 Session The Legislature appropriated \$117,000 in S.B. 243 to the Budget Division to upgrade the computer system that generates The Executive Budget. This upgrade allows individual budget analysts online access to the data file and computer generation of both the numerical data and narrative information into a final document for printing.

1989 Session The Legislature required the Governor to simultaneously submit, with his budget, a separate document which provides an analysis of any new programs or enhancements of existing programs being recommended and any increase in or new revenues recommended in the budget.

The budget process can best be displayed by a discussion of the "budget cycle." For analytical purposes four major phases of the "budget cycle" can be identified:

- 1. Executive Preparation and Submission
- 2. Legislative Consideration and Authorization
- 3. Execution
- 4. Post Audit

The primary emphasis of this study relates to budget preparation and legislative review phases of the cycle, however, some consideration was given to the execution and post-audit phases.

The chronology, or key dates of the preparation and review phases can be displayed by listing the actual dates from the 1989 Legislative Session with a description of the activities associated with each. This cycle is controlled by and fairly well described in NRS 353.



The budget cycle for the 1989 Legislative Session was:

June 1988

Budget instructions were distributed to the agencies by the Budget Division.

September 1, 1988

Agency budget requests were due in the Budget office (NRS 353.210). A copy of each request was also delivered to the Fiscal Analysis Division of the Legislative Counsel Bureau.

September - October 1988

The Budget Division input agency request data, work program data for Fiscal Year 1988-89, and actual revenue and expenditure data for Fiscal Year 1987-88 for each budget account into the computerized budget system.

October - November 1988

The Budget Division held hearings with each agency to gain more insight into the nature and importance of individual requests. The staff of the Fiscal Analysis Division attended all such hearings.

November -December 1988

The Budget Division prepared initial recommendations for all budgets based on the priorities and instructions of the Governor and his staff. A second round of hearings with some agencies and the Budget Division were conducted as necessary. The Fiscal Analysis staff attended all such hearings. Once the agency was satisfied with the recommendations or the agency and Budget Division had negotiated an agreement, the agency was required to sign the recommendation indicating acceptance.

December 1988

Agencies unhappy with their recommendations could appeal directly to the Governor. The Governor is final arbiter of all such disputes. Staff of the Fiscal Analysis Division were not allowed to attend these meetings.

January 1989

As sections of the budget document were completed, they were transmitted to the State Printer for printing and to the Fiscal Analysis Division where they are required to be kept confidential (NRS 353.205).

January 16, 1989

Was the first day of the 65th Legislative Session.

#### January 19, 1989

The Governor delivered his state of the state address and the budget document was released. This was the first public presentation of the Governor's budget recommendations.

#### January 20, 1989

Budget hearings began in both the Senate Finance Committee and the Assembly Ways and Means Committee.

#### January - March 1989

Both money committees conducted daily budget hearings gradually working through the entire budget document. During this period subcommittee and standing committee assignments were made. The Finance Committee assigned certain budgets to subcommittees on an "as needed" basis and some budgets to the Senate standing committees based on subject matter or special interest. The Ways and Means Committee assigned all major budget accounts to one of nine subcommittees for detailed review and recommendations.

#### March 31, 1989

Both money committees completed the first round of budget hearings with all agencies.

#### April - May 1989

The money committees continued their review by accepting subcommittee and standing committee reports and closing budgets. (Closing budgets is the formal act of making a committee recommendation on a specific budget account). During this period both money committees held hearings on numerous one shot and special appropriations bills that had been introduced.

#### May 17, 1989

The first joint meeting between the Finance and Ways and Means Committees was held to negotiate differences and develop a consensus budget.

#### May - June 1989

The money committees finalized individual budget closings, held hearings on other legislative bills and periodically met jointly to resolve differences.

#### June 20, 1989

The last joint meeting between Finance and Ways and Means was held and all remaining issues were resolved. The Fiscal Analysis Division finalized drafting all major budget bills.

#### June 27, 1989

All major budget bills completed their legislative process and were transmitted to the Governor.

June 30, 1989

The Governor signed all remaining budget legislation.

July 1, 1989

The Legislature adjourned.

Since Nevada's fiscal year begins on the first day of July each year (Nevada Constitution, Article 9, Section 1) the 1989 session pushed to the limit the time available to approve a budget. Earlier legislative sessions didn't last as long and didn't create the potential for problems if the budget wasn't approved by the beginning of the new fiscal year. Appendix A contains a schedule of key dates for legislative review and approval of the budget for the 1989, 1985, 1983 and 1977 Legislative Sessions.

#### IV. OTHER STATES AND OTHER STUDIES

During the course of the study the committee reviewed the recommendations of the Blue Ribbon Commission on the Legislative Process as well as the budget processes used by a number of selected states.

The Blue Ribbon Commission, a citizens' committee created by Assembly Bill 678 (Chapter 811, Statutes of Nevada, 1987), was responsible for examining and recommending improvements in the legislative process. During its review, the Commission identified the budget process as a key element and perhaps the most important factor that determines the length of the session. The Commission made many recommendations pertaining to the budget process which were designed to evenly divide the workload among more legislators and expedite the process.

The Blue Ribbon Commission's recommendations relating to the budget process were:

1. To modify the budget review procedure by involving additional legislators and expediting the process by:
  - a. Requiring the Governor to present The Executive Budget to the Legislative Counsel Bureau thirty days before convening of the session;
  - b. Establishing a joint Executive Appropriation Committee to oversee and reconcile the budget;
  - c. Establishing six joint appropriations subcommittees consisting of nine members each (three senators and six assemblymen) to review the budgets and make appropriation recommendations in the following areas:

1. Commerce, Labor and Transportation;
  2. Government Affairs;
  3. Human Resources;
  4. Judiciary;
  5. Natural Resources; and
  6. Public and Higher Education;
- d. Authorizing the Majority Leader of the Senate and the Speaker of the Assembly to appoint co-chairmen of the appropriations subcommittees;
  - e. Providing that the co-chairmen of the Executive Appropriation Committee and the appropriations subcommittees alternate as chairmen on successive days;
  - f. Limiting the co-chairmanship of the appropriation subcommittees to no more than two consecutive terms (4 years); and
  - g. Providing additional staff, in an amount not to exceed \$200,000 per year, for the Fiscal Analysis Division of the Legislative Counsel Bureau.

The recommendations of the Blue Ribbon Commission and recommended legislation were presented to the 1989 Legislature, however, none of the budget review recommendations were adopted.

The committee also examined the budget processes of some fourteen other states. Other states were chosen for review because of their proximity to Nevada, their size and because of unique or various features of their review process that needed examination. The other states reviewed included Arizona, California, Colorado, Connecticut, Idaho, Iowa, Michigan, Missouri, New Jersey, New Mexico, Oregon, Texas, Utah and Wisconsin. In reviewing other states the committee looked specifically at the committee structure, use of subcommittees, use of joint committees or subcommittees, the budget cycle (chronology), the type of legislative review and the format of the budget documents in use.

The committee looked at fourteen states and found fourteen different systems all of which had probably evolved to satisfy the unique needs and political requirements of each state. The committee did find that most states try to concentrate their legislative review of the budget on the viability of each program and agency, its success or failure and policy issues rather than the line-items or individual objects of

expenditure. Additionally, the committee found many states require the budget to be presented as a base budget or current services budget with enhancements separately identified. In order to understand these concepts better the committee focused its attention on the budget formats and review techniques of two states, South Carolina and Idaho. South Carolina was chosen because it had recently completed a major study on its own budget process and had decided to move from a line-item budget to a program-oriented budget and Idaho was selected because their budget presentation includes a base budget with each enhancement in the level of service separately identified as a decision unit.

The committee developed and reviewed sample budget formats which included the necessary features of Nevada's document combined with desirable features of the two states studied. These formats will be discussed in greater detail in the Findings and Recommendations section and examples can be found in the appendices. (Appendix C and D).

## **V. FINDINGS AND RECOMMENDATIONS**

The committee found that the events of time, the growth of the state, the increase in size and complexity of the state's budget and the manner in which the review process is conducted all contribute to a need to make changes in the budget process in order to modernize the legislative effort and to create a more effective and efficient Legislature.

### **A. The Budget Cycle--Key Dates**

The committee found that legislative sessions tend to last until the budget is approved and all important work of the Legislature is complete. Major issues, however, are often not decided until the waning days of the session when the budget is completed and there is a rush to end the session.

The 1989 Legislative Session broke all records for length lasting some 167 days and ending on July 1, 1989. (See Appendix A for a schedule of key dates from selected legislative sessions). The committee also found that without a firm deadline, known well in advance, leadership and committee chairman are hampered in planning the work of the Legislature to meet a timely conclusion of the session.

The committee also felt that without a deadline or a target date for adjournment, any other effort or changes designed to speed the session along, particularly modifications to the budget review process, would be ineffective since the Legislature would lack the need to be more efficient.

The committee recommends, therefore, that:

**The 1991 Legislative Session be limited by joint rule to adjourn no later than May 31, 1991, in order to provide incentive to control the length of the session and complete the work of the Legislature in an expeditious manner. (BDR R-375)**

Adjournment by May 31 will allow up to 131 days for the 66th Legislature to complete its work which is some 36 days less than the number used in 1989. The committee recognized that to effectively produce a viable budget in a shorter period of time, steps must be taken to improve the process, quicken its pace and still allow the members of the Senate and Assembly, agencies and the general public full opportunity for review and input into the final approved budget.

The committee recommends, therefore:

**That the 1991 Legislature recess for two weeks (recess the fourth and fifth weeks of the session) to allow the Senate Finance Committee and the Assembly Ways and Means Committee the opportunity to hold day-long hearings on major agency budgets in order to speed the budget review process (BDR R-375). The committee also recommends:**

- A. The two committees meet jointly as much as practicable while maintaining dual majorities;**
- B. That all morning standing committees of both houses continue to work on matters before them meeting jointly when appropriate;**
- C. That afternoon standing committees would not function normally but could work on certain tasks as members become available;**
- D. The Senate Finance Committee and the Assembly Ways and Means Committee organize as many joint subcommittees as practicable during and after the recess;**
- E. Amending NRS 218 to allow legislators to collect daily salary for work on committees for that period of time when the Legislature is in recess (BDR 17-376). NOTE: The Legislative Commission, at its meeting on November 30, 1991, accepted this report and ordered it transmitted to the Legislature except for this recommendation to pay salaries to legislators during the recess period.**

The committee examined carefully the idea of requiring the Governor to submit his budget recommendations earlier or in advance of the session. At this time, the committee felt, this is impractical because the existing budget cycle only allows enough time for the Governor's budget to be completed by

the beginning of the session and existing law gives the Governor until the tenth day to submit his budget. Additionally, it was recognized that the Administration would be reluctant to release the Governor's recommendations any earlier.

The committee felt, however, that it is important for members of the money committees to get an early start and to become familiar with major issues at the earliest possible time. Currently, though, information provided in the agencies' requested budgets is confidential although copies are transmitted to the Fiscal Analysis Division.

The committee felt that a report or briefing by the Fiscal Analysis Division to members of the money committees before the Legislative Session would be useful. Such a report could contain information on anticipated revenue levels, total agency requests, major increases requested and major spending issues.

The committee recommends, therefore:

**That the Fiscal Analysis Division provide a briefing or a report in advance of the Legislative Session to members of the Senate Finance Committee and Assembly Ways and Means Committee detailing estimated annual general funds revenues, levels of agency requested expenditures, major budget issues and historical data. For the 1991 Legislative Session, such a report can be made if the Budget Director provides the necessary information to the Fiscal Analysis Division and allows its release. The committee recommends making such a report permanent by amending NRS 353 to require the Budget Director to submit the required information and amending NRS 218.625 to allow its disclosure to members of the Legislature (BDR 31-377).**

The committee also determined, that other key dates in the budget review process should be identified in order to ensure that the date set for adjournment can be met. Key dates in the legislative review process include the date of the first committee hearings, date of the first and last joint meetings between Senate Finance and Assembly Ways and Means to negotiate differences, and the date of final passage of the major budget bills including the general appropriations act and the general authorization act and the school funding bill.

The committee recommends:

**After setting the proposed date for adjournment, that certain target dates for budget review be established by Joint Rule for the 1991 Legislative Session (BDR R-375). The recommended target dates are:**

April 22, 1991 - The first joint meeting between Senate Finance and Assembly Ways and Means to resolve difference.

May 17, 1991 - The final joint meeting between Senate Finance and Assembly Ways and Means to resolve differences.

May 24, 1991 - All general appropriation and general authorization bills would be completely processed.

**B. Committee Structure and Organization**

The committee learned that the Blue Ribbon Commission recommended and a number of other states use a joint budget committee to complete the final approved budget. The Blue Ribbon Commission recommended a joint budget committee and six joint appropriation subcommittees utilizing all legislators to complete the review and approval process. Such a structure would require either the creation of parallel committees in the Senate and Assembly or a significant reduction in the number of Assembly Committees in order to provide the time slots and availability of legislative membership to create the subcommittees. Other states that were examined had joint budget committees of varying sizes and responsibilities, but generally it was found that smaller sized joint committees seemed to be more efficient and require less time to complete the budget.

Because of the difficulty of implementing the Blue Ribbon Commission's recommendations and the seeming conflict with the way many states have implemented the joint committee process, the committee made no recommendations for a formal joint budget committee. The committee felt, however, that this is an option to be looked at in the future.

The committee did, however, recognize the benefits to both the Legislature and those that come to testify of having joint committee hearings and joint subcommittee hearings. The committee has already recommended joint hearings when practical during the recess and it further recommends:

**That use of joint subcommittees of the Senate Finance Committee and the Assembly Ways and Means Committee be encouraged, especially for major agencies and issues, as a means to speed the process, reduce time and travel of those testifying and to ensure the same information is presented to both houses. Joint subcommittees would retain dual majority and both standing committees would review reports and recommendations from its own subcommittees.**

As a corollary to the use of joint subcommittees, the committee recognizes that there is difficulty in scheduling subcommittee meetings since no specific time slot is allotted to them. In the past subcommittees, whether joint or not, have



met whenever and wherever possible normally in late afternoon or early evening. The committee explored the possibility of limiting money committee members to one other committee assignment, however, the small size of the Senate and the fact that the houses neatly divide down to three committee assignments for each member seems to preclude such a limitation. The committee did feel, however, that the workload of the Legislature could be distributed more equally if major committee assignments were considered and limited where possible for money committee members.

The committee recommends, therefore:

**Encouraging leadership in both houses, when making committee assignments, to consider the exceptional workload on money committee members so that the work of each house is evenly distributed among its members.**

**C. Review Methods and Techniques**

Partly in response to the legislative resolution that created this study and partly in response to Senate Bill 290 (Chapter 187, Statutes of Nevada, 1989) which transferred and expanded the state's meager planning function and to satisfy a need to create a planning process, the Executive Branch, through the Department of Administration, has undertaken the development of a formal long-range planning effort. Historically, there has been little or no advanced planning effort in state government. The current biennial budget cycle requires agencies to examine and predict the next two years, however, there has been no requirement to plan further into the future, identify major areas of concern or issues and any proposed courses of action to address those issues. Senate Bill 290 now requires this and places the responsibility in the hands of the Director of the Department of Administration.

As a major part of this advanced planning function, the Department of Administration has required all agencies to develop mission statements for their programs which will clearly identify the purpose for which each was created. In addition, agencies have been required to develop indicators of program measurement that will be a quantifiable means to determine if programs or agencies are meeting or exceeding planned expectations. This effort by the Administration dovetails with the work of this study committee.

Committee discussions, testimony and most budget review literature suggests that the legislative body should try to relate expenditures to programs by concentrating on a program's accomplishments or lack of accomplishments and outcomes rather than the details or line-items of expenditure often referred to as inputs. The testimony has shown that the Legislature's time and effort needs to be concentrated on determining if agencies and programs are accomplishing their mission and meeting expectations. The current budget

document and review process lends little to the examination of program effectiveness or efficiency. (See Appendix B for a sample of the existing line-item budget document).

The committee felt that major changes needed to be made in the way the budget is presented, how it is examined and what the legislative review should emphasize.

For these reasons the committee made several recommendations that would affect budget format and legislative focus. The committee recommends:

**That NRS 353 be amended to require that mission statements and program measurement data be included in The Executive Budget presentation for all agencies and programs (BDR 31-377).**

The committee also examined alternate budget document formats. One level of change considered was to summarize the numerical data presented by eliminating line-item detail and emphasizing program measurement information which depicts effectiveness and efficiency. (See Appendix C). The Department of Data Processing estimated that this alternative would cost \$32,000 for computer re-programming and take up to 22 weeks to complete.

The committee also found that many states use a budget presentation that includes a base budget for each agency or program which is the current budget or cost of current services as well as each enhancement to the program's service level depicted as a separate decision unit. Current services is normally defined as that level of expenditure required to provide the same level of service in the future as is being provided currently.

The base budget/decision unit format has the advantage of providing information not readily available in Nevada's current system including: the future cost of current service levels; the total cost of each enhancement (separately by issue) in an easily identifiable format; the capability to compare program service enhancements between state agencies and programs; and, the capability to easily set priorities. This format automatically places greater emphasis on the enhancements or decisions relating to a higher or different level of service and less emphasis on the existing budget. The committee developed and examined an alternate budget format using this approach. (See Appendix D.) The Department of Data Processing estimated that this alternative would cost, at least, \$47,250 to re-program and take up to 34 weeks to complete.

After reviewing the alternative formats and the benefits to be derived from each, the committee recommends:

That for the 1991 Legislative Session, a pilot project be conducted using an alternative budget format. The alternative format should include mission statements, program measurement data and the elimination of individual line items of expenditure and the detailed position lists. Revenues would be summarized by type and expenditures would be summarized by category of expense. (Appendix C is an example of this format). The recommendation also includes:

- A. Any additional data processing costs for development or operations related to the pilot project should be requested as an allocation from the Contingency Fund under the control of the Interim Finance Committee.
- B. The agencies selected for the pilot project are:
  - 1. Rehabilitation Division;
  - 2. Department of Data Processing;
  - 3. Department of Taxation;
  - 4. Gaming Control Board;
  - 5. Fire Marshal; and
  - 6. Department of Prisons (Ely Prison only)

The committee also determined that to produce a more useful budget document, the presentation ultimately needs to embrace the base budget and decision unit concepts. This alternative was not feasible for the 1991 Legislative Session since the time available for computer re-programming was insufficient. The committee felt, however, it was possible to change the entire budget document to this format for the 1993 Legislative session. The committee recommends, therefore:

That the Legislature require that the entire Executive Budget be presented in a format at the 1993 Legislative Session that builds on the format used in the 1991 pilot project by (Appendix D is an example of this format):

- A. Segregating each budget account into a base budget—either the current year's budget or a current services budget;
- B. Including separate decision units for each proposed enhancement to the level of services currently provided; and
- C. Including the additional cost of modifying the budget data processing system as a requested appropriation. (BDR 31-378)

The changes in format recommended by the committee in the pilot project for the 1991 Session and those planned ultimately for the 1993 Session are designed to focus the attention of the Legislature and its money committees on

the programs being funded and away from the minutiae of line-item detail. The documents presented will concentrate on the program aspects of the budget, highlighting performance measures and major areas of revenue and expense moving the legislative debate away from "counting pencils and paper clips" and toward the policy issues, program successes and failures, effectiveness and efficiency.

In summary, the major changes to the format of the existing Executive Budget that would be required under the recommendations of the committee by the 1993 Session are:

1. Mission statements and performance indicators will be added to the narrative (pilot project 1991);
2. Individual revenue line-items will be summarized as to major type - e.g., general fund, federal funds, other funds ( pilot project 1991);
3. The detailed position list will be eliminated and replaced with lines depicting total existing full-time equivalent positions (FTE) and total new FTE (pilot project 1991);
4. Expenditure categories will be displayed by total (eliminated are the individual line-items (pilot project 1991);
5. Each budget account will be segregated into the base budget and decision units (by 1993);
6. Decision units will be added to each budget account to identify the reason for and the cost of each requested (or recommended) enhancement to the program or agency.

What will not change in the current budget process is: that each agency will still have the opportunity to make budget requests; the Governor will still provide his recommendations; the current year's budget and the last completed fiscal year's actual revenues and expenditures will be displayed; and, the role of the Interim Finance Committee in approving budget revisions between categories, augmentations and position changes.

#### **D. Judicial Budgets**

At the request of the Interim Finance Committee, the committee studying the budget process examined the issue of how the Legislature handles the budgets of the Judiciary. Last year, following the 1989 Legislative Session, the Nevada Supreme court issued a court order declaring that line-item limitations, such as those contained in the unclassified pay bill, are unconstitutional as applied to

the budget of the Supreme Court. The court order dealt primarily with line-item control after the budget had been approved by the Legislature. The committee reviewed the issue and obtained a legal opinion from Legislative Counsel which offered three alternatives including accepting the court's position, contesting it in court or negotiating with the court during the legislative session and budget review. The committee was advised that an effort to contest the court order would be decided by a Nevada court. The committee also learned that the Legislature can control the manner in which the Judiciary submits their budget request and the information required.

Existing statutes require that the Public Employees Retirement System and the Judicial and Legislative Branches submit their budgets to the budget director for inclusion in The Executive Budget in the manner prescribed by the Legislative Commission. It is unclear whether the Legislative Commission has ever directed the manner in which the requests were to be submitted, but the committee felt that it was important for those budget requests to be submitted for inclusion in The Executive Budget and that they be submitted in the same manner as all other budgets. The committee recommends, therefore:

**That NRS 353.246 be amended to require that the Legislative Branch, Judicial Branch and the Public Employees Retirement System and their agencies submit their budget requests in the same format as required of all executive agencies unless otherwise directed by the Legislative Commission (BDR 31-377).**

#### **E. Capital Improvement Budgeting**

SCR 44 included within the scope of the study a review of the manner in which capital improvements are budgeted. The committee examined the process by which capital improvement projects are brought to the Legislature and the role of the agencies, the Public Works Board, the Governor and the Legislature.

The committee found that the existing process served the purpose of developing a statewide capital plan and that no major changes in the procedures were required. The committee noted that several recent events have contributed to the effectiveness of the Public Works Board to administer the program including reorganization of the Board, increased staffing, the development of more sophisticated cost estimating techniques and the approval of advanced planning and master planning funds. The committee also noted that the money committees, during legislative sessions, and the Interim Finance Committee, between sessions, have taken an active interest in the capital improvement program and have tracked developments closely.

In addition, the committee also measured Nevada's capital budgeting process against the recommendations of the National Conference of State Legislatures (NCSL) Capital Budgeting and Finance Subcommittee recommendations as published in Capital Budgeting and Finance, The Legislative Role. The committee found that Nevada compares favorably to NCSL's recommendations but did adopt three of their recommendations which the committee felt would further strengthen the process and emphasize important factors within the system.

The committee recommends:

**That the State Public Works Board should prepare, for its own use and for the Legislature, a central inventory of the state's capital stock including its age, an up-to-date assessment of its condition and a long-range capital plan that shows the infrastructure needs of the state over the next five to ten years and how the current biennial program fits that plan;**

**That the Executive Branch should request and the Legislature should commit to appropriating monies needed for ongoing maintenance of the state's facilities based on a maintenance schedule that takes into account age, condition, expected life, continued need for and availability of less expensive alternatives to existing capital stock; and**

**That the state should seriously examine the feasibility and desirability of contracting with the private sector for the construction, operation, servicing and/or maintenance of capital projects and the programs they house or operate as a part of the budget-review process.**

**F. Long-term Planning**

Comprehensive long-range planning has been nearly non-existent in Nevada state government. The biennial budget has been the major tool used by agencies for planning, but little effort has been made to forecast program needs into the future or to identify major budget issues in advance.

During the current interim period, the Executive Branch has initiated a planning process designed to identify major budget issues, to establish formal mission statements for each agency or program, to develop indicators or measures of performance for each agency or program and to create long-term objectives. It is the expressed intent of the Executive Branch that this planning effort gather input from many sources including individual legislators as major issues are defined. The Budget Director intends, and this committee has recommended that the mission statements and performance indicators become a part of The Executive Budget presentation. The committee opted not to make any recommendations on long-range planning in order to give the

Executive Branch planning initiative an opportunity to work. The 1991 Legislature will be able to assess the effectiveness of the planning process and make recommendations at that time. The Budget Director has specifically requested that the Legislature review and comment on the planning process particularly the mission statements and performance measures.

**G. Continuing Study**

The committee has recommended significant changes in the timing, structure and format of the budget review process. Included in its recommendations are changes to the budget format and focus of legislative review that will first be tested in 1991 in a pilot project then further refined and fully implemented in the 1993 Session. The committee felt it was essential to keep the current budget study group or a like group together until implementation has been completed. Such a study group could provide guidance to the revision effort and act as a sounding board for the many implementation decisions that will be required. The committee, therefore, recommends:

**That the 1991 Legislature create another budget process study committee similar to that created in SCR 44, to oversee the development of the proposed new budget format and document and to act in an advisory capacity to that effort (BDR R-405).**





## VI. APPENDICES

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**APPENDIX A**  
**STATE BUDGET CHRONOLOGY**



**STATE BUDGET CHRONOLOGY**  
**LEGISLATIVE REVIEW**

	<u>1989 SESSION</u>		<u>1985 SESSION</u>		<u>1983 SESSION</u>		<u>1977 SESSION</u>	
	<u>Date</u>	<u>Week</u>	<u>Date</u>	<u>Week</u>	<u>Date</u>	<u>Week</u>	<u>Date</u>	<u>Week</u>
First Day of Session	1/16	--	1/21	--	1/17	--	1/17	--
Governor's Budget Delivered	1/19	--	1/24	--	1/20	--	1/20	--
Budget Hearings Began	1/20	--	1/28	--	1/24	--	1/21	--
First Round Hearings End	3/31	11th	3/28	10th	3/22	10th	--	--
First Joint Hearing	5/17	18th	5/1	15th	4/20	14th	4/12	13th
Last Joint Hearing	6/20	23rd	5/16	17th	5/9	17th	--	--
Budget Bills Passed	6/27	24th	6/2	20th	5/25	19th	5/12	17th
Governor Signs	6/30	24th	6/6	20th	5/26	19th	5/20	18th
Number of Appropriation Bills	208		156		54		96	
Estimated Surplus	\$111 million		\$154 million		\$ 7 million		\$56 million	
Number of Days in Session	167		135		126		113	

scr44bc/cd  
 STATE BUDGET PROCESS



**APPENDIX B**  
**EXAMPLE OF EXISTING BUDGET FORMAT**





FINANCIAL INSTITUTIONS DIVISION  
101-3835

- 972 -

	1987-88 ACTUAL	1988-89 WORK PROGRAM	1989-90 AGENCY REQUEST	1989-90 GOVERNOR RECOMMENDS	LEG. AP.	1990-91 AGENCY REQUEST	1990-91 GOVERNOR RECOMMENDS	LEG. AP.
REGULAR APPROPRIATION	\$ 838,694	\$ 866,650	\$ 1,016,288	\$ 959,575		\$ 989,162	\$ 973,807	
BAL FWD FROM OLD YEAR		20,477						
BAL FWD TO NEW YR	20,477							
SALARY ADJUSTMENT	22,041							
FINANCIAL INST ASSM'TS	42,940	38,984	55,000	55,000		55,000	55,000	
BOOK & PAMPHLET SALES	2,665	3,000	2,000	2,000		2,000	2,000	
TOTAL FUNDS AVAILABLE	\$ 885,863	\$ 929,111	\$ 1,073,288	\$ 1,016,575		\$ 1,046,162	\$ 1,030,807	

EXISTING POSITIONS

22 CARSON CITY								
COMMISSIONER-FIN.INSTS U	1.00	47,741	1.00	54,300	1.00	47,558	1.00	47,558
DEPUTY COMM.-FIN.INSTS U	1.00	44,869	1.00	47,112	1.00	44,697	1.00	44,697
CPA, FINANCIAL INSTS U	1.00	38,949	1.00	40,900	1.00	38,800	1.00	38,800
SUPVG FINANCIAL EXAM	1.00	35,532	1.00	35,338	1.00	35,570	1.00	35,570
SR FINANCIAL EXAMINER	4.00	139,134	4.00	135,478	4.00	135,902	4.00	135,902
PROGRAM ASSISTANT II	2.00	44,072	2.00	43,832	2.00	44,120	2.00	44,120
ACCOUNT CLERK III	1.00	20,278	1.00	21,916	1.00	22,060	1.00	22,060
LAS VEGAS								
DEPUTY COMM.-FIN.INSTS U	1.00	44,869	1.00	47,112	1.00	44,697	1.00	44,697
SUPVG FINANCIAL EXAM	1.00	35,532	1.00	35,338	1.00	35,570	1.00	35,570
SR FINANCIAL EXAMINER	6.00	187,258	6.00	183,958	6.00	184,976	6.00	187,382
MANAGEMENT ASST I	1.00	22,168	1.00	20,167	1.00	20,300	1.00	20,300
FINANCIAL INSTIT EXAM	3.00	68,004	3.00	68,574	3.00	69,024	3.00	72,015
TOTAL EXISTING	23.00	634,471	23.00	734,025	23.00	723,274	23.00	728,671
INDUSTRIAL INSURANCE	\$ 11,596	\$ 10,815	\$ 10,974	\$ 14,339		\$ 11,034	\$ 14,691	
RETIREMENT	89,377	101,479	113,460	106,300		114,366	107,153	
PERSONNEL ASSESSMENT	4,407	4,699	4,725	4,745		4,773	4,793	
GROUP INSURANCE	32,846	40,434	40,434	46,506		40,434	53,475	
PAYROLL ASSESSMENT	2,140	2,357	2,412	2,379		2,429	2,399	
RETIREMENT GRP INS.	1,599	2,031	2,071	2,999		2,088	4,232	
UNEMPLOYMENT COMP.	1,154	1,053	1,075	768		1,085	846	
OVERTIME (NON-HOLIDAY)	244							
MEDICARE	1,239	2,030	1,690	2,350		1,740	2,399	
SALARY ADJUSTMENT		60,455						
SALARY NEED		11,105						
LONGEVITY PAY	4,500	5,500	6,150	6,150		6,950	6,950	
TERMINAL ANNUAL LEAVE	64							
TOTAL SALARY-PAYROLL	\$ 783,637	\$ 827,244	\$ 917,016	\$ 909,810		\$ 924,292	\$ 925,609	
TOTAL IN-STATE TRAVEL	\$ 14,813	\$ 22,121	\$ 22,325	\$ 22,325		\$ 23,441	\$ 23,441	

FINANCIAL INSTITUTIONS DIVISION - CONTINUED  
101-3835

	1987-88 ACTUAL	1988-89 WORK PROGRAM	1989-90			1990-91		
			AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG. AP.	AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG. AP.
OPERATING SUPPLIES	\$ 2,498	\$ 1,651	\$ 3,150	\$ 2,648		\$ 3,307	\$ 2,727	
COMMUNICATIONS/FREIGHT		22						
PRINTING/COPYING	\$ 8,602	\$ 8,715	\$ 11,130	\$ 9,118		\$ 11,687	\$ 9,392	
INSURANCE EXPENSE	\$ 1,738	\$ 1,551	\$ 1,783	\$ 1,457		\$ 1,834	\$ 1,484	
CONTRACTUAL SERVICES		350	\$ 2,195	\$ 2,195		\$ 2,195	\$ 2,195	
OTHER CONTRACT SERVICE	\$ 850							
LEGAL EXPENSE	\$ 8							
EQUIPMENT REPAIR	\$ 1,945		\$ 2,000	\$ 2,000		\$ 2,000	\$ 2,000	
STATE OWNED BLDG RENT	\$ 27,851	\$ 26,468	\$ 31,400	\$ 28,553		\$ 31,400	\$ 28,553	
OTHER BUILDING RENT	\$ 406		\$ 750	\$ 430		\$ 750	\$ 443	
PUBLIC RELATIONS	\$ 357							
BUILDING/GROUNDS MAINT	\$ 727	\$ 49	\$ 500	\$ 500		\$ 500	\$ 500	
BLDGS & GRDS SERVICES	\$ 219							
POSTAGE	\$ 5,680	\$ 6,917	\$ 5,964	\$ 5,964		\$ 6,262	\$ 6,201	
TELEPHONE	\$ 10,272	\$ 14,464	\$ 12,800	\$ 12,800		\$ 13,440	\$ 13,440	
DUES/REGISTRATION	\$ 3,568	\$ 3,645	\$ 5,200	\$ 5,200		\$ 5,200	\$ 5,200	
SUBSCRIPTIONS	\$ 1,495	\$ 887	\$ 1,575	\$ 1,575		\$ 1,654	\$ 1,622	
COMPUTER SOFTWARE	\$ 231							
TOTAL OPERATING EXP	\$ 66,447	\$ 64,719	\$ 78,447	\$ 72,440		\$ 80,229	\$ 73,757	
OFFICE FURNITURE/EQUIP	\$ 830	\$ 1,916	\$ 1,000	\$ 500		\$ 1,000		
TELEPHONE SYSTEM EQUIP	\$ 6,011							
TOT. CAPITAL OUTLAY EQ.	\$ 6,841	\$ 1,916	\$ 1,000	\$ 500		\$ 1,000		
TRAINING	\$	\$	\$	\$		\$	\$	
OUT OF STATE TRAVEL	\$ 4,583	\$ 8,000	\$ 7,500	\$ 7,500		\$ 8,000	\$ 8,000	
IN-STATE TRAVEL	\$ 114							
DUES AND REGISTRATIONS	\$ 2,835	\$ 650						
TOTAL FOR SUB ACCT 10	\$ 7,532	\$ 8,650	\$ 7,500	\$ 7,500		\$ 8,000	\$ 8,000	
DATA PROCESSING	\$	\$	\$	\$		\$	\$	
MAINTENANCE/SUPPLIES	\$	\$	\$ 4,400	\$		\$ 5,400	\$	
EDP SYST PROG CHRQ	\$	\$	\$ 4,000	\$ 4,000		\$	\$	
COMPUTER EQUIP	\$ 6,593		\$ 38,600			\$ 3,800		
TOTAL FOR SUB ACCT 11	\$ 6,593		\$ 47,000	\$ 4,000		\$ 9,200		
RESERVE	\$	\$ 4,461	\$	\$		\$	\$	
TOTAL AGENCY EXPENDITURES	\$ 885,863	\$ 929,111	\$ 1,073,288	\$ 1,016,575		\$ 1,046,162	\$ 1,030,807	
AGENCY BALANCE	\$	\$	\$	\$		\$	\$	

FINANCIAL INSTITUTIONS DIVISION - CONTINUED  
101-3835

Program Statement

The Financial Institutions Division was formally created by the passage of SB 418 during the 1983 Legislative Session. The division is responsible for the licensing and supervision of depository financial institutions and other financial intermediaries under the following NRS Chapters: 645B Mortgage Companies; 649 Collection Agencies; 657-668 Banks; 669 Trust Companies; 670 "Development" Companies; 671 Money Order Companies; 673 Savings and Loans; 675 Small Loan Companies; 676 Debt Adjusters; 677 Thrift Companies; and 678 Credit Unions.

The division's major functions are to license, examine and regulate all state chartered financial institutions in a manner which promotes safety and soundness of all licensees in the public's interest.

Funding - In addition to the General Fund appropriation, the administrator is authorized to levy an assessment upon licensed financial institutions to cover the salary and related costs of the unclassified certified Public Accountant position. Additional income is derived from the sale of published industry laws.

Sub-Account Explanations

In-State Travel - An additional allowance has been provided for the Certified Public Accountant position which was not filled until March 1988.

Operating - The allocation for telephones includes an additional amount for anticipated phone modem access to the mainframe computers of certain regulatory agencies.

Data Processing - The division's proposal for enhanced data processing capabilities is being presented as a separate requested appropriation.

Training - Staff training opportunities are offered by the Federal Depository Insurance Corporation, National Credit Union Association and other affiliated organizations.

Senate Hearing Date _____	Testimony By _____	Committee Action _____	Date _____
Assembly Hearing Date _____	Testimony By _____	Committee Action _____	Date _____
Joint Committee Action _____			Date _____

NEVADA MEDICAID  
101-3243

	1987-88 ACTUAL	1988-89 WORK PROGRAM	1989-90 AGENCY REQUEST	1989-90 GOVERNOR RECOMMENDS	LEG. AP.	1990-91 AGENCY REQUEST	1990-91 GOVERNOR RECOMMENDS	LEG. AP.
REGULAR APPROPRIATION	\$ 42,960,445	\$ 55,561,055	\$ 74,524,209	\$ 69,712,447		\$ 87,866,131	\$ 80,445,350	
REVERSIONS	\$ 1,351,116-							
BAL FWD FROM OLD YR	\$ 10,029,338	\$ 569,325						
BAL FWD TO NEW YR	\$ 5,569,294-							
SALARY ADJUSTMENT	\$ 26,415							
FEDERAL XIX	\$ 49,563,770	\$ 58,018,723	\$ 77,628,482	\$ 72,724,352		\$ 91,382,652	\$ 83,910,391	
LEGALIZED ALIEN REIMB	\$	\$ 9,098	\$ 9,783	\$ 9,783		\$ 10,468	\$ 10,468	
FEDERAL REFUGEE	\$ 20,094	\$ 28,000	\$ 25,000	\$ 25,000		\$ 27,000	\$ 27,000	
FED HEALTH FACILITIES	\$ 164,934	\$ 78,837	\$ 95,277	\$ 106,456		\$ 95,277	\$ 110,197	
FED INCENTIVE REV	\$ 12,441	\$ 17,925						
TITLE XIX COUNTY REIMB	\$		\$ 1,481,875	\$ 1,481,875		\$ 1,667,109	\$ 1,667,109	
TRANS FROM PA TRUST	\$ 11,178	\$ 13,000	\$ 12,000	\$ 12,000		\$ 13,000	\$ 13,000	
TOTAL FUNDS AVAILABLE	\$ 95,868,205	\$ 114,295,963	\$ 153,776,626	\$ 144,071,913		\$ 181,061,637	\$ 166,183,515	

EXISTING POSITIONS

NEVADA MEDICAID OFFICE										
DEP ADMINR NV MEDICAID	1.00	48,845	1.00	48,578	1.00	38,384	1.00	48,578	1.00	40,164
MEDICAL STAFF										
MEDICAID PRO PHARM CON	1.00	40,678	1.00	40,455	1.00	40,721	1.00	40,455	1.00	40,721
POLICY/PROGRAM OPR										
CHIEF NEV MEDICAID	1.00	42,570	1.00	42,338	1.00	42,616	1.00	42,338	1.00	42,616
INSTITUTIONAL SERV										
SOCIAL SVC SPECIAL III	1.00	37,158	1.00	36,955	1.00	37,198	1.00	36,955	1.00	37,198
SOCIAL WORKER II	1.00	32,529	1.00	29,593	1.00	29,787	1.00	29,593	1.00	29,787
MNGMT ASST I - OPT II	1.00	14,202	1.00	15,246	1.00	15,347	1.00	15,246	1.00	15,347
PROGRAM DEVELOPMENT										
SOCIAL SVC SPECIAL III	1.00	37,158	1.00	36,955	1.00	37,198	1.00	36,955	1.00	37,198
PROVIDER SERVICES										
SOCIAL SVC SPECIAL III	1.00	37,158	1.00	36,955	1.00	37,198	1.00	36,955	1.00	37,198
CLAIMS ADJUDICATION	1.00	29,603	1.00	29,593	1.00	29,787	1.00	29,593	1.00	29,787
MED RECORDS COORD	1.00	17,507	1.00	18,125	1.00	18,244	1.00	18,880	1.00	19,004
ACCOUNT CLERK III	1.00	15,660	1.00	17,519	1.00	17,634	1.00	18,239	1.00	18,359
RECIPIENT SRVCS										
SOCIAL SVC SPECIAL III	1.00	37,158	1.00	36,955	1.00	37,198	1.00	36,955	1.00	37,198
MEDICAID SVCS SPEC II	1.00	23,670	1.00	24,567	1.00	24,729	1.00	25,643	1.00	25,811
MED SUPPORT STAFF										
MEDICAID SVCS SPEC IV	2.00	71,341	2.00	71,123	2.00	65,795	2.00	74,360	2.00	68,770
MEDICAID SVCS SPEC III	1.00	35,181	1.00	36,642	1.00	36,642	1.00	37,014	1.00	37,014
MEDICAID SVCS SPEC II	5.00	135,519	5.00	139,367	5.00	139,799	5.00	143,431	5.00	143,866
MEDICAL INVESTIGATOR	1.00	33,998	1.00	35,405	1.00	35,405	1.00	35,405	1.00	35,405
MGT SUPPORT SERVICES										
MANAGEMENT ANALYST II	1.00	27,729	1.00	28,811	1.00	29,000	1.00	30,107	1.00	30,305
SENIOR AUDITOR	1.00	23,979	1.00	23,848	1.00	24,005	1.00	23,848	1.00	24,005
SR MANAGEMENT ANALYST	1.00	37,210	1.00	37,007	1.00	37,250	1.00	37,007	1.00	37,250
MANAGEMENT ANALYST II	1.00	33,988	1.00	33,802	1.00	34,024	1.00	33,802	1.00	34,024
SUPPORT SERVICES										
MANAGEMENT ASST III	1.00	22,036	1.00	23,848	1.00	24,005	1.00	23,848	1.00	24,005
ADMINISTRATIVE AID	1.00	14,202	1.00	14,670	1.00	14,766	1.00	14,670	1.00	14,766
WORD PROCESS OPR I	2.00	38,013	2.00	36,073	2.00	36,311	2.00	36,073	2.00	36,311
STUDENT WORKER	.50	4,421	.50	4,397	.50	4,425	.50	4,397	.50	4,425

NEVADA MEDICAID - CONTINUED  
101-3243

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	1987-88 ACTUAL	1988-89 WORK PROGRAM	-----1989-90-----			-----1990-91-----		
			AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG. AP.	AGENCY REQUEST	GOVERNOR RECOMMENDS	LEG. AP.
D O STAFF/SUPPORT								
LAS VEGAS								
MEDICAL-SOCIAL STAFF								
MEDICAID SVCS SPEC III	1.00	30,947	1.00	32,176	1.00	32,387	1.00	33,564
MEDICAID SVCS SPEC II	4.00	103,681	4.00	106,757	4.00	110,114	4.00	112,959
SOCIAL WORK SUPER	1.00	34,590	1.00	32,899	1.00	33,115	1.00	34,024
SOCIAL WORKER II	4.00	121,027	4.00	114,893	4.00	107,748	4.00	107,748
MED RECORDS COORD	2.00	44,710	2.00	43,421	2.00	43,706	2.00	44,120
PROGRAM ASSISTANT I	1.00	20,278	1.00	20,167	1.00	20,300	1.00	20,300
MANAGEMENT ASST I	1.00	20,278	1.00	20,167	1.00	20,300	1.00	20,300
RENO								
MEDICAL-SOCIAL STAFF								
MEDICAID SVCS SPEC II	2.00	53,861	2.00	54,550	2.00	55,942	2.00	57,028
SOCIAL WORKER II	3.00	85,268	3.00	82,044	3.00	82,582	3.00	82,582
MANAGEMENT ASST I	1.00	20,425	1.00	18,581	1.00	18,704	1.00	18,704
RURAL								
MEDICAID SVCS SPEC II	1.00	33,655	1.00	33,868	1.00	33,868	1.00	33,868
MEDICAID SVC EXAM II	1.00	23,861	1.00	24,767	1.00	24,930	1.00	25,980
SOCIAL WORKER II	3.00	83,489	3.00	83,034	3.00	89,361	3.00	89,361
SOCIAL WORKER III	1.00	30,162	1.00	31,387	1.00	31,387	1.00	32,798
DATA PROCESS TECH II	1.00	22,062	1.00	22,914	1.00	22,914	1.00	23,848
IFC APPROVAL 11/17/88								
MED RECORDS COORD	1.00	8,466	1.00	17,519	1.00	16,951	1.00	17,634
MEDICAID SVC SPEC I	1.00	11,018	1.00	22,423	1.00	22,570	1.00	23,545
TOTAL EXISTING	\$ 1,507,340	\$ 1,639,291	\$ 1,660,394	\$ 1,654,347	\$ 1,683,291	\$ 1,678,897		
NEW POSITIONS								
MEDICAID SVCS SPEC II			2.00	45,716	3.00	69,024	2.00	164,047
MANAGEMENT ASST II					1.00	16,593	7.00	33,851
MEDICAID SVCS SPEC IV			1.00	27,117			2.00	
MEDICAID SVC SPEC I			1.00	21,916			1.00	
ADMINV AID II - OPT I			1.00	13,596			1.00	
HOME/COMM.BASED WAIVER								
SOCIAL WORKER II			1.00	21,916			1.00	
MEDICAID SVCS SPEC II			2.00	45,716			2.00	
MNGMT ASST II - OPT I			1.00	16,485			1.00	
PRE-NATAL PROGRAM								
MEDICAID SVCS SPEC III			1.00	24,887			1.00	
MEDICAID SVCS SPEC II			1.00	22,858			1.00	
COUNTY INDIGENCY								
MEDICAID SVCS SPEC II			1.00	22,858			1.00	
FIELD STAFF								
MED RECORDS COORD			1.00	16,485			1.00	
SOCIAL WORKER II			2.00	43,832	2.00	44,120	1.00	16,593
MEDICAID SVC SPEC I			1.00	21,916			5.00	111,248
TOTAL NEW		\$	\$ 345,298	\$ 129,737	\$ 356,738	\$ 325,739		

NEVADA MEDICAID - CONTINUED  
101-3243

	1987-88 ACTUAL	1988-89 WORK PROGRAM	1989-90 AGENCY REQUEST	1989-90 GOVERNOR RECOMMENDS	LEG. AP.	1990-91 AGENCY REQUEST	1990-91 GOVERNOR RECOMMENDS	LEG. AP.
INDUSTRIAL INSURANCE	\$ 28,685	\$ 27,059	\$ 35,061	\$ 39,984		\$ 35,352	\$ 46,293	
RETIREMENT	\$ 226,014	\$ 266,705	\$ 360,922	\$ 296,561		\$ 367,046	\$ 334,979	
PERSONNEL ASSESSMENT	\$ 13,978	\$ 14,087	\$ 17,490	\$ 15,539		\$ 17,789	\$ 17,475	
GROUP INSURANCE	\$ 86,372	\$ 103,710	\$ 133,608	\$ 133,452		\$ 133,608	\$ 174,375	
PAYROLL ASSESSMENT	\$ 5,103	\$ 5,427	\$ 6,764	\$ 5,999		\$ 6,876	\$ 6,745	
RETIREMENT GRP INS.	\$ 3,807	\$ 4,662	\$ 5,775	\$ 7,577		\$ 5,872	\$ 11,915	
UNEMPLOYMENT COMP.	\$ 2,741	\$ 2,415	\$ 2,979	\$ 1,937		\$ 3,031	\$ 2,382	
OVERTIME (NON-HOLIDAY)	\$ 973							
PAID COMP TIME	\$ 2,089							
MEDICARE	\$ 2,868	\$ 4,586	\$ 10,124	\$ 8,625		\$ 10,442	\$ 11,904	
SALARY ADJUSTMENT		\$ 104,961-						
VACANCY SAVINGS		\$ 59,950-		\$ 43,242-			\$ 49,217-	
STANDBY PAY	\$ 107							
LONGEVITY PAY	\$ 9,750	\$ 13,850	\$ 12,500	\$ 12,500		\$ 14,225	\$ 14,225	
TERMINAL ANNUAL LEAVE	\$ 2,190							
<b>TOTAL SALARY-PAYROLL</b>	<b>\$ 1,892,017</b>	<b>\$ 1,916,881</b>	<b>\$ 2,590,915</b>	<b>\$ 2,263,016</b>		<b>\$ 2,634,270</b>	<b>\$ 2,575,712</b>	
<b>TOTAL OUT-OF-STATE TRAVEL</b>	<b>\$ 3,977</b>	<b>\$ 4,457</b>	<b>\$ 4,603</b>	<b>\$ 4,603</b>		<b>\$ 5,066</b>	<b>\$ 5,066</b>	
<b>TOTAL IN-STATE TRAVEL</b>	<b>\$ 41,643</b>	<b>\$ 46,232</b>	<b>\$ 60,524</b>	<b>\$ 50,552</b>		<b>\$ 62,101</b>	<b>\$ 57,470</b>	
OPERATING SUPPLIES	\$ 4,428	\$ 4,932	\$ 6,299	\$ 5,524		\$ 6,614	\$ 6,153	
COMMUNICATIONS/FREIGHT	\$ 494	\$ 73	\$ 545	\$ 524		\$ 572	\$ 539	
PRINTING/COPYING	\$ 12,527	\$ 6,805	\$ 18,211	\$ 15,125		\$ 19,122	\$ 17,712	
INSURANCE EXPENSE	\$ 3,321	\$ 3,653	\$ 4,861	\$ 3,807		\$ 4,805	\$ 3,204	
CONTRACTUAL SERVICES	\$ 1,472	\$ 261	\$ 8,627	\$ 8,294		\$ 9,058	\$ 8,542	
OTHER CONTRACT SERVICE	\$ 7,202		\$ 6,983	\$ 6,556		\$ 7,331	\$ 7,160	
LEGAL EXPENSE	\$ 2	\$ 1,656						
EQUIPMENT REPAIR	\$ 209	\$ 273	\$ 690			\$ 725		
OTHER BUILDING RENT	\$ 76,829	\$ 78,955	\$ 109,194	\$ 97,719		\$ 112,379	\$ 109,574	
PUBLIC RELATIONS	\$ 4,116	\$ 1,000	\$ 4,538	\$ 4,363		\$ 4,765	\$ 4,494	
BUILDING/GROUNDS MAINT	\$ 9,837	\$ 10,149	\$ 10,845	\$ 7,731		\$ 11,387	\$ 8,102	
VEHICLE OPERATION		\$ 1,350						
PROFESSIONAL SVC	\$ 24,155	\$ 24,418	\$ 27,655	\$ 27,655		\$ 29,591	\$ 29,591	
BLDGS & GRDS SERVICES	\$ 133		\$ 146	\$ 141		\$ 153	\$ 145	
INTEREST EXPENSE	\$ 60							
POSTAGE	\$ 17,462	\$ 18,661	\$ 22,537	\$ 22,537		\$ 24,091	\$ 24,091	
TELEPHONE	\$ 6,363	\$ 42,354	\$ 31,235	\$ 25,279		\$ 29,139	\$ 28,753	
TELEPHONE TOLLS	\$ 17,657	\$ 387	\$ 29,234	\$ 20,111		\$ 30,696	\$ 22,865	
DUES/REGISTRATION	\$ 620	\$ 300	\$ 684	\$ 657		\$ 718	\$ 677	
CERTIFICATIONS		\$ 38						
SUBSCRIPTIONS	\$ 1,950	\$ 1,883	\$ 2,996	\$ 2,067		\$ 3,057	\$ 2,129	
OPERATING LEASE	\$ 32		\$ 25	\$ 25		\$ 26	\$ 26	
ATTORNEY GENERAL	\$ 65,311	\$ 66,505	\$ 89,149	\$ 79,873		\$ 90,080	\$ 80,617	
<b>TOTAL OPERATING EXP</b>	<b>\$ 254,180</b>	<b>\$ 263,653</b>	<b>\$ 374,454</b>	<b>\$ 327,988</b>		<b>\$ 384,309</b>	<b>\$ 354,374</b>	

NEVADA MEDICAID - CONTINUED  
101-3243

	1987-88 ACTUAL	1988-89 WORK PROGRAM	1989-90 AGENCY REQUEST	1989-90 GOVERNOR RECOMMENDS	LEG. AP.	1990-91 AGENCY REQUEST	1990-91 GOVERNOR RECOMMENDS	LEG. AP.
OFFICE FURNITURE/EQUIP	\$ 24,238	\$ 8,108	\$ 44,301	\$ 15,470		\$	\$ 21,595	
TELEPHONE EQUIP	\$	\$ 900	\$ 8,100	\$ 2,700		\$	\$ 4,050	
MISCELLANEOUS EQUIP	\$ 671	\$	\$	\$		\$	\$	
PRIN-INSTALLMENT LEASE	\$ 1,005	\$ 72	\$	\$		\$	\$	
TOT. CAPITAL OUTLAY EQ.	\$ 25,914	\$ 9,080	\$ 52,401	\$ 18,170		\$	\$ 25,645	
TRAINING	\$	\$	\$ 4,221	\$ 4,221		\$ 4,433	\$ 4,433	
OUT OF STATE TRAVEL	\$ 1,629	\$ 2,341	\$	\$		\$	\$	
IN STATE TRAVEL	\$ 417	\$ 123	\$	\$		\$	\$	
DUES AND REGISTRATIONS	\$ 1,784	\$ 1,760	\$	\$		\$	\$	
TOTAL FOR SUB ACCT 09	\$ 3,830	\$ 4,224	\$ 4,221	\$ 4,221		\$ 4,433	\$ 4,433	
FISCAL AGENT CHARGE	\$ 1,963,285	\$ 2,244,575	\$ 2,515,125	\$ 2,536,447		\$ 2,780,258	\$ 2,816,476	
DATA PROCESSING	\$	\$	\$	\$		\$	\$	
MAINTENANCE/SUPPLIES	\$ 20,728	\$ 14,000	\$ 18,662	\$ 18,662		\$ 19,069	\$ 19,069	
EDP SYST PROGR CHARGE	\$ 448,997	\$ 450,297	\$ 534,051	\$ 534,051		\$ 588,222	\$ 588,217	
EQUIPMENT	\$ 37,624	\$ 10,894	\$ 47,500	\$ 30,000		\$ 13,500	\$	
TOTAL FOR SUB ACCT 11	\$ 507,349	\$ 475,191	\$ 600,213	\$ 582,713		\$ 620,791	\$ 607,286	
MED PAY-CURRENT YEAR	\$ 76,517,939	\$ 93,151,055	\$ 126,448,467	\$ 117,158,500		\$ 151,065,289	\$ 138,003,496	
MED PAY-PREVIOUS YEAR	\$ 13,491,883	\$ 14,657,139	\$	\$		\$	\$	
MED PAY-PREVIOUS YEAR	\$ 814,950	\$ 1,138,650	\$	\$		\$	\$	
COUNTY INDIGENT PGM	\$	\$	\$ 2,963,750	\$ 2,963,750		\$ 3,334,219	\$ 3,334,219	
MED PYMTS-FY'88	\$	\$	\$ 1,122,488	\$ 1,122,488		\$	\$	
MED PYMTS-FY'89	\$	\$	\$ 16,556,464	\$ 16,556,464		\$ 1,108,157	\$ 1,108,157	
MED PYMTS-FY'90	\$	\$	\$	\$		\$ 18,508,492	\$ 16,736,929	
UTILIZATION REVIEW	\$ 336,000	\$ 374,409	\$ 465,227	\$ 465,227		\$ 535,589	\$ 535,589	
UTILITIES	\$ 15,238	\$ 10,417	\$ 17,774	\$ 17,774		\$ 18,663	\$ 18,663	
TOTAL AGENCY EXPENDITURES	\$ 95,868,205	\$ 114,295,963	\$ 153,776,626	\$ 144,071,913		\$ 181,061,637	\$ 166,183,515	
AGENCY BALANCE	\$	\$	\$	\$		\$	\$	

NEVADA MEDICAID - CONTINUED  
101-3243

Program Statement

In 1965, congress added Title XVIII - Medicare, and Title XIX - Medicaid, to the Social Security Act. Medicare is an insurance program for the aged and disabled, regardless of financial status, and it is administered by the federal government. Medicaid is a state administered program of medical assistance for those individuals receiving categorically related public assistance and, optionally, those persons designated as medically needy.

The 1967 Legislature, per NRS 428, initiated the Nevada Medicaid Program entitled State Aid to the Medically Indigent. The 1981 Legislature transferred Medicaid to NRS 422. Eligibility for Nevada Medicaid extends to public assistance recipients of Aid to Dependent Children, Supplemental Security Income for the Aged, Blind and Disabled, and some categories of Child Welfare Services. In addition, medically needy inpatients in hospitals and nursing homes are covered.

Any state receiving federal financial participation under Title XIX of the Social Security Act is required to provide ten basic services: Inpatient and outpatient hospital care; laboratory and X-ray services; nursing-midwife services; early and periodic screening; dental and ocular care for those under 21 years of age; physicians' services; home health care; family planning services; rural health clinic services; and transportation to and from medical care. In addition to these required services, Nevada provides podiatry, emergency adult dental, ocular care, drugs, chiropractic, clinic and certified nurse practitioner services, physical, occupational and speech therapy, prosthetic appliances, durable and disposable medical supplies, services in institutions for mental diseases for persons 65 years old and over, services in intermediate care facilities, including institutions for the mentally retarded, and out-of-state services that are not locally available. Payment is made directly to over 5,000 providers of care through the program's fiscal agent, Blue Cross and Blue Shield of Nevada.

Because any medical insurance is considered a prior resource to Medicaid payment, the Nevada program also purchases Medicare Part B coverage for jointly eligible individuals, as well as paying the Medicare deductibles and co-insurance charges on behalf of indigents.

Funding - Federal participation in medical payments and administrative costs is 50 percent. Exceptions are the skilled and medical staff and utilization review costs which are reimbursed at 75 percent. The recommended budget includes funding for a program that would allow counties to participate in Medicaid and thereby receive federal participation in meeting the costs of care for the medically indigent in medical facilities.

A significant portion of medical costs incurred during any one particular period are paid months after the date of service. The recommendation is to limit funding to the amount of claims that will actually be paid during each fiscal year. Anticipated annual medical payments are detailed in the explanatory chart under the medical payments category.

Sub-Account Explanations

Salaries - New staff positions are being recommended to accommodate caseload increases. The federal Medicare Catastrophic Act, Welfare Reform Legislation and OBRA, 1987 Act have created the need for additional assistance in the Medicaid program. Two new positions were authorized by the Interim Finance Committee at its November 17, 1988 meeting. One position is being assigned to assist in the implementation of the Medicare Catastrophic Act and the other is to assist in the OBRA Requirements (Public Law 100-203) of pre-admission reviews for long term care facilities. Additional positions are being recommended to provide medical counseling and case management services to pregnant women and families of medically high risk children. Social Services positions are being recommended to perform required duties associated with the program expansion for pregnant women and children and with the anticipated caseload increases of the Aid to Dependent Children - Unemployed Parent (ADC-UP) program. Clerical positions to provide staff support are also included.

Out-of-State Travel - The amount recommended is the federal portion of anticipated expenses. The funds are used to review medical services being provided to Medicaid recipients. Allowances are also provided for staff attendance at Medicaid conferences and regional meetings.



NEVADA MEDICAID - CONTINUED  
101-3243

Operating Expenses - Allowances have been provided for the new staff positions.

Training - The allocation will provide for staff enrollment in courses that are offered in the field of health care.

Fiscal Agent - This sub-account is used to pay the program's fiscal agent, currently Blue Cross and Blue Shield of Nevada, for screening, processing and disbursing medical vendor payments. Third-party liability searches, provider relations and audits of health care facilities are also included.

Medical Payments - The ultimate services to be provided, as depicted in the chart below, include rate increases of seven percent each year of the biennium to all private providers. The projections are based on the number of recipients who will be expected to incur medical costs and have been adjusted for anticipated case load increases. There is a recommendation for continuation of the home and community based services to senior citizens which is \$1,793,399 the first year and \$2,059,632 the second year of the biennium. Medical services provided by the Mental Health-Mental Retardation Division are also included under this schedule.

MEDICAL PAYMENTS

	<u>Total Amount</u>		<u>Payments</u>	<u>Payments</u>	<u>Payments</u>	<u>Payments</u>	<u>Outstanding</u>
	<u>Approved</u>	<u>Recommended</u>	<u>FY 1987-88</u>	<u>FY 1988-89</u>	<u>FY 1989-90</u>	<u>FY 1990-91</u>	<u>Incurred Costs</u>
							<u>June 30, 1991</u>
FY 1987-88	\$ 98,206,287	\$	\$82,426,660	\$14,657,139	\$ 1,122,488	\$	\$
FY 1988-89	110,815,676			93,151,055	16,556,464	1,108,157	
FY 1989-90		134,975,230			117,158,500	16,736,929	1,079,801
FY 1990-91		158,990,203				138,003,496	20,986,707

NOTES:  
Budgeted payment levels are displayed. The Division anticipates that a transfer between the allocations for fiscal year 1987-88 and fiscal year 1988-89 will be required to meet additional costs of the Medicare Catastrophic Act. The budget revision is pending and has not been included in this presentation.

Senate Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
Assembly Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
Joint Committee Action \_\_\_\_\_ Date \_\_\_\_\_



**APPENDIX C**  
**EXAMPLE OF RECOMMENDED PILOT PROJECT FORMAT**  
**FOR 1991 LEGISLATIVE SESSION**



FINANCIAL INSTITUTIONS  
101-3835-000

SAMPLE BUDGET FORMAT

	1987-88 Actual	1988-89 Work Program	-----1989-90----- Agency Request	Governor Recommends	Legislature Approves	-----1990-91----- Agency Request	Governor Recommends	Legislature Approves
RESOURCES:								
General Fund	\$838,694	\$866,650	\$1,016,288	\$959,575		\$989,162	\$973,807	
Federal Funds								
Dedicated Funds	42,940	38,984	55,000	55,000		55,000	55,000	
Other Funds	24,706	3,000	2,000	2,000		2,000	2,000	
Bal Fwd from Old Year		20,477						
Bal Fwd to New Year	(20,477)							
TOTAL RESOURCES	\$885,863	\$929,111	\$1,073,288	\$1,016,575	\$0	\$1,046,162	\$1,030,807	\$0
PROGRAM EXPENDITURES:								
Personnel Costs	\$783,637	\$827,244	\$917,016	\$909,810		\$924,292	\$925,609	
Out of State Travel	0	0	0	0		0	0	
In State Travel	14,813	22,121	22,325	22,325		23,441	23,441	
Operating Costs	66,447	64,719	78,447	72,440		80,229	73,757	
Capital Outlay	6,841	1,916	1,000	500		1,000	0	
Training	7,532	8,650	7,500	7,500		8,000	8,000	
Data Processing	6,593		47,000	4,000		9,200	0	
Reserve		4,461						
TOTAL EXPENDITURES	\$885,863	\$929,111	\$1,073,288	\$1,016,575	\$0	\$1,046,162	\$1,030,807	\$0
AGENCY BALANCE:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POSITIONS:								
Existing FTE	23.00	23.00	23.00	23.00		23.00	23.00	
New FTE	0.00	0.00	0.00	0.00		0.00	0.00	
TOTAL POSITIONS	23.00	23.00	23.00	23.00	0.00	23.00	23.00	0.00
PROGRAM MEASURES:								
No. Banks Regulated	7	7	7	7		7	7	
No. S&L Regulated	5	5	5	5		5	5	
No. Thrift Co.	3	3	3	3		3	3	
No. Credit Unions	11	12	14	14		15	15	
No. Audits Conducted	12	10	12	26		13	27	
No. Consumer Complts	155	150	175	175		190	190	
No. Complts Resolved	65	100	150	175		160	190	

PROGRAM STATEMENT:

The Financial Institutions Division was formally created by the passage of SB 418 during the 1983 Legislative Session. The division is responsible for the licensing and supervision of depository financial institutions and other financial intermediaries under the following NRS chapters: 645B Mortgage Companies; 649 Collection Agencies; 657-668 Banks; 669 Trust Companies; 670 "Development" Companies; 671 Money Order Companies; 673 Savings and Loans; 675 Small Loan Companies; 676 Debt Adjusters; 677 Thrift Companies; and, 678 Credit Unions.

The division's major functions are to license, examine and regulate all state chartered financial institutions in a manner which promotes safety and soundness of all licensees in the public's interest.

SUB-ACCOUNT EXPLANATIONS:

In-state Travel-- An additional allowance has been provided for the Certified Public Accountant position which was not filled until March 1988.

Operating-- The allocation for telephones includes an additional amount for anticipated phone modem access to the mainframe computers of certain regulatory agencies.

Data Processing-- The division's proposal for enhanced data processing capabilities is being presented as a separate requested appropriation.

Training-- Staff training opportunities are offered by the Federal Depository Insurance Corporation, National Credit Union Association and other affiliated organizations.

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Senate Hearing Date_____	Testimony By_____	Committee Action_____	Date_____
Assembly Hearing Date_____	Testimony By_____	Committee Action_____	Date_____
Joint Committee Action_____			Date_____

BUDFORM1--March 14, 1990

NEVADA MEDICAID  
101-3243-000

SAMPLE BUDGET FORMAT

	1987-88 Actual	1988-89 Work Program	-----1989-90----- Agency Request	Governor Recommends	Legislature Approves	-----1990-91----- Agency Request	Governor Recommends	Legislature Approves
<b>RESOURCES:</b>								
General Fund	\$41,609,329	\$55,561,055	\$74,524,209	\$69,712,447		\$87,866,131	\$80,445,350	
Federal Funds	49,787,654	58,152,583	77,758,542	72,865,591		91,515,397	84,058,056	
Dedicated Funds	11,178	13,000	12,000	12,000		13,000	13,000	
Other Funds	0	0	1,481,875	1,481,875		1,667,109	1,667,109	
Bal Fwd from Old Year	10,029,338	569,325						
Bal Fwd to New Year	(5,569,294)							
<b>TOTAL RESOURCES</b>	<b>\$95,868,205</b>	<b>\$114,295,963</b>	<b>\$153,776,626</b>	<b>\$144,071,913</b>	<b>\$0</b>	<b>\$181,061,637</b>	<b>\$166,183,515</b>	<b>\$0</b>
<b>PROGRAM EXPENDITURES:</b>								
Personnel Costs	\$1,892,017	\$1,916,881	\$2,590,915	\$2,263,016		\$2,634,270	\$2,575,712	
Out of State Travel	3,977	4,457	4,603	4,603		5,066	5,066	
In State Travel	41,643	46,232	60,524	50,552		62,101	57,470	
Operating Costs	254,180	263,653	374,454	327,988		384,309	354,374	
Capital Outlay	25,914	9,080	52,401	18,170		0	25,645	
Training	3,830	4,224	4,221	4,221		4,433	4,433	
Data Processing	507,349	475,191	600,213	582,713		620,791	607,286	
Fiscal Agent	1,963,285	2,244,575	2,515,125	2,536,447		2,780,258	2,816,476	
Med Payments-Current	76,517,939	93,151,055	126,448,467	117,158,500		151,065,289	138,003,496	
Med Payments-Prior Yr	13,491,883	14,657,139	16,556,464	16,556,464		18,508,492	16,736,929	
Med Payments-Prior(2)	814,950	1,138,650	1,122,488	1,122,488		1,108,157	1,108,157	
County Indigent			2,963,750	2,963,750		3,334,219	3,334,219	
Utilization Review	336,000	374,409	465,227	465,227		535,589	535,589	
Utilities	15,238	10,417	17,774	17,774		18,663	18,663	
<b>TOTAL EXPENDITURES</b>	<b>\$95,868,205</b>	<b>\$114,295,963</b>	<b>\$153,776,626</b>	<b>\$144,071,913</b>	<b>\$0</b>	<b>\$181,061,637</b>	<b>\$166,183,515</b>	<b>\$0</b>
<b>AGENCY BALANCE:</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>POSITIONS:</b>								
Existing FTE	59.50	59.50	59.50	59.50		59.50	59.50	
New FTE	0.00	0.00	16.00	6.00		16.00	6.00	
<b>TOTAL POSITIONS</b>	<b>59.50</b>	<b>59.50</b>	<b>75.50</b>	<b>65.50</b>	<b>0.00</b>	<b>75.50</b>	<b>65.50</b>	<b>0.00</b>
<b>PROGRAM MEASURES:</b>								
<b>CASELOAD DATA:</b>								
No. Eligible(ave mo)	30,117	33,567	41,664	40,261		47,570	44,728	
No. Services	1,691,115	1,879,695	2,632,111	2,488,868		2,632,111	2,488,868	
Cost per Person	\$262.00	\$276.00	\$288.00	\$282.00		\$295.00	\$283.00	
Cost per Service	\$55.00	\$58.00	\$64.00	\$61.00		\$69.00	\$65.00	
Total Claims Paid	201,115	222,551	240,000	225,000		275,000	240,000	
No. Providers	4,955	5,010	5,500	5,500		5,700	5,700	
Audit Recoveries	\$585,711	\$400,000	\$450,000	\$750,000		\$450,000	\$750,000	

SERVICE DATA:

LTC-No. Clients	1,629	1,700	1,875	1,775	1,950	1,850
LTC-Cost per Day	\$46.58	\$47.00	\$49.99	\$48.00	\$51.00	\$49.50
Hosp.-No. Services	8,741	9,000	11,242	10,906	14,755	14,109
Hosp.-Cost per Svc.	\$3,570.39	\$3,582.11	\$3,590.50	\$3,556.74	\$3,595.55	\$3,506.33
Physician-Services	266,739	299,123	33,640	324,698	385,000	377,144
Physician-Cost/Servi	\$51.10	\$53.22	\$58.00	\$57.04	\$65.00	\$63.12
Pharmacy-No. Svcs	301,339	315,939	376,800	376,800	416,591	416,591
Pharmacy-Cost/Prescr	\$18.33	\$18.80	\$19.50	\$19.38	\$21.00	\$20.23

SERVICE COSTS:

Hospital-Inpatient	\$24,814,650	\$31,205,775	\$41,789,804	\$38,789,804	\$51,470,742	\$47,470,742
Hospital-Outpatient	1,877,502	2,946,403	3,947,806	3,947,806	6,107,501	5,107,501
Long-Term Care	23,285,400	28,999,365	39,210,714	34,210,714	41,616,475	36,616,475
Physicians	11,001,737	13,631,419	19,520,580	18,520,580	25,805,319	22,805,319
Pharmacy	4,582,342	5,940,869	8,301,097	7,301,097	8,425,866	8,425,866
H. M. O.	\$989,201	\$1,177,381	\$1,548,217	\$1,548,217	\$1,796,273	\$1,796,273
MH/MR	12,942,540	13,326,334	14,028,967	14,739,000	15,101,780	15,101,780
Transportation						
Other	11,331,400	12,326,408	15,780,234	15,780,234	20,357,982	18,524,626

TOTAL MED PAYMENTS	\$90,824,772	\$109,553,954	\$144,127,419	\$134,837,452	\$0	\$170,681,938	\$155,848,582	\$0
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RECIPIENT TYPE:

ADC	18,354	19,976	24,844	23,684	27,936	25,444
Blind & Disabled	5,544	5,699	5,697	5,697	6,022	6,022
SSI & Aged	5,301	5,348	6,280	6,280	6,834	6,834
Medical Only	649	1,760	1,858	1,858	2,018	2,018
QMB	0	500	1,800	1,557	2,000	1,650
ADC--UP	0	0		0	888	888
ADC--CHAP	199	209	880	880	1,567	1,567
County Program	0	0	230	230	230	230
Other	70	75	75	75	75	75

TOTAL CASELOAD	30,117	33,567	41,664	40,261	0	47,570	44,728	0
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PROGRAM STATEMENT:

Medicaid is a state administered program of medical assistance for those individuals receiving categorically related public assistance and, optionally, those persons designated as medically needy. Eligibility for Nevada Medicaid extends to public assistance recipients of Aid to Dependent Children, Supplemental Security Income for the Aged, Blind and Disabled, and some categories of Child Welfare Service. In addition, medically needy inpatients in hospitals and nursing homes are covered.

Any state receiving federal financial participation under Title XIX of the Social Security Act is required to provide ten basic services: Inpatient and outpatient hospital care; laboratory and x-ray services; nursing-midwife services; early and periodic screening; dental and ocular care for those under 21 years of age; physicians' services; home health care; family planning services; rural health clinic services; and transportation to and from medical care. In addition to these required services, Nevada provides podiatry, emergency adult dental, ocular care, drugs, chiropractic, clinic and certified nurse practitioner services, physical, occupational and speech therapy, prosthetic appliances, durable and disposable medical supplies, services in institutions for mental diseases for persons 65 years old and over, services in intermediate care facilities, including institutions for the mentally retarded, and out-of-state services that are not locally available. Payment is made directly to over 5,000 providers of care through the program's fiscal agent, Blue Cross and Blue Shield of Nevada.



Funding--Federal Participation in medical payments and administrative costs is 50 percent. Exceptions are the skilled and medical staff and utilization review costs which are reimbursed at 75 percent. The recommended budget includes funding for a program that would allow counties to participate in Medicaid and thereby receive federal participation in meeting the costs of care for the medically indigent in medical facilities.

A significant portion of medical costs incurred during any one particular period are paid months after the date of service. The recommendation is to limit funding to the amount of claims that will actually be paid during each fiscal year. Anticipated annual medical payments are detailed in the explanatory chart under the medical payments category.

#### SUB-ACCOUNT EXPLANATIONS:

Salaries-- New staff positions are being recommended to accomodate caseload increases. The federal Medicare Catastrophic Act, Welfare Reform Legislation and OBRA, 1987 Act have created the need for additional assistance in the Medicaid program. Two new positions were authorized by the Interim Finance Committee at its November 17, 1988 meeting. One position is being assigned to assist in the implementation of the Medicare Catastrophic Act and the other assist in the OBRA requirements (Public Law 100-203) of pre-admission reviews for long-term care facilities. Additional positions are being recommended to provide medical counseling and case management services to pregnant women and families of medically high risk children. Social services positions are being recommended to perform required duties associated with the program expansion for pregnant women and children and with the anticipated caseload increases of the Aid to Dependent Children - Unemployed Parent (ADC-UP) program. Clerical positions to provide staff support are also included.

Out-of-state Travel-- The amount recommended is the federal portion of anticipated expenses. The funds are used to review medical services being provided to Medicaid recipients. Allowances are also provided for staff attendance at Medicaid conferences and regional meetings.

Operating Expenses-- Allowances have been provided for the new staff positions.

Training-- The allocation will provide for staff enrollment in courses that are offered in the field of health care.

Fiscal Agent-- This sub-account is used to pay the program's fiscal agent, currently Blue Cross and Blue Shield of Nevada, for screening, processing and disbursing medical vendor payments. Third-party liability searches, provider relations and audits of health care facilities are also included.

Medical Payments-- The ultimate services to be provided, as depicted in the chart below, include rate increases of seven percent each year of the biennium to all private providers. The projections are based on the number of recipients who will be expected to incur medical costs and have been adjusted for anticipated case load increases. There is a recommendation for continuation of the home and community based services to senior citizens which is \$1,793,399 the first year and \$2,059,632 the second year of the biennium. Medical services provided by the Mental Health-Mental Retardation Division are also included under this schedule.

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#### MEDICAL PAYMENTS

	Total Amount		Payments	Payments	Payments	Payments	Incurring Costs
	Approved	Recommended	FY 1987-88	FY 1988-89	FY 1989-90	FY 1990-91	June 30, 1991
FY 1987-88	\$ 98,206,287	\$	\$82,426,660	\$14,657,139	\$ 1,122,488	\$	\$
FY 1988-89	110,815,676			93,151,055	16,556,464	1,108,157	
FY 1989-90		134,975,230			117,158,500	16,736,929	1,079,801
FY 1990-91		158,990,203				138,003,496	20,986,707

NOTES:

Budgeted payment levels are displayed. The Division anticipates that a transfer between the allocations for fiscal year 1987-88 and fiscal year 1988-89 will be required to meet additional costs of the Medicare Catastrophic Act. The budget revision is pending and has not been included in this presentation.

Senate Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
Assembly Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
Joint Committee Action \_\_\_\_\_ Date \_\_\_\_\_

BUDFORM3--March 27, 1990

**APPENDIX D**  
**EXAMPLE OF RECOMMENDED BUDGET FORMAT**  
**FOR 1993 LEGISLATIVE SESSION**



## FINANCIAL INSTITUTIONS

## SAMPLE BUDGET FORMAT

	1987-88	1988-89	-----1989-90-----			-----1990-91-----		
BASE BUDGET:	Actual	Work	Agency	Governor	Legislature	Agency	Governor	Legislature
101-3835-000		Program	Request	Recommends	Approves	Request	Recommends	Approves
RESOURCES:								
General Fund	\$838,694	\$866,650	\$948,150	\$947,650		\$962,632	\$962,132	
Dedicated Funds	42,940	38,984	55,000	55,000		55,000	55,000	
Other Funds	24,706	3,000	2,000	2,000		2,000	2,000	
Bal Fwd from Old Year		20,477						
Bal Fwd to New Year	(20,477)							
TOTAL RESOURCES	\$885,863	\$929,111	\$1,005,150	\$1,004,650	\$0	\$1,019,632	\$1,019,132	\$0
PROGRAM EXPENDITURES:								
Personnel Costs	\$783,637	\$827,244	\$909,810	\$909,810		\$924,292	\$924,292	
Out of State Travel	0	0	0	0		0	0	
In State Travel	14,813	22,121	22,121	22,121		22,121	22,121	
Operating Costs	66,447	64,719	64,719	64,719		64,719	64,719	
Capital Outlay	8,841	1,916	1,000	500		1,000	500	
Training	7,532	8,650	7,500	7,500		7,500	7,500	
Data Processing	6,593		0	0		0	0	
Reserve		4,461	0	0		0	0	
BASE EXPENDITURES	\$885,863	\$929,111	\$1,005,150	\$1,004,650	\$0	\$1,019,632	\$1,019,132	\$0
EXISTING POSITIONS	23.00	23.00	23.00	23.00		23.00	23.00	

## 37 PROGRAM MAINTENANCE:

101-3835-001

1. Inflationary adjustments: Recommended 5% for travel and various amounts for operating. Includes 10 cent per sq. ft. rent increase.								
General Fund			\$15,940	\$8,827		\$20,155	\$11,305	
In State Travel			\$2,212	\$1,106		\$4,645	\$2,267	
Operating			13,728	7,721		15,510	9,038	
Total	\$0	\$0	\$15,940	\$8,827	\$0	\$20,155	\$11,305	\$0

## PROGRAM ENHANCEMENTS:

101-3835-011

1. Rent: Provides funds for increased office space (1000 sq. ft.) in Las Vegas for customer service.

General Fund			\$14,400	\$7,200		\$14,400	\$7,200	
Operating			\$14,400	\$7,200		\$14,400	\$7,200	

101-3835-012

2. Bank Examiner: Provides for one new bank examiner for the Las Vegas office. The position will monitor problem institutions and be funded by assessments and the general fund.

General Fund				\$16,200			\$16,800	
Dedicated Funds				16,200			16,800	
Total Funds			\$0	\$32,400	\$0	\$0	\$33,600	\$0
Personnel Costs				\$32,400			\$33,600	

	1987-88 Actual	1988-89 Work Program	-----1989-90----- Agency Request	Governor Recommends	Legislature Approves	-----1990-91----- Agency Request	Governor Recommends	Legislature Approves
101-3835-013								
3. Computer System: Provides for enhanced capability in the Carson City office to establish a computer link with the federal audit authorities.								
General Fund			\$47,000	\$47,000		\$4,000	\$4,000	
Data Processing			\$47,000	\$47,000		\$4,000	\$4,000	

#### BUDGET SUMMARY:

General Funds	\$838,694	\$866,650	\$1,025,490	\$1,026,877	\$0	\$1,001,187	\$1,001,437	\$0
Other Funds	47,169	62,461	57,000	73,200	0	57,000	73,800	0
Total Expenditures	\$885,863	\$929,111	\$1,082,490	\$1,100,077	\$0	\$1,058,187	\$1,075,237	\$0
Agency Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

#### POSITIONS:

Existing FTE	23.00	23.00	23.00	23.00		23.00	23.00	
New FTE	0.00	0.00	0.00	1.00		0.00	1.00	
TOTAL POSITIONS	23.00	23.00	23.00	24.00	0.00	23.00	24.00	0.00

#### PROGRAM STATEMENT:

The Financial Institutions Division was formally created by the passage of SB 418 during the 1983 Legislative Session. The division is responsible for the licensing and supervision of depository financial institutions and other financial intermediaries under the following NRS chapters: 645B Mortgage Companies; 649 Collection Agencies; 657-668 Banks; 669 Trust Companies; 670 "Development" Companies; 671 Money Order Companies; 673 Savings and Loans; 675 Small Loan Companies; 676 Debt Adjusters; 677 Thrift Companies; and, 678 Credit Unions.

The division's major functions are to license, examine and regulate all state chartered financial institutions in a manner which promotes safety and soundness of all licensees in the public's interest.

#### PROGRAM MEASURES:

No. Banks Regulated	7	7	7	7	7	7
No. S&L Regulated	5	5	5	5	5	5
No. Thrift Co.	3	3	3	3	3	3
No. Credit Unions	11	12	14	14	15	15
No. Audits Conducted	12	10	12	26	13	27
No. Consumer Complts	155	150	175	175	190	190
No. Complts Resolved	65	100	150	175	160	190

Senate Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
 Assembly Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
 Joint Committee Action \_\_\_\_\_ Date \_\_\_\_\_

## NEVADA MEDICAID

## SAMPLE BUDGET FORMAT

	1987-88 Actual	1988-89 Work Program	-----1989-90-----			-----1990-91-----		
BASE BUDGET: 101-3243-000			Agency Request	Governor Recommends	Legislature Approves	Agency Request	Governor Recommends	Legislature Approves
<b>RESOURCES:</b>								
General Fund	\$41,609,329	\$55,561,055	\$57,268,434	\$57,268,434		\$57,352,136	\$57,352,136	
Federal Funds	49,787,654	58,152,583	57,280,433	57,280,433		57,339,136	57,339,136	
Dedicated Funds	11,178	13,000	12,000	12,000		13,000	13,000	
Bal Fwd from Old Year	10,029,338	569,325						
Bal Fwd to New Year	(5,569,294)							
<b>TOTAL RESOURCES</b>	<b>\$95,868,205</b>	<b>\$114,295,963</b>	<b>\$114,560,867</b>	<b>\$114,560,867</b>	<b>\$0</b>	<b>\$114,704,272</b>	<b>\$114,704,272</b>	<b>\$0</b>
<b>PROGRAM EXPENDITURES:</b>								
Personnel Costs	\$1,892,017	\$1,916,881	\$2,190,915	\$2,190,915		\$2,334,270	\$2,334,270	
Out of State Travel	3,977	4,457	4,457	4,457		4,457	4,457	
In State Travel	41,843	46,232	46,232	46,232		46,232	46,232	
Operating Costs	254,180	263,653	263,653	263,653		263,653	263,653	
Capital Outlay	25,914	9,080	0	0		0	0	
Training	3,830	4,224	4,224	4,224		4,224	4,224	
Data Processing	507,349	475,191	475,191	475,191		475,191	475,191	
Fiscal Agent	1,963,285	2,244,575	2,244,525	2,244,525		2,244,575	2,244,575	
Med Payments-Current	76,517,939	93,151,055	93,151,055	93,151,055		93,151,055	93,151,055	
Med Payments-Prior Yr	13,491,883	14,657,139	14,657,139	14,657,139		14,657,139	14,657,139	
Med Payments-Prior(2)	814,950	1,138,650	1,138,650	1,138,650		1,138,650	1,138,650	
Utilization Review	336,000	374,409	374,409	374,409		374,409	374,409	
Utilities	15,238	10,417	10,417	10,417		10,417	10,417	
<b>BASE EXPENDITURES</b>	<b>\$95,868,205</b>	<b>\$114,295,963</b>	<b>\$114,560,867</b>	<b>\$114,560,867</b>	<b>\$0</b>	<b>\$114,704,272</b>	<b>\$114,704,272</b>	<b>\$0</b>
<b>EXISTING POSITIONS</b>	<b>59.50</b>	<b>59.50</b>	<b>59.50</b>	<b>59.50</b>		<b>59.50</b>	<b>59.50</b>	
=====								
<b>PROGRAM MAINTENANCE:</b>								
101-3243-001								
1. Caseload Adjustments: Requested funding for increased administrative and medical care costs for anticipated caseload increases of 12% in FY 90 and 8% in FY 91.								
General Fund			\$11,888,524	\$9,217,608		\$18,515,262	\$15,083,934	
Federal Funds			11,888,523	9,217,607		18,515,261	15,083,933	
-----								
Personnel Costs			\$400,000	\$72,101		\$300,000	\$241,442	
In-state Travel			10,000	3,500		10,000	8,000	
Operating			60,000	40,000		80,000	70,000	
Data Processing			62,511	53,761		72,800	66,047	
Fiscal Agent			270,555	291,872		535,683	571,901	
Medical Payments			21,000,000	16,000,000		32,000,000	27,000,000	
Medical Payments-Pri			1,883,163	1,883,163		3,870,860	2,049,297	
Utilization Review			90,818	90,818		161,180	161,180	
-----								
Total	\$0	\$0	\$23,777,047	\$18,435,215	\$0	\$37,030,523	\$30,167,867	\$0
-----								
New FTE			16.00	6.00		16.00	6.00	

101-3243-002

2. Inflationary adjustments: Funds are requested for inflationary adjustments of 5% for travel and various amounts for operating.

General Fund	\$58,875	\$41,531	\$59,967	\$45,308
Federal Funds	58,875	41,531	59,967	45,308
-----	-----	-----	-----	-----
Out of state Travel	\$146	\$146	\$609	\$609
In state Travel	4,292	820	5,869	3,238
Operating	50,801	24,335	40,656	20,721
Data Processing	62,611	57,761	72,800	66,048
-----	-----	-----	-----	-----
Total	\$0	\$0	\$117,750	\$83,062
			\$0	\$119,934
			\$90,616	\$0

## PROGRAM ENHANCEMENTS:

101-3243-011

1. Provider Payment Increases: Proposed increases are 4.5% for long term care, 5% for hospitals and physician's for each year.

General Fund	\$3,750,000	\$2,000,000	\$7,500,000	\$4,000,000
Federal Funds	3,750,000	2,000,000	7,500,000	4,000,000
-----	-----	-----	-----	-----
Medical Payments	\$7,500,000	\$4,000,000	\$15,000,000	\$8,000,000

101-3243-012

2. Program expansion: Funding is requested to implement the medical care portion of the unemployed parent program (ADC-UP).

General Fund	\$1,199,353	\$1,001,861	\$2,728,559	\$2,463,110
Federal Funds	1,199,353	1,001,861	2,728,558	2,463,110
-----	-----	-----	-----	-----
Medical Payments	\$2,398,706	\$2,003,722	\$5,457,117	\$4,926,220

101-3243-013

3. Program expansion: Funding is requested to implement pregnancy related medicaid coverage effective April 1, 1990.

General Fund	\$1,199,353	\$1,001,861	\$2,728,559	\$2,463,110
Federal Funds	1,199,353	1,001,861	2,728,558	2,463,110
-----	-----	-----	-----	-----
Medical Payments	\$2,398,706	\$2,003,722	\$5,457,117	\$4,926,220

101-3243-014

4. County Indigent: Authority is requested to implement the county indigent program by matching federal dollars with county contributions.

Federal Funds	\$1,481,875	\$1,481,875	\$1,667,109	\$1,667,109
Other Funds	1,481,875	1,481,875	1,667,109	1,667,109
-----	-----	-----	-----	-----
Medical Payments	\$2,963,750	\$2,963,750	\$3,334,218	\$3,334,218

## BUDGET SUMMARY:

General Fund	\$41,609,329	\$55,561,055	\$75,364,539	\$70,531,295	\$88,884,483	\$81,407,598
Federal Funds	49,787,654	58,152,583	76,858,412	72,025,168	90,538,590	83,061,707
Other Funds	4,471,222	582,325	1,493,875	1,493,875	1,680,109	1,680,109
-----	-----	-----	-----	-----	-----	-----
Total Expenditures	\$95,868,205	\$114,295,963	\$153,716,826	\$144,050,338	\$181,103,182	\$166,149,414

AGENCY BALANCE:	\$0	\$0	\$0	\$0	\$0	\$0
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PERCENTAGE CHANGE:	19.2%	34.5%	26.0%	17.8%	15.3%
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**POSITIONS:**

Existing FTE	59.50	59.50	59.50	59.50		59.50	59.50
New FTE	0.00	0.00	16.00	6.00		16.00	6.00
<hr/>							
TOTAL POSITIONS	59.50	59.50	75.50	65.50	0.00	75.50	65.50
<hr/>							
							0.00

**PROGRAM STATEMENT:**

Medicaid is a state administered program of medical assistance for those individuals receiving categorically related public assistance and, optionally, those persons designated as medically needy. Eligibility for Nevada Medicaid extends to public assistance recipients of Aid to Dependent Children, Supplemental Security Income for the Aged, Blind and Disabled, and some categories of Child Welfare Service. In addition, medically needy inpatients in hospitals and nursing homes are covered.

Any state receiving federal financial participation under Title XIX of the Social Security Act is required to provide ten basic services: Inpatient and outpatient hospital care; laboratory and x-ray services; nursing-midwife services; early and periodic screening; dental and ocular care for those under 21 years of age; physicians' services; home health care; family planning services; rural health clinic services; and transportation to and from medical care. In addition to these required services, Nevada provides podiatry, emergency adult dental, ocular care, drugs, chiropractic, clinic and certified nurse practitioner services, physical, occupational and speech therapy, prosthetic appliances, durable and disposable medical supplies, services in institutions for mental diseases for persons 65 years old and over, services in intermediate care facilities, including institutions for the mentally retarded, and out-of-state services that are not locally available. Payment is made directly to over 5,000 providers of care through the program's fiscal agent, Blue Cross and Blue Shield of Nevada.

Funding--Federal Participation in medical payments and administrative costs is 50 percent. Exceptions are the skilled and medical staff and utilization review costs which are reimbursed at 75 percent. The recommended budget includes funding for a program that would allow counties to participate in Medicaid and thereby receive federal participation in meeting the costs of care for the medically indigent in medical facilities.

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**PROGRAM MEASURES:**
**CASELOAD DATA:**

No. Eligible(ave mo)	30,117	33,567	41,664	40,261		47,570	44,728
No. Services	1,691,115	1,879,695	2,632,111	2,488,868		2,632,111	2,488,868
Cost per Person	\$262.00	\$276.00	\$288.00	\$282.00		\$295.00	\$283.00
Cost per Service	\$55.00	\$58.00	\$64.00	\$61.00		\$69.00	\$65.00
Total Claims Paid	201,115	222,551	240,000	225,000		275,000	240,000
No. Providers	4,955	5,010	5,500	5,500		5,700	5,700
Audit Recoveries	\$585,711	\$400,000	\$450,000	\$750,000		\$450,000	\$750,000

**SERVICE DATA:**

LTC-No. Clients	1,629	1,700	1,875	1,775		1,950	1,850
LTC-Cost per Day	\$46.58	\$47.00	\$49.99	\$48.00		\$51.00	\$49.50
Hosp.-No. Services	8,741	9,000	11,242	10,906		14,755	14,109
Hosp.-Cost per Svc.	\$3,570.39	\$3,582.11	\$3,590.50	\$3,556.74		\$3,595.55	\$3,506.33
Physician-Services	266,739	299,123	33,640	324,698		385,000	377,144
Physician-Cost/Servi	\$51.10	\$53.22	\$58.00	\$57.04		\$65.00	\$63.12
Pharmacy-No. Svcs	301,339	315,939	376,800	376,800		416,591	416,591
Pharmacy-Cost/Prescr	\$18.33	\$18.80	\$19.50	\$19.38		\$21.00	\$20.23

SERVICE COSTS:

Hospital-Inpatient	\$24,814,650	\$31,205,775	\$41,789,804	\$38,789,804	\$51,470,742	\$47,470,742
Hospital-Outpatient	1,877,502	2,946,403	3,947,806	3,947,806	6,107,501	5,107,501
Long-Term Care	23,285,400	28,999,365	39,210,714	34,210,714	41,616,475	36,616,475
Physicians	11,001,737	13,631,419	19,520,580	18,520,580	25,805,319	22,805,319
Pharmacy	4,582,342	5,940,869	8,301,097	7,301,097	8,425,866	8,425,866
H. M. O.	\$989,201	\$1,177,381	\$1,548,217	\$1,548,217	\$1,796,273	\$1,796,273
MH/MR	12,942,540	13,326,334	14,028,967	14,739,000	15,101,780	15,101,780
Transportation						
Other	11,331,400	12,326,408	15,780,234	15,780,234	20,357,982	18,524,626
TOTAL MED PAYMENTS	\$90,824,772	\$109,553,954	\$144,127,419	\$134,837,452	\$0 \$170,681,938	\$155,848,582 \$0

RECIPIENT TYPE:

ADC	18,354	19,976	24,844	23,684	27,936	25,444
Blind & Disabled	5,544	5,699	5,697	5,697	6,022	6,022
SSI & Aged	5,301	5,348	6,280	6,280	6,834	6,834
Medical Only	649	1,760	1,858	1,858	2,018	2,018
QMB	0	500	1,800	1,557	2,000	1,650
ADC--UP	0	0		0	888	888
ADC--CHAP	199	209	880	880	1,567	1,567
County Program	0	0	230	230	230	230
Other	70	75	75	75	75	75
TOTAL CASELOAD	30,117	33,567	41,664	40,261	0 47,570	44,728 0

Senate Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
 Assembly Hearing Date \_\_\_\_\_ Testimony By \_\_\_\_\_ Committee Action \_\_\_\_\_ Date \_\_\_\_\_  
 Joint Committee Action \_\_\_\_\_ Date \_\_\_\_\_

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BUDFORM4--May 8, 1990

PROGRAM STATEMENT:

**APPENDIX E**  
**RECOMMENDED LEGISLATION**



SUMMARY--Requires interim study of state budget process. (BDR R-405)

CONCURRENT RESOLUTION--Requiring an interim study of the state budget process.

WHEREAS, The State of Nevada has grown from 488,000 residents in 1969 to over 1,000,000 residents today; and

WHEREAS, The biennial budget, which is reviewed by the Legislature for the State of Nevada, has grown from \$397,000,000 in 1969 to over \$3,900,000,000 in 1989; and

WHEREAS, The diversity and complexity of the services provided by the state to its residents has grown proportionately to the growth in the budget and the population; and

WHEREAS, The executive budget has grown from 230 budgets in 1969 to 445 budgets in 1989 and from 551 pages in 1969 to 1,498 pages in 1989; and

WHEREAS, Except for the pilot project established for the 66th session of the Nevada Legislature by the study committee created by Senate Concurrent Resolution No. 44 of the 65th session of the Nevada Legislature, the format of the current budget document has not changed since 1969 even though the size and complexity of the state's programs have changed; and

WHEREAS, The current budget process starts in June of every even-numbered year and ends when the Legislature adjourns sine die in odd-numbered years; and

WHEREAS, Budget approval is the process whereby the Legislature exercises its constitutional obligation to reflect the needs and wishes of the residents of this state in the allocation of its financial resources; and

WHEREAS, Today's legislator, with the help of modern technology and professional services of a staff, is well-equipped to provide timely and relevant input into the budget process; and

WHEREAS, There is currently no opportunity for the Legislature to review budget proposals of the Governor before the beginning of the legislative session and the length of the session is often determined by the length of the budget-review process; and

WHEREAS, The budget process should not focus on narrow year-to-year policy decisions, but should evaluate efforts in the past and formulate budgets giving consideration to the long-term effect; and

WHEREAS, The study committee created by Senate Concurrent Resolution No. 44 of the 65th session of the Nevada Legislature worked hard to develop recommendations that would begin a gradual reformation of the state budget process and the implementation and effectiveness of these recommendations needs to be monitored by a study committee that could advise the executive branch if questions arise in the implementation of the new process; now, therefore, be it

**RESOLVED BY THE                      OF THE STATE OF NEVADA, THE**

CONCURRING, That the committee to study the state budget process is hereby created and directed to continue the comprehensive study of the state

budget process which was conducted pursuant to Senate Concurrent Resolution No. 44 of the 65th session of the Nevada Legislature; and be it further

RESOLVED, That the study include an examination, review and evaluation of:

1. The current budget process, including the documents used and the chronology of the process;
2. The format of the executive budget;
3. The method for the Governor to recommend any new programs or revenues;
4. The budget review process and the documents used in selected other states;
5. The proper role of the Legislature in the budget process and its influence on the outcome of the approved biennial budget and how that role can be enhanced;
6. Long-range planning techniques currently used or which need to be used;
7. The capital budget process;
8. The establishment of measurable indicators of program performance by the various state agencies;
9. The establishment of agency and program goals;
10. The appropriate role of the Governor and the Legislature in the budget process;

11. The results of the pilot project created by the study committee created pursuant to Senate Concurrent Resolution No. 44 of the 65th session of the Nevada Legislature which designated six agency budgets that used, for the 66th session of the Nevada Legislature an alternative program budget format including mission statements, program measurement data and the elimination of individual line-items of expenditure and position lists; and

12. The effectiveness of all changes made in the state budget process during the 66th session of the Nevada Legislature;  
and be it further

RESOLVED, That the committee to study the state budget process consists of eight members including:

1. Six voting members, consisting of three Assemblymen appointed by the Speaker of the Assembly and three Senators appointed by the Majority Leader of the Senate; and

2. Two nonvoting members, one of whom is employed by the Fiscal Analysis Division of the Legislative Counsel Bureau and one of whom is appointed by the Director of the Budget Division of the Department of Administration and is employed by the Budget Division;  
and be it further

RESOLVED, That the committee to study the state budget process report its findings and any recommendations to the 67th session of the Nevada Legislature.



SUMMARY--Amends Joint Rules of Senate and Assembly adopted for 66th session of Legislature to limit length of session and budget review process and provide period of adjournment for concentration on budget process. (BDR R-375)

CONCURRENT RESOLUTION--Amending the Joint Rules of the Senate and Assembly adopted for the 66th session of the Legislature to limit the length of the legislative session and budget review process and to provide a period of adjournment for concentration on the budget process.

RESOLVED BY THE                      OF THE STATE OF NEVADA, THE  
CONCURRING, That the Joint Rules of the Senate and Assembly as adopted  
by the 66th session of the Legislature are hereby amended as follows:

1. Rule 9 is hereby amended to read as follows:

ADJOURNMENT

1. In calculating the permissible duration of an adjournment for 3 days or less, the day of adjournment [shall] *must* not be counted but the day of the next meeting [shall] *must* be counted, and Sunday [shall] *must* not be counted.

2. The Legislature may adjourn for more than 3 days by concurrent resolution. One or more such adjournments, for a total of not more than 20 days during any regular session, may be taken to permit standing committees, select committees or the Legislative Counsel Bureau to prepare the matters respectively entrusted to them for the consideration of the Legislature as a whole.

3. *In addition to any adjournment taken pursuant to subsection 2, after the first 19 calendar days of a regular legislative session, the Legislature shall adjourn until the 36th calendar day of the regular session. During this adjournment, the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means shall hold hearings in both the mornings and afternoons to consider the budgets of the major agencies of the state. The two committees shall, when practicable, meet jointly while maintaining majorities of both committees. During this adjournment all other standing committees may hold hearings at any place in the state on legislative measures or on any general topic which is pertinent to possible legislative action.*

2. Rule 17 is hereby added to read as follows:

*LIMITATIONS ON  
DATE OF FIRST AND LAST JOINT BUDGET HEARINGS,  
DATE OF PASSAGE OF APPROPRIATION AND AUTHORIZATION  
BILLS AND LENGTH OF REGULAR SESSION*

*1. The first joint meeting of the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means to consider the budgets of the agencies of the state must be held on or before the 92nd calendar day of the regular session.*

*2. The last joint meeting of the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means to consider the budgets of the agencies of the state must be held on or before the 117th calendar day of the regular session.*

*3. All general appropriation and authorization bills must be finally passed by both houses on or before the 124th calendar day of the regular session.*

*4. The Legislature shall adjourn sine die on or before the 131st calendar day of the regular session.*



SUMMARY--Authorizes payment of salary from legislative fund for work on committees during adjournment of legislature under certain circumstances. (BDR 17-376)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the legislature; authorizing the payment of a salary from the legislative fund for work on committees during an adjournment of the legislature under certain circumstances; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 218 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. Except as otherwise provided in subsection 2, when the legislature is in adjournment for more than 4 days during a regular or special session, each senator and assemblyman is entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the regular session or the first 20 days of the special session for each day that he attends a meeting of a standing committee of which he is a member.*

2. *This section does not apply to any senator or assemblyman who is otherwise entitled to receive a salary.*

**Sec. 2.** This act becomes effective upon passage and approval.

SUMMARY--Revises provisions governing preparation and review of state budgets. (BDR 31-377)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to the state budget process; revising the provisions governing the content and confidentiality of the budget of the executive department of the state government; requiring the submission of certain information concerning the state budget to the fiscal analysis division of the legislative counsel bureau by a specified date; revising the requirements for the budgets of the legislative and judicial departments of the state government and the public employees' retirement system; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** Chapter 353 of NRS is hereby amended by adding thereto a new section to read as follows:

*1. On or before November 1 of each even-numbered year, the chief shall provide to the fiscal analysis division of the legislative counsel bureau*

*computerized budget files containing the actual revenue and expenditure data for the previous year, the work programs for the current year and each agency's requested budget for the next 2 years.*

*2. As soon as practicable after receipt of the budget files pursuant to subsection 1, the fiscal analysis division shall provide a synopsis of the information to the members of the senate standing committee on finance and the assembly standing committee on ways and means for the ensuing session of the legislature. The synopsis must include the levels of requested expenditures of all of the departments and agencies, major budget issues, approximate available revenues, historical data and any other information the fiscal analysts deem appropriate.*

**Sec. 2.** NRS 353.155 is hereby amended to read as follows:

353.155 As used in NRS 353.150 to 353.246, inclusive, and [NRS 353.277,] *section 1 of this act*, "chief" means the chief of the budget division of the department of administration.

**Sec. 3.** NRS 353.205 is hereby amended to read as follows:

353.205 The state budget for each fiscal year must be set up in three parts:

1. Part 1 must consist of a budget message by the governor which outlines the financial policy of the executive department of the state government for the next 2 fiscal years, describing in connection therewith the important features of the financial plan. It must also embrace a general budget summary setting forth the aggregate figures of the budget in such a manner as to show the balanced relations between the total proposed expenditures and the total anticipated



revenues, together with the other means of financing the budget for the next 2 fiscal years, contrasted with the corresponding figures for the last completed fiscal year and fiscal year in progress. The general budget summary must be supported by explanatory schedules or statements, classifying the expenditures contained therein by organizational units, objects and funds, and the income by organizational units, sources and funds.

2. Part 2 must embrace the detailed budget estimates both of expenditures and revenues as provided in NRS 353.150 to 353.246, inclusive. *It must include a mission statement and measurement indicators for each program.* It must also include statements of the bonded indebtedness of the state government, showing the requirements for redemption of debt, the debt authorized and unissued, and the condition of the sinking funds, and any statements relative to the financial plan which the governor may deem desirable, or which may be required by the legislature.

3. Part 3 must include the general appropriation bill authorizing, by departments, institutions and agencies, and by funds, all expenditures of the executive department of the state government for the next 2 fiscal years, and may include complete drafts of such other bills as may be required to provide the income necessary to finance the budget and to give legal sanction to the financial plan if adopted by the legislature.

As soon as each part is prepared, a copy of the part must be transmitted to the fiscal analysis division of the legislative counsel bureau for confidential examination and retention.

**Sec. 4.** NRS 353.210 is hereby amended to read as follows:

353.210 1. Except as provided in subsection 3, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the executive department of the state government, and all agencies of the executive department of the state government receiving state money, fees or other money under the authority of the state, including those operating on money designated for specific purposes by the constitution or otherwise, shall prepare, on blanks furnished them by the chief, and submit to the chief estimates of their expenditure requirements, together with all anticipated income from fees and all other sources, for the next 2 fiscal years compared with the corresponding figures of the last completed fiscal year and the estimated figures for the current fiscal year. The chief shall direct that one copy of the completed forms, accompanied by every supporting schedule and any other related material, be delivered directly to the fiscal analysis division of the legislative counsel bureau on or before September 1 of each even-numbered year. The fiscal analysis division of the legislative counsel bureau must be given advance notice of any conference between the budget division of the department of administration and personnel of other state agencies regarding budget estimates, and a fiscal analyst of the legislative counsel bureau or his designated representative may attend any such conference.

2. The expenditure estimates must be classified to set forth the data of funds, organization units, *and the* character and objects of expenditures [.] , *and must include a mission statement and measurement indicators for each*

*program.* The organization units may be subclassified by functions and activities, or in any other manner at the discretion of the chief. If any department, institution or other agency of the executive department of the state government, whether its money is derived from state money or from other money collected under the authority of the state, fails or neglects to submit estimates of its expenditure requirements as provided in this section, the chief may from any data at hand in his office or which he may examine or obtain elsewhere, make and enter an arbitrary budget for the department, institution or agency in accordance with such data.

3. Agencies, bureaus, commissions and officers of the legislative department, the public employees' retirement system and the judicial department of the state government shall submit to the chief for his information in preparing the executive budget the budgets which they propose to submit to the legislature.

**Sec. 5.** NRS 353.246 is hereby amended to read as follows:

353.246 1. Except as *otherwise* provided in *subsection 2 of this section and subsection 3 of NRS 353.210*, the provisions of NRS 353.150 to 353.245, inclusive, do not apply to agencies, bureaus, commissions and officers of the legislative department, the public employees' retirement system and the judicial department of the state government. [They]

2. *The legislative department, the public employees' retirement system and the judicial department of the state government* shall submit their budgets to the

legislature in [such form as is prescribed] *the same format as the executive budget unless otherwise provided* by the legislative commission.

**Sec. 6.** NRS 218.625 is hereby amended to read as follows:

218.625 1. The director, other officers and employees of the legislative counsel bureau shall not:

(a) Oppose or urge legislation, except as the duties of the director, the legislative auditor, the legislative counsel, the research director and the fiscal analysts require them to make recommendations to the legislature.

(b) Except as otherwise provided in this section , *section 1 of this act* and NRS 218.2475, disclose to any person outside the legislative counsel bureau the contents or nature of any matter, unless the person entrusting the matter to the legislative counsel bureau so requests or consents.

2. Except as the legislative auditor and his staff are further restricted by this chapter, the nature or content of any work previously done by the personnel of the legislative counsel bureau may be disclosed to a legislator or public agency if or to the extent that the disclosure does not reveal the identity of the person who requested it or include any material submitted by the requester which has not been published or publicly disclosed.

3. When a bill or resolution drafted at the request of any person who is not a legislator is delivered to a legislator, the legislative counsel shall disclose the identity of the requester to the recipient, and when the bill or resolution has been introduced he shall upon request disclose the identity of the requester to any legislator.

4. When a statute has been enacted or a resolution adopted, the legislative counsel shall upon request disclose to any person the state or other jurisdiction from whose law it appears to have been adopted.

5. The records of the travel expenses of legislators and officers and employees of the legislative counsel bureau are available for public inspection at such reasonable hours and under such other conditions as the legislative commission may prescribe.

6. If a legislator asks whether a request for proposed legislation relating to a specific topic has been submitted to the legislative counsel for preparation, the legislative counsel shall disclose to that legislator whether such a request has been submitted.

7. Upon receipt of a request for the preparation of a measure to be submitted to the legislature which duplicates or closely resembles a request previously submitted for the same legislative session, the legislative counsel shall, to the extent practicable, notify the person submitting the duplicative request of that fact and, except as otherwise provided in this subsection, ask the person to withdraw the request. If the request is not withdrawn, the legislative counsel shall inform the previous requester of the fact that a duplicative request has been made. If the request is submitted by a legislator on his own behalf, and the previous request was submitted by a legislator who is a member of the other house of the legislature, the legislative counsel shall inform the second requester of the fact that the request is duplicative.



SUMMARY--Revises provisions governing state budget process. (BDR 31-378)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to the state budget process; revising the provisions governing the content and format of the executive budget; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** NRS 353.205 is hereby amended to read as follows:

353.205 The state budget for each fiscal year must be set up in three parts:

1. Part 1 must consist of a budget message by the governor which outlines the financial policy of the executive department of the state government for the next 2 fiscal years, describing in connection therewith the important features of the financial plan. It must also embrace a general budget summary setting forth the aggregate figures of the budget in such a manner as to show the balanced relations between the total proposed expenditures and the total anticipated revenues, together with the other means of financing the budget for the next 2 fiscal years, contrasted with the corresponding figures for the last completed fiscal year and fiscal year in progress. The general budget summary must be

supported by explanatory schedules or statements, classifying the expenditures contained therein by organizational units, objects and funds, and the income by organizational units, sources and funds.

2. Part 2 must embrace the detailed budget estimates both of expenditures and revenues as provided in NRS 353.150 to 353.246, inclusive. *The information must be presented in a manner which sets forth separately the cost of continuing each program at the same level of service as the current year and the cost, by budget issue, of any recommendations to enhance or reduce that level of service. Revenues must be summarized by type and expenditures must be summarized by category of expense. Part 2 must include a mission statement and measurement indicators for each program.* It must also include statements of the bonded indebtedness of the state government, showing the requirements for redemption of debt, the debt authorized and unissued, and the condition of the sinking funds, and any statements relative to the financial plan which the governor may deem desirable, or which may be required by the legislature.

3. Part 3 must include the general appropriation bill authorizing, by departments, institutions and agencies, and by funds, all expenditures of the executive department of the state government for the next 2 fiscal years, and may include complete drafts of such other bills as may be required to provide the income necessary to finance the budget and to give legal sanction to the financial plan if adopted by the legislature.



As soon as each part is prepared, a copy of the part must be transmitted to the fiscal analysis division of the legislative counsel bureau for confidential examination and retention.

**Sec. 2.** NRS 353.210 is hereby amended to read as follows:

353.210 1. Except as provided in subsection 3, on or before September 1 of each even-numbered year, all departments, institutions and other agencies of the executive department of the state government, and all agencies of the executive department of the state government receiving state money, fees or other money under the authority of the state, including those operating on money designated for specific purposes by the constitution or otherwise, shall prepare, on blanks furnished them by the chief, and submit to the chief estimates of their expenditure requirements, together with all anticipated income from fees and all other sources, for the next 2 fiscal years compared with the corresponding figures of the last completed fiscal year and the estimated figures for the current fiscal year. The chief shall direct that one copy of the completed forms, accompanied by every supporting schedule and any other related material, be delivered directly to the fiscal analysis division of the legislative counsel bureau on or before September 1 of each even-numbered year. The fiscal analysis division of the legislative counsel bureau must be given advance notice of any conference between the budget division of the department of administration and personnel of other state agencies regarding budget estimates, and a fiscal analyst of the legislative counsel bureau or his designated representative may attend any such conference.

2. The expenditure estimates must be classified to set forth the data of funds, organization units, *and the* character and objects of expenditures [.] , *and must include a mission statement and measurement indicators for each program.* The organization units may be subclassified by functions and activities, or in any other manner at the discretion of the chief. If any department, institution or other agency of the executive department of the state government, whether its money is derived from state money or from other money collected under the authority of the state, fails or neglects to submit estimates of its expenditure requirements as provided in this section, the chief may from any data at hand in his office or which he may examine or obtain elsewhere, make and enter an arbitrary budget for the department, institution or agency in accordance with such data.

3. Agencies, bureaus, commissions and officers of the legislative department, the public employees' retirement system and the judicial department of the state government shall submit to the chief for his information in preparing the executive budget the budgets which they propose to submit to the legislature.

**Sec. 3.** This act becomes effective on July 1, 1991.