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FIRST REPRINT

A.B. 346

ASSEMBLY BILL NO. 346—ASSEMBLYMAN O’NEILL

MARCH 20, 2023

Referred to Committee on Ways and Means

SUMMARY—Revises the State Budget Act. (BDR 31-928)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to state financial administration; defining the term “adjusted base budget” for purposes of the State Budget Act; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 The State Budget Act sets forth the process for the preparation and submission
2 of the proposed biennial budget for the Executive Department of the State
3 Government. (NRS 353.150-353.246) Specifically, the Act requires the Chief of the
4 Budget Division of the Office of Finance to prepare a final version of the proposed
5 budget, which must include the adjusted base budget for each department,
6 institution and agency of the Executive Department. (NRS 353.230) **Section 2** of
7 this bill defines the term “adjusted base budget” to mean the amount appropriated
8 or authorized to support ongoing expenditures budgeted to the department,
9 institution or agency by the Legislature for the second year of the current biennium,
10 as adjusted for: (1) the removal of any one-time appropriation or authorization that
11 was appropriated or authorized by the Legislature to the department, institution or
12 agency for the second year of the biennium; (2) statewide fringe benefits,
13 assessments, rent insurance premiums and cost allocations; (3) contractual
14 obligations that are approved or expired during the current biennium; (4) ongoing
15 expenditures approved by the Interim Finance Committee during the current
16 biennium; (5) any annualization of costs that occurred for part of the second year of
17 the current biennium; (6) actual caseloads incurred during the first year of the
18 biennium; (7) rate changes that are projected to affect the budget of the department,
19 institution or agency during the next biennium; and (8) any other adjustment that is
20 necessary based on the limit upon total proposed expenditures or as otherwise
21 determined by the Chief.

22 The Act further requires the Chief to provide to the Fiscal Analysis Division of
23 the Legislative Counsel Bureau each agency’s adjusted base budget by program or
24 budgetary account for the next 2 fiscal years. (NRS 353.211) **Section 1** of this bill
25 defines the term “adjusted base budget” to mean the amount appropriated or
26 authorized to support ongoing expenditures budgeted to the agency by the
27 Legislature for the second year of the current biennium, as adjusted for: (1) the



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28 removal of any one-time appropriation or authorization that was appropriated or
29 authorized by the Legislature to the agency for the second year of the current
30 biennium; (2) statewide fringe benefits, assessments, rent insurance premiums and
31 cost allocations; (3) contractual obligations that are approved or expired during the
32 current biennium; (4) ongoing expenditures approved by the Interim Finance
33 Committee during the current biennium; (5) any annualization of costs that
34 occurred for part of the second year of the current biennium; (6) actual caseloads
35 incurred during the first year of the biennium; (7) rate changes that are projected to
36 affect the budget of the agency during the next biennium; and (8) any other
37 adjustment that is necessary based on the limit upon total proposed expenditures or
38 as otherwise determined by the Chief.

39 **Section 2.5** of this bill makes an appropriation to the Legislative Fund to
40 update the budgeting software of the Fiscal Analysis Division of the Legislative
41 Counsel Bureau to accommodate the amendatory provisions of this bill.

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

1 **Section 1.** NRS 353.211 is hereby amended to read as follows:
2 353.211 1. On or before October 15 of each even-numbered
3 year, the Chief shall provide to the Fiscal Analysis Division of the
4 Legislative Counsel Bureau:

5 (a) Computerized budget files containing the actual data
6 regarding revenues and expenditures for the previous year;

7 (b) The work programs for the current year; and

8 (c) Each agency's requested budget for the next 2 fiscal years.

9 2. On or before December 31 of each even-numbered year, the
10 Chief shall provide to the Fiscal Analysis Division:

11 (a) Each agency's adjusted base budget by program or budgetary
12 account for the next 2 fiscal years; and

13 (b) An estimated range of the costs for:

14 (1) Continuing the operation of State Government; and

15 (2) Providing elementary, secondary and higher public
16 education,

17 ↪ at the current level of service.

18 3. The information provided to the Fiscal Analysis Division
19 pursuant to subsections 1 and 2 is open for public inspection.

20 4. The Governor may authorize or direct an agency to hold
21 public hearings on a budget submitted pursuant to paragraph (c) of
22 subsection 1 at any time after the material is provided pursuant to
23 subsection 1.

24 **5. As used in this section, "adjusted base budget" means the**
25 **amount appropriated or authorized to support ongoing**
26 **expenditures budgeted to the agency by the Legislature for the**
27 **second year of the current biennium, as adjusted for:**



1 (a) *The removal of any one-time appropriation or*
2 *authorization that was appropriated or authorized by the*
3 *Legislature to the agency for the second year of the biennium;*

4 (b) *Statewide fringe benefits, assessments, rent insurance*
5 *premiums and cost allocations;*

6 (c) *Contractual obligations that are approved or expired*
7 *during the current biennium;*

8 (d) *Ongoing expenditures approved by the Interim Finance*
9 *Committee during the current biennium;*

10 (e) *Any annualization of costs that occurred for part of the*
11 *second year of the current biennium;*

12 (f) *Actual caseloads incurred during the first year of the*
13 *biennium;*

14 (g) *Rate changes that are projected to affect the budget of the*
15 *agency during the next biennium; and*

16 (h) *Any other adjustment that is necessary:*

17 (1) *Based on the limit upon total proposed expenditures*
18 *calculated pursuant to NRS 353.213; or*

19 (2) *As otherwise determined by the Chief.*

20 **Sec. 2.** NRS 353.230 is hereby amended to read as follows:

21 353.230 1. The Chief shall review the estimates, altering,
22 revising, increasing or decreasing the items of the estimates as the
23 Chief may deem necessary in view of the needs of the various
24 departments, institutions and agencies in the Executive Department
25 of the State Government and the total anticipated income of the
26 State Government and of the various departments, institutions and
27 agencies of the Executive Department during the next fiscal year. In
28 performing the duties required by this subsection, the Chief shall use
29 the projections and estimates prepared by the Economic Forum
30 pursuant to NRS 353.228.

31 2. The Chief shall meet with a Fiscal Analyst of the Legislative
32 Counsel Bureau or his or her designated representative and
33 personnel of the various departments, institutions and agencies of
34 the Executive Department to discuss:

35 (a) The budgetary requests of each department, institution and
36 agency; and

37 (b) The budgetary recommendations of the Budget Division for
38 each department, institution and agency,

39 ↪ for the next 2 fiscal years. The Chief shall allow the Fiscal
40 Analyst of the Legislative Counsel Bureau or his or her designated
41 representative full access to all materials connected with the review.

42 3. The Chief shall then prepare a final version of the proposed
43 budget, in accordance with NRS 353.150 to 353.246, inclusive, and
44 shall deliver it to the Governor. The final version of the proposed
45 budget must include the adjusted base budget for each department,



1 institution and agency of the Executive Department, the costs for
2 continuing each program at the current level of service and the
3 costs, if any, for new programs, recommended enhancements of
4 existing programs or reductions for the departments, institutions and
5 agencies of the Executive Department for the next 2 fiscal years. All
6 projections of revenue and any other information concerning future
7 state revenue contained in the proposed budget must be based upon
8 the projections and estimates prepared by the Economic Forum
9 pursuant to NRS 353.228.

10 4. The Governor shall, not later than 14 calendar days before
11 the commencement of the regular legislative session, submit the
12 proposed budget to the Director of the Legislative Counsel Bureau
13 for transmittal to the Legislature. The Governor shall simultaneously
14 submit, as a separate document:

15 (a) An analysis of any new programs or enhancements of
16 existing programs being recommended; and

17 (b) Any increase in or new revenues which are being
18 recommended in the proposed budget.

19 ↪ The document must specify the total cost by department,
20 institution or agency of new programs or enhancements, but need
21 not itemize the specific costs. All projections of revenue and any
22 other information concerning future state revenue contained in the
23 document must be based upon the projections and estimates
24 prepared by the Economic Forum pursuant to NRS 353.228.

25 5. On or before the 19th calendar day of the regular legislative
26 session, the Governor shall submit to the Legislative Counsel
27 recommendations for each legislative measure which will be
28 necessary to carry out the final version of the proposed budget or to
29 carry out the Governor's legislative agenda. These
30 recommendations must contain sufficient detailed information to
31 enable the Legislative Counsel to prepare the necessary legislative
32 measures.

33 6. During the consideration of the general appropriation bill
34 and any special appropriation bills and bills authorizing budgeted
35 expenditures by the departments, institutions and agencies operating
36 on money designated for specific purposes by the Constitution or
37 otherwise, drafted at the request of the Legislature upon the
38 recommendations submitted by the Governor with the proposed
39 budget, the Governor or a representative of the Governor have the
40 right to appear before and be heard by the appropriation committees
41 of the Legislature in connection with the appropriation bill or bills,
42 and to render any testimony, explanation or assistance required of
43 him or her.

44 7. *As used in this section, "adjusted base budget" means the*
45 *amount appropriated or authorized to support ongoing*



1 *expenditures budgeted to the department, institution or agency by*
2 *the Legislature for the second year of the current biennium, as*
3 *adjusted for:*

4 *(a) The removal of any one-time appropriation or*
5 *authorization that was appropriated or authorized by the*
6 *Legislature to the department, institution or agency for the second*
7 *year of the biennium;*

8 *(b) Statewide fringe benefits, assessments, rent insurance*
9 *premiums and cost allocations;*

10 *(c) Contractual obligations that are approved or expired*
11 *during the current biennium;*

12 *(d) Ongoing expenditures approved by the Interim Finance*
13 *Committee during the current biennium;*

14 *(e) Any annualization of costs that occurred for part of the*
15 *second year of the current biennium;*

16 *(f) Actual caseloads incurred during the first year of the*
17 *biennium;*

18 *(g) Rate changes that are projected to affect the budget of the*
19 *department, institution or agency during the next biennium; and*

20 *(h) Any other adjustment that is necessary:*

21 *(1) Based on the limit upon total proposed expenditures*
22 *calculated pursuant to NRS 353.213; or*

23 *(2) As otherwise determined by the Chief.*

24 **Sec. 2.5.** There is hereby appropriated from the State General
25 Fund to the Legislative Fund created by NRS 218A.150 the sum of
26 \$27,000 for the purpose of updating the budgeting software of the
27 Fiscal Analysis Division of the Legislative Counsel Bureau to
28 accommodate the amendatory provisions of this act.

29 **Sec. 3.** This act becomes effective on July 1, 2023.

