
SENATE BILL NO. 42—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE OFFICE OF FINANCE
IN THE OFFICE OF THE GOVERNOR)

PREFILED NOVEMBER 18, 2024

Referred to Committee on Government Affairs

SUMMARY—Revises provisions of the State Budget Act.
(BDR 31-278)

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

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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; removing requirements to include certain information relating to performance goals and objectives in the proposed budget for the Executive Department of State Government; removing the requirement for the Chief of the Budget Division of the Office of Finance in the Office of the Governor to establish the schedule for the analysis of incentives for economic development performed by certain agencies; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law prescribes the contents of the proposed budget of the Executive
2 Department of State Government. (NRS 353.205) Existing law requires each
3 proposed budget to include: (1) an identification of each long-term performance
4 goal of the Executive Department for core governmental functions and other
5 governmental services; (2) an identification of each intermediate objective for the
6 next 2 fiscal years toward achieving those goals; and (3) an explanation of the
7 means by which the proposed budget will provide adequate funding for those
8 functions and services so that those intermediate objectives will be met and
9 progress will be made towards achieving those goals. (NRS 353.205) The proposed
10 budget must also include a mission statement articulating the intermediate
11 objectives and long-term performance goals each department, institution or other
12 agency of the Executive Department is tasked with achieving and the measurement
13 indicators that will be used to determine whether the department, institution or
14 other agency is successful in achieving those objectives and goals. (NRS 353.205)



15 **Section 1** of this bill eliminates the requirement for each proposed budget to
16 include: (1) an explanation of the means by which the proposed budget will provide
17 adequate funding for core government functions and other governmental services
18 such that the intermediate objectives will be met and progress will be made toward
19 achieving the long-term performance goals for such functions and services; and (2)
20 the mission statement articulating the intermediate objectives and long-term
21 performance goals of each department, institution or other agency and the
22 measurement indicators for measuring the success of each department, institution or
23 other agency in achieving those objectives and goals.

24 **Section 1** eliminates the requirement for the Budget Division of the Office of
25 Finance in the Office of the Governor to post on its Internet website, as soon as
26 practicable after the Governor transmits the proposed budget to the Legislature: (1)
27 the information required to be included in the proposed budget regarding the
28 identification of the long-term performance goals of the Executive Department for
29 core governmental functions and other governmental services and the intermediate
30 objectives toward achieving those goals for the next 2 fiscal years; and (2) certain
31 additional information which **section 1** eliminates from inclusion in the proposed
32 budget.

33 Existing law requires the Chief of the Division to require the Office of
34 Economic Development and the Office of Energy to each periodically conduct an
35 analysis of the costs and benefits of each incentive for economic development
36 previously approved by the respective office and in effect during the immediately
37 preceding 2 fiscal years and to report the result of the analysis to the Chief. (NRS
38 353.207) Existing law requires the result of each such analysis to be included in the
39 proposed budget for the Executive Department. (NRS 353.205) **Section 2** of this
40 bill maintains the requirement to conduct and report this analysis but eliminates the
41 requirement for the Chief to establish a schedule for performing and reporting the
42 results of the analyses to ensure that the results of the analyses are included in
43 the proposed budget.

44 On or before September 1 of each even-numbered year, existing law requires
45 the departments, institutions and other agencies of the Executive Department to
46 submit to the Chief estimates of the expenditure requirements of the department,
47 institution or agency for the next 2 fiscal years, together with all anticipated income
48 from fees and other sources. (NRS 353.210) **Section 3** of this bill makes a
49 conforming change by removing the requirement for these estimates to include a
50 mission statement and measurement indicators in adequate detail to comply with
51 certain provisions regarding the contents of the proposed budget removed by
52 **section 1**.

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

1 **Section 1.** NRS 353.205 is hereby amended to read as follows:
2 353.205 1. The proposed budget for the Executive
3 Department of the State Government for each fiscal year must be set
4 up in four parts:

5 (a) Part 1 must consist of a budgetary message by the Governor
6 which includes:

7 (1) A general summary of the long-term performance goals
8 of the Executive Department of the State Government for:



1 (I) Core governmental functions, including the education
2 of pupils in kindergarten through grade 12, higher education, human
3 services and public safety and health; and

4 (II) Other governmental services;

5 (2) ~~[An explanation of the means by which the proposed
6 budget will provide adequate funding for those governmental
7 functions and services such that ratable progress will be made
8 toward achieving those long term performance goals;~~

9 ~~— (3)~~ (3) An outline of any other important features of the
10 financial plan of the Executive Department of the State Government
11 for the next 2 fiscal years; and

12 ~~{(4)}~~ (3) A general summary of the proposed budget setting
13 forth the aggregate figures of the proposed budget in such a manner
14 as to show the balanced relations between the total proposed
15 expenditures and the total anticipated revenues, together with the
16 other means of financing the proposed budget for the next 2 fiscal
17 years, contrasted with the corresponding figures for the last
18 completed fiscal year and fiscal year in progress. The general
19 summary of the proposed budget must be supported by explanatory
20 schedules or statements, classifying the expenditures contained
21 therein by organizational units, objects and funds, and the income
22 by organizational units, sources and funds. The organizational units
23 may be subclassified by functions and by agencies, bureaus or
24 commissions, or in any other manner determined by the Chief.

25 (b) Part 2 must embrace the detailed budgetary estimates both of
26 expenditures and revenues as provided in NRS 353.150 to 353.246,
27 inclusive. The information must be presented in a manner which sets
28 forth separately the cost of continuing each program at the same
29 level of service as the current year and the cost, by budgetary issue,
30 of any recommendations to enhance or reduce that level of service.
31 Revenues must be summarized by type, and expenditures must be
32 summarized by program or budgetary account and by category of
33 expense. Part 2 must include:

34 (1) The identification of each long-term performance goal of
35 the Executive Department of the State Government for:

36 (I) Core governmental functions, including the education
37 of pupils in kindergarten through grade 12, higher education, human
38 services, and public safety and health; and

39 (II) Other governmental services,

40 ➔ and of each intermediate objective for the next 2 fiscal years
41 toward achieving those goals.

42 (2) ~~[An explanation of the means by which the proposed
43 budget will provide adequate funding for those governmental
44 functions and services such that those intermediate objectives will~~



1 ~~be met and progress will be made toward achieving those long term~~
2 ~~performance goals.~~

3 ~~—— (3) A mission statement and measurement indicators for each~~
4 ~~department, institution and other agency of the Executive~~
5 ~~Department of the State Government, which articulate the~~
6 ~~intermediate objectives and long term performance goals each such~~
7 ~~department, institution and other agency is tasked with achieving~~
8 ~~and the particular measurement indicators tracked for each such~~
9 ~~department, institution and other agency to determine whether the~~
10 ~~department, institution or other agency is successful in achieving its~~
11 ~~intermediate objectives and long term performance goals, provided~~
12 ~~in sufficient detail to assist the Legislature in performing an analysis~~
13 ~~of the relative costs and benefits of program budgets and in~~
14 ~~determining priorities for expenditures. If available, information~~
15 ~~regarding such measurement indicators must be provided for each of~~
16 ~~the previous 4 fiscal years. If a new measurement indicator is being~~
17 ~~added, a rationale for that addition must be provided. If a~~
18 ~~measurement indicator is being modified, information must be~~
19 ~~provided regarding both the modified indicator and the indicator as~~
20 ~~it existed before modification. If a measurement indicator is being~~
21 ~~deleted, a rationale for that deletion and information regarding the~~
22 ~~deleted indicator must be provided.~~

23 ~~—— (4)]~~ Statements of the bonded indebtedness of the State
24 Government, showing the requirements for redemption of debt, the
25 debt authorized and unissued, and the condition of the sinking
26 funds.

27 ~~[(5)]~~ (3) Any statements relative to the financial plan which
28 the Governor may deem desirable, or which may be required by the
29 Legislature.

30 (c) Part 3 must set forth, for the Office of Economic
31 Development and the Office of Energy, the results of the analyses
32 conducted by those offices and reported to the Chief pursuant to
33 NRS 353.207 for the immediately preceding 2 fiscal years.

34 (d) Part 4 must include a recommendation to the Legislature for
35 the drafting of a general appropriation bill authorizing, by
36 departments, institutions and agencies, and by funds, all
37 expenditures of the Executive Department of the State Government
38 for the next 2 fiscal years, and may include recommendations to the
39 Legislature for the drafting of such other bills as may be required to
40 provide the income necessary to finance the proposed budget and to
41 give legal sanction to the financial plan if adopted by the
42 Legislature.

43 2. Except as otherwise provided in NRS 353.211, as soon as
44 each part of the proposed budget is prepared, a copy of the part must



1 be transmitted to the Fiscal Analysis Division of the Legislative
2 Counsel Bureau for confidential examination and retention.

3 3. Except for the information provided to the Fiscal Analysis
4 Division of the Legislative Counsel Bureau pursuant to NRS
5 353.211, parts 1 and 2 of the proposed budget are confidential until
6 the Governor transmits the proposed budget to the Legislature
7 pursuant to NRS 353.230, regardless of whether those parts are in
8 the possession of the Executive or Legislative Department of the
9 State Government. Part 4 of the proposed budget is confidential
10 until the bills which result from the proposed budget are introduced
11 in the Legislature. ~~{As soon as practicable after the Governor
12 transmits the proposed budget to the Legislature pursuant to NRS
13 353.230, the information required to be included in the proposed
14 budget pursuant to subparagraphs (1), (2) and (3) of paragraph (b) of
15 subsection 1 must be posted on the Internet websites maintained by
16 the Budget Division of the Office of Finance.}~~

17 **Sec. 2.** NRS 353.207 is hereby amended to read as follows:

18 353.207 1. The Chief shall:

19 (a) Require the Office of Economic Development and the Office
20 of Energy each periodically to conduct an analysis of the relative
21 costs and benefits of each incentive for economic development
22 previously approved by the respective office and in effect during the
23 immediately preceding 2 fiscal years, including, without limitation,
24 any abatement of taxes approved by the Office of Economic
25 Development pursuant to NRS 274.310, 274.320, 274.330, 360.750,
26 360.753, 360.754, 360.890, 360.950, 361.0687, 374.357 or
27 701A.210, to assist the Governor and the Legislature in determining
28 whether the economic benefits of the incentive have accomplished
29 the purposes of the statute pursuant to which the incentive was
30 approved and warrant additional incentives of that kind; *and*

31 (b) Require each office to report in writing to the Chief the
32 results of the analysis conducted by the office pursuant to paragraph
33 (a). ~~}; and~~

34 ~~—(c) Establish a schedule for performing and reporting the results
35 of the analysis required by paragraph (a) which ensures that the
36 results of the analysis reported by each office are included in the
37 proposed budget prepared pursuant to NRS 353.205, as required by
38 that section.}~~

39 2. Each report prepared for the Chief pursuant to this section is
40 a public record and is open to inspection pursuant to the provisions
41 of NRS 239.010.

42 **Sec. 3.** NRS 353.210 is hereby amended to read as follows:

43 353.210 1. Except as otherwise provided in subsections 6 and
44 7, on or before September 1 of each even-numbered year, all
45 departments, institutions and other agencies of the Executive



1 Department of the State Government, and all agencies of the
2 Executive Department of the State Government receiving state
3 money, fees or other money under the authority of the State,
4 including those operating on money designated for specific purposes
5 by the Nevada Constitution or otherwise, shall prepare, on blanks
6 furnished them by the Chief, and submit to the Chief:

7 (a) The number of full-time equivalent positions within the
8 department, institution or agency.

9 (b) The number of full-time equivalent positions within the
10 department, institution or agency that have been vacant for at least
11 12 months, the number of months each such position has been
12 vacant and the reasons for each such vacancy.

13 (c) Any existing contracts for services the department,
14 institution or agency has with temporary employment services or
15 other persons, the proposed expenditures for such contracts in the
16 next 2 fiscal years and the reasons for the use of such services. If
17 such contracts include any privatization contracts, a copy of each of
18 those privatization contracts together with:

19 (1) A statement specifying the duration of the privatization
20 contracts;

21 (2) The number of privatization contracts proposed for the
22 next 2 fiscal years and the estimated expenditures for the
23 privatization contracts; and

24 (3) An analysis of each of the privatization contracts, which
25 includes, without limitation:

26 (I) For the preceding, current and next fiscal years, the
27 annual amount required to perform each of the privatization
28 contracts; and

29 (II) For the preceding and current fiscal years, the number
30 of persons the department, institution or agency employed pursuant
31 to the privatization contracts, reflected as the equivalent full-time
32 position if the persons were regularly employed by the department,
33 institution or agency, including the equivalent hourly wage and the
34 cost of benefits for each job classification.

35 (d) If the department, institution or agency has any existing
36 performance contracts that it has entered into pursuant to chapter
37 333A of NRS, any request to reinvest any savings realized under
38 such a contract for the next 2 fiscal years.

39 (e) Estimates of expenditure requirements of the department,
40 institution or agency, together with all anticipated income from fees
41 and all other sources, for the next 2 fiscal years compared with the
42 corresponding figures of the last completed fiscal year and the
43 estimated figures for the current fiscal year.

44 2. The Chief shall direct that one copy of the forms submitted
45 pursuant to subsection 1, accompanied by every supporting schedule



1 and any other related material, be delivered directly to the Fiscal
2 Analysis Division of the Legislative Counsel Bureau on or before
3 September 1 of each even-numbered year.

4 3. The Budget Division of the Office of Finance shall give
5 advance notice to the Fiscal Analysis Division of the Legislative
6 Counsel Bureau of any conference between the Budget Division of
7 the Office of Finance and personnel of other state agencies
8 regarding budget estimates. A Fiscal Analyst of the Legislative
9 Counsel Bureau or his or her designated representative may attend
10 any such conference.

11 4. The estimates of expenditure requirements submitted
12 pursuant to subsection 1 must be classified to set forth the data of
13 funds, organizational units, and the character and objects of
14 expenditures by program or budgetary account and by category
15 of expense . ~~[, and must include a mission statement and~~
16 ~~measurement indicators in adequate detail to comply with the~~
17 ~~requirements of subparagraph (3) of paragraph (b) of subsection 1 of~~
18 ~~NRS 353.205.]~~ The organizational units may be subclassified by
19 functions and by agencies, bureaus or commissions, or in any other
20 manner at the discretion of the Chief.

21 5. If any department, institution or other agency of the
22 Executive Department of the State Government, whether its money
23 is derived from state money or from other money collected under
24 the authority of the State, fails or neglects to submit estimates of its
25 expenditure requirements as provided in this section, the Chief may,
26 from any data at hand in the Chief's office or which the Chief may
27 examine or obtain elsewhere, make and enter a proposed budget for
28 the department, institution or agency in accordance with the data.

29 6. Agencies, bureaus, commissions and officers of the
30 Legislative Department, the Public Employees' Retirement System
31 and the Judicial Department of the State Government shall submit to
32 the Chief for his or her information in preparing the proposed
33 executive budget the budgets which they propose to submit to the
34 Legislature.

35 7. On or before September 1 of each even-numbered year, the
36 Tahoe Regional Planning Agency shall submit the budget which the
37 Agency proposes to submit to the Legislature to:

38 (a) The Chief for his or her information in preparing the
39 proposed executive budget.

40 (b) The Fiscal Analysis Division of the Legislative Counsel
41 Bureau.

42 8. The information provided by a department, institution or
43 agency pursuant to paragraph (c) of subsection 1 is a public record
44 and must be open to public inspection.



1 9. As used in this section, “privatization contract” means a
2 contract executed by or on behalf of a department, institution or
3 agency which authorizes a private entity to provide public services
4 which are:

5 (a) Substantially similar to the services performed by the public
6 employees of the department, institution or agency; and

7 (b) In lieu of the services otherwise authorized or required to be
8 provided by the department, institution or agency.

9 **Sec. 4.** This act becomes effective on July 1, 2025.

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