

FINANCE AND ADMINISTRATION

Finance and Administration includes those agencies that generally control, coordinate, assist and provide services to other agencies and programs in state government. These include the Department of Administration (which includes the Budget Division, Internal Audit, Insurance Loss and Prevention, Printing, Purchasing, Buildings and Grounds, and the Public Works Board), the Department of Taxation, the Department of Personnel and the Department of Information Services.

The Governor has recommended General Fund appropriations for Finance and Administration of \$26.1 million in FY 2003-04 and 24.9 million in FY 2004-05. After excluding appropriations for salary adjustments and information technology projects, General Fund appropriations are recommended to increase by 12 percent in FY 2003-04 over FY 2002-03 levels with an additional 3.1 percent increase recommended in FY 2004-05. Total budget requests from all funding sources is \$80.9 million in FY 2003-04 and \$81.1 million in FY 2004-05 after inter-agency transfers are deducted.

DEPARTMENT OF ADMINISTRATION

BUDGET AND PLANNING DIVISION

The Budget and Planning Division provides policy direction, management oversight and coordinated planning for state agencies. The division's primary duties are to prepare and present The Executive Budget and to provide support to the State Board of Examiners, the Economic Forum, and the Governor's Advisory Commission on Sentencing. The Governor's budget recommends funding to upgrade the Nevada Executive Budget System (NEBS) to contract for an external study to restructure the state's information technology services, and support the transfer of ongoing costs associated with the Integrated Financial System (IFS) from the Information Technology budget account. Total funding is recommended to remain flat at \$3.2 million in FY 2003-04, with a slight increase to \$3.3 million in FY 2004-05.

DIVISION OF INTERNAL AUDITS

The Division of Internal Audits consists of three sections: The Internal Audits section, which provides innovative solutions to improve the efficiency and effectiveness of executive branch agencies; the Financial Management section, which reviews executive branch agencies' internal controls and provides training to ensure effective financial administration; and the Post Review section, which statistically samples executive branch agency transactions for compliance with laws, regulations, guidelines, and contract stipulations. The Internal Audits section also independently reports to the Executive Branch Audit Committee, which the Governor chairs, and includes the Lieutenant Governor, Secretary of State, State Treasurer, State Controller, Attorney General, and a representative of the public. This budget is funded entirely by an appropriation from the General Fund. Included in the Governor's recommendation is funding to increase in-state travel for on-site agency training and evaluation of internal controls. Funding for the division in FY 2003-04 is recommended to increase by 1.5 percent with an additional 4.3 percent increase recommended in FY 2004-05.

INSURANCE AND LOSS PREVENTION

The Insurance and Loss Prevention Section is responsible for the administration of the large deductible property insurance program; the self-funded automobile physical liability program; negotiations for the purchase of and the management of commercial insurance policies; and to provide training, technical assistance and loss prevention information and feedback to agency management and representatives. The Workers' Compensation Section is responsible for the administration of workers' compensation insurance coverage for state workers; the implementation of statewide safety and loss prevention programs; administration of statewide occupational health contracts to minimize losses associated with health and occupational diseases; and provision of training and technical assistance to state agencies.

The Executive Budget recommends total funding of \$23.4 million in FY 2003-04 and \$21.5 million in FY 2004-05, an increase of 26.5 percent and 16.2 percent, respectively, when compared to the FY 2002-03 work program amount of \$18.5 million. The Governor recommends an increase in worker's compensation insurance premiums of \$9.3 million in FY 2003-04 (over the FY 2002-03 work program) and \$5.4 million in FY 2004-05 due primarily to significant increases in the insurance market as a result of the catastrophic losses on September 11, 2001, projected payments to close the retrospective plan years; increased claim costs based on actuarial projections as of September 2002; and increases to restore the workers' compensation reserve. As a result, the assessments to state agencies for workers' compensation are recommended to increase from 1.59 percent of gross salaries (up to a maximum salary of \$36,000) in FY 2002-03 to 4.66 percent in FY 2003-04, and 1.52 in FY 2004-05. Assessments to state agencies for employee bonds, tort claims, vehicle, and property and contents insurance are recommended to decrease from \$4.2 million in FY 2002-03 to \$3.2 million in FY 2003-04 and \$3.3 million in FY 2004-05 due primarily to UCCSN's decision to self-insure for property and contents as of July 1, 2002.

STATE PRINTING OFFICE

The State Printing Office provides printing and reproduction services for state agencies and is funded from payments for all printing and reproduction work completed by the office, excess property sales, and scrap material sales. Rates are established based on direct labor, material cost and overhead. The State Printing Office is comprised of union employees in printing trade positions, in addition to administrative and other positions that are in the state classified system. The State Printing Office has experienced a continued decline in printing sales. The Governor's recommendation for the 2003-05 biennium includes the elimination of nine authorized positions. However, the agency's reserve balance during the biennium is reduced to only \$51,000 by the close of FY 2004-05.

STATE MOTOR POOL

The Motor Pool Division is responsible for the administration of the state's vehicle fleet and currently maintains and services 787 vehicles. State agencies have access to vehicles in Carson City, Reno and Las Vegas; service and maintenance of the vehicles are provided at the three facilities. Funding for the division is primarily generated from vehicle rental charges. The

Executive Budget includes an increase in the daily rate from \$19 per day and \$.135 per mile to \$21 per day and \$.145 per mile, due primarily to increased vehicle operating costs and the replenishment of operating reserve. The monthly rental rate is also recommended to increase from \$213 per month and \$.135 per mile to \$225 per month and \$.145 per mile.

In the Motor Pool Vehicle Purchase budget account, the Governor recommends the purchase of 104 replacement vehicles at a cost of \$1.6 million over the 2003-05 biennium and 23 additional vehicles at a cost of \$418,000. Transfer of depreciation from the main Motor Pool budget account will fund the acquisition of the replacement vehicles and a transfer from operating reserve and depreciation will fund the additional vehicles.

STATE PURCHASING DIVISION

The Purchasing Division’s primary responsibility is to assist state agencies and political subdivisions with the efficient procurement of quality supplies, equipment and services at a reasonable cost. The Division also handles the disposal of state property and maintains an inventory of state fixed assets. The Executive Budget for the 2003-05 biennium remains flat with the Governor’s recommendation to increase the purchase assessment by \$100,000 each year of the 2003-05 biennium.

DIVISION OF BUILDINGS AND GROUNDS

The Division of Buildings and Grounds provides physical maintenance and housekeeping for most state-owned and leased buildings. The Capitol Police Division of the Department of Public Safety provides building security for certain agencies. The Division of Buildings and Grounds recovers the security cost as part of the rent charged and pays the Department of Public Safety for the service. The primary source of funding for the division is rent charged to state agencies for the use of state-owned building space. Rents collected by the division will total approximately \$28.1 million during the 2003-05 biennium. The table that follows identifies the recommended rents per square foot established for the 2001-03 biennium:

	FY 2001	FY 2002	FY 2003
No Security	\$.85	\$1.14	\$1.15
Contract Security	\$1.01	\$1.14	\$1.15
Capitol Police	\$1.04	\$1.14	\$1.15

The Executive Budget recommends \$1.4 million in FY 2003-04 and \$1.6 million in FY 2005 for building maintenance and renovation projects. The Executive Budget also recommends \$453,447 in FY 2003-04 and \$813,373 in FY 2004-05 for operating and utility costs that will be necessary for new state buildings completed during the 2003-05 biennium. Expenses are recommended for the Old Carson City Courthouse (CIP 99-C4 and CIP 01-C14), the former National Guard Armory building that was vacated upon completion of the new Readiness Center (CIP 99-C3), the Carson City EICoN building (CIP 01-C3), and Building Number 17 at the Stewart Facility (CIP 01-C11 and CIP 03-C7).

MAIL SERVICES

The Mail Services Division provides services to most state agencies in the Carson City, Reno, and Las Vegas areas. This includes all incoming and outgoing mail, certified, UPS, and express mail. Mail Services also includes overnight mail to Las Vegas from Carson City and from Las Vegas to Carson City; interoffice mail delivery and pick-up in the Reno/Carson City and Las Vegas areas; and folding, inserting, addressing, and bulk mailing service. The Executive Budget recommends an increase in the mail charge by \$257,000 in FY 2003-04 and \$361,000 in FY 2004-05.

STATE PUBLIC WORKS BOARD

The State Public Works Board (SPWB) consists of seven members. The Director of the Department of Administration serves as a member of the board, and the six other members are appointed by the Governor to terms of four years. The board, through its operational staff, is responsible for developing the recommended Capital Improvement Program (CIP), the advance planning, design, and construction of the projects included in the approved CIP, and the provision of architectural and engineering services to all state agencies. The board's operational staff currently consists of 60 legislatively approved positions.

The Executive Budget recommends the transfer of 2 Administrative Assistant III positions from the agency's Administration account to the agency's Inspection account and the transfer of an Administrative Assistant IV position from the Inspection account to the Administration account. The Executive Budget also recommends the transfer of an Accounting Assistant I position from the Administrative Services Division to the board's Inspection account. The Governor also recommends the elimination of a Building Construction Inspector III position in the Inspection account.

The Executive Budget recommends reducing management and inspection fee revenue in the agency's Inspection account by \$248,330 in each fiscal year of the 2003-05 biennium. The revenues would be replaced by a \$35,000 transfer from the Buildings and Grounds Division for ADA (Americans with Disabilities Act) compliance inspections each fiscal year, an increase in architecture and engineering fees totaling \$50,000 in each fiscal year and increased plan review fees totaling \$163,330 in each fiscal year of the 2003-05 biennium.

HEARINGS DIVISION

The Hearings Division is responsible for adjudicating contested workers' compensation claims for private and public-insured employees, and establishing a bi-level appeal system, utilizing administrative hearings officers at the first administrative level of appeal. Attorney-trained appeals officers, appointed by the Governor, process the second administrative level of appeal, which is "trial de novo." The decision of the appeals officer is the final and binding administrative determination of a workers' compensation claim, and is limited to judicial review by the district court. The division also conducts hearings in Victims of Crime cases and for various state agencies pursuant to interagency agreements. Funding for the division comes

primarily from the Workers' Compensation and Safety Fund, with nominal revenues derived from state agencies and the Victims of Crime program. The recommended budget increases from \$3.7 million in FY 2002-03 to \$4.3 million in each fiscal year of the 2003-05 biennium, which provides funding for the continuation of 45 existing positions and related operating expenses.

VICTIMS OF CRIME

The Victims of Crime program provides compensation to Nevada residents and visitors who are victims of violent crimes committed in the state, including counseling, lost wages, financial losses to those responsible for maintaining the victim, living expenses, and funeral and burial expenses. Funding for this program is primarily federal grants and court administrative assessments. The Executive Budget recommends a \$594,000 increase in court administrative assessments in FY 2003-04, and a \$648,000 increase in FY 2004-05 based on the Governor's recommendation to increase court administrative assessment fees for misdemeanors by \$4.80. Additionally, the Governor is recommending funding for one new position, an Administrative Assistant II to address the agency's ongoing backlog in claims processing. Since April 2002, claims have been reimbursed at a rate of 80 percent due to lack of funding.

TECHNOLOGY IMPROVEMENT PLAN

The Technology Improvement Plan provides funding for ongoing program oversight and coordination of the IFS. The Executive Budget recommends a General Fund appropriation of \$945,000 in FY 2003-04 and \$873,000 in FY 2004-05 for the continuation of licensing, maintenance, program oversight, and coordination of the IFS. Included in the recommendation is support for 2 new positions, an Information Systems Manager and an Administrative Assistant III.

DEPARTMENT OF TAXATION

The Department of Taxation is responsible for administration of most of the tax laws of the state of Nevada, as well as the Local Government Budget Act. Effective January 1, 2002, the responsibility for collection of taxes and fees imposed on certain motor fuels was transferred from the Department of Taxation to the Department of Motor Vehicles (AB 584, 1999 Legislative Session). In FY 2001-02, gross revenues collected by the Department of Taxation was \$2.759 billion, a decrease of \$290.3 million, or 9.52 percent, below FY 2000-01 revenue collections. This decrease resulted primarily from the transfer of responsibility for the collection of taxes and fees imposed on certain motor fuels to the Department of Motor Vehicles.

The Governor's recommended budget for the 2003-05 biennium for the Department of Taxation provides General Fund support in the amount of approximately \$32.7 million, an increase of \$4.7 million over the \$28.0 million approved for the 2001-03 biennium.

As was noted in the Tax Overview section of this report, the Governor is recommending enhanced General Fund revenues of approximately \$76.6 million in FY 2002-03, \$405.9 million in FY 2003-04 and \$526.8 million in FY 2004-05 for which the Department of Taxation will be

responsible for collecting. In addition to the above revenues, the Governor is recommending a state activity tax, which will impose a 0.25 percent levy on gross receipts of all businesses in Nevada with annual gross receipts in excess of \$450,000, effective in FY 2005-06. The Governor recommends funding of \$12.5 million in FY 2003-04 and an additional \$20.0 million in FY 2004-05 for the required information technology investment and additional operating costs for the Department of Taxation to implement the collection of enhanced revenues and to improve the Department of Taxation's infrastructure to collect the state activity tax. No expenditure detail for these recommended expenditures is included in The Executive Budget.

The Executive Budget recommends the establishment of a network technician position within the Department of Taxation's budget and the discontinuation of the Department's reliance on services provided by the Department of Information Technology (DoIT) for that function. As recommended by the Governor, this action will result in General Fund savings of approximately \$114,000 over the 2003-05 biennium.

The Executive Budget also recommends \$629,000 for the Department of Taxation to assume lockbox services in-house. The Governor makes this recommendation only if the banking contract being re-negotiated by the State Treasurer's Office does not include lockbox services effective July 1, 2003. Included in the recommended funding are four full-time employees, 14 intermittent employees, and operating supplies. The narrative in The Executive Budget indicates the department anticipates start-up preparation to assume the lock-box function no later than April 1, 2003, with submittal of a separate request that includes the estimated cost of the positions, equipment, computers, etc., that are needed to prepare for takeover of the lockbox function on July 1, 2003, if necessary. No specific funding for start-up costs is included in The Executive Budget.

DEPARTMENT OF INFORMATION TECHNOLOGY

The Department of Information Technology (DoIT) employs 215.49 FTEs and is comprised of the Director's Office, the Planning and Research Unit, and five service divisions: Application Design and Development; Computing; Telecommunications; Data Communications; and Communications. The Executive Budget proposes significant functional and organizational changes for the department over the 2003-05 biennium. Some of the major recommendations include: creation of an Information Technology Security Unit, including 4 new positions to be funded through a new statewide assessment and housed in the Director's Office; consolidation of the department's database administration, Web development, and project management functions to the department's Application Design and Development Division; the reclassification/upgrade of 25 positions, or 12.7 percent of the department's recommended 2003-05 workforce of 196.49 FTE; the creation of three new statewide assessments; major upgrade/replacement of the state's R-35 mainframe and \$2.7 million for Web and other mainframe infrastructure upgrades.

In total, The Executive Budget recommends funding authority of \$42.4 million in FY 2003-04 and \$41.9 million in FY 2004-05 for the ongoing operations of the department during the 2003-05 biennium; this represents a 17.4 percent increase in funding when compared to \$71.8 million approved by the 2001 Legislature for the 2001-03 biennium.

DIRECTOR'S OFFICE

The Director's Office employs 20 FTE positions and oversees the operations of the department's seven service divisions. Current functions performed by the office include billing for all services performed by the operating divisions; budgetary oversight for each of the divisions; and planning and preparation of the biennial budget for the divisions. The Contract Administration Unit within the Director's Office is responsible for developing and issuing requests for proposals that include information technology components, contract review, and monitoring and coordination of state agency requests for information technology consultants through DoIT's Master Service Agreements. With the director's appointment as the state's Chief Information Officer (CIO) by the Governor, the Director's Office assumes the added responsibilities of supporting the CIO's function of overseeing information technology projects statewide and for establishing statewide policies and standards for information technology projects, system acquisitions and operations.

The Executive Budget recommends additional DoIT assessments of \$486,576 in FY 2003-04 and \$288,560 in FY 2004-05 for the creation of the statewide Information Technology (IT) Security Unit that will consist of 4 new Information System Specialist IV positions and will assist user agencies in developing, implementing and maintaining agency specific IT security programs. The recommended funding includes \$200,000 in FY 2003-04 for a risk assessment study to assess the state's IT security vulnerabilities and provide recommendations for corrective action.

The Executive Budget recommends the continuation of the Software Executive position approved by the 2001 Legislature to be a dedicated Project Manager to the Department of Human Resources. The scope of responsibility for this position is recommended to be changed to include management of the department's Application Design and Development Division. The Executive Budget recommends the transfer of four positions: Chief of the Planning and Research Unit and an Information System Specialist IV position from the Planning and Research Division; and a Computer System Technician and a Computer Operations Supervisor from the Application Design and Development Division. The recommended transfers will provide the Director's Office with the expertise and resources necessary to address the added duties of the CIO and oversight of the newly formed IT Security Unit.

The Governor recommends funding authority of \$5.5 million to fund the ongoing administrative functions of the Director's Office during the 2003-05 biennium; this represents an increase of approximately \$1.7 million, or 43.4 percent increase in funding when compared to \$3.8 million authorized by the 2001 Legislature for the 2001-03 biennium.

PLANNING AND RESEARCH DIVISION

The Planning and Research Division currently employs 17 FTE positions and provides information technology planning services for the Executive Branch of state government. The division assists agencies in planning short and long-term information technology needs and provides a variety of project management and oversight services. The Governor recommends 3 vacant FTE be eliminated from the base budget.

The Executive Budget recommends the following transfers: the Chief of Planning and Research and an Information System Specialist IV position to the Director's Office; and a Project Manager

position to the Application Design and Development Division. The recommended transfers reduce the number of full-time positions in this budget from 14 to 11.

In total, the position transfers, eliminations, and base adjustments result in a reduction in funding of 25.3 percent from FY 2002-03 to FY 2003-04.

APPLICATIONS DESIGN AND DEVELOPMENT

The Applications Design and Development Unit employs 59 FTE positions and is comprised of three functional sub-units: the Programming Unit, the Application Support Unit, and the Quality Assurance Unit. The Programming Unit provides planning consultations, development of functional requirements, analysis, systems development, implementation, and maintenance for various platforms of information systems. The Quality Assurance (QA) Unit provides oversight on all aspects of IT development projects. The QA staff monitors, evaluates, and measures the progress of major project developments.

The Application Support Unit provides services to programmers/analysts and their related customer agencies by writing, maintaining, and controlling system and program documentation. Additionally, this unit provides programming, testing, and product support services, technical library control and maintenance, and is responsible for developing and implementing the department's standards, policies, and procedures.

The Executive Budget recommends funding of \$373,806 in FY 2003-04 and \$381,348 in FY 2004-05 to restore 5 programming positions that were eliminated from the base budget due to a projected shortfall in revenues.

The Executive Budget recommends the transfer of 15 positions to this budget from other DoIT budgets: 1 Project Manager from the Planning and Research Division; 10 Database Management positions, 3 Web Developers, and 1 Administrative Assistant position from the Computing Division. These transfers centralize the department's project management, web development and programming functions to allow the department greater flexibility in cross-utilizing available resources to meet user demands for these services. Also recommended is the transfer of 2 UNIX Programmer positions from this budget to the Computing Division and the transfer of a Computer System Technician and a Computer Operations Supervisor to the Director's Office to support the department's contract and CIO functions.

The Executive Budget recommends a full-time project manager position to oversee the Mental Health and Developmental Services (MHDS) AVATAR development and implementation project. Phase I of the project, the financial/pharmacy reporting module, is scheduled to be completed in FY 2003-04, with Phase II, the electronic medical records module, scheduled to be completed by the end of FY 2005-06.

In total, The Executive Budget recommends an increase in funding from \$6.1 million in FY 2002-03 to \$6.9 million in FY 2003-04 and again in FY 2004-05 to \$7.0 million to fund the ongoing operations of the Application Design and Development Division

COMPUTING DIVISION

The Communications and Computing Division employs 60.49 FTEs and is responsible for managing, operating, and supporting the state's two enterprise mainframes on a 24/7 basis. Staff assigned to this unit are responsible for computer operations, production services, support of system software, tape library management, disk storage management, enterprise server communications support, help desk functions, data security functions, printing, internet server support, and some disaster recovery functions. The Computing Division serves over 60 state departments, divisions, agencies, boards, commissions, and elected officials.

The Executive Budget recommends the transfer of the division's web development and database management functions to the Applications Design and Development Division. This includes 10 Database Management positions, three Web Developers and an Administrative Assistant. These transfers are part of the division's re-organization plan to centralize services that require like skills to allow DoIT more flexibility in meeting customer demands for these services. Other recommended transfers include: 1 Program Officer position to the Controller's Office and 1 Program Officer position to the Department of Personnel. The transfer of the 2 Program Officer positions represents the final transition of IFS system support personnel from DoIT. The Governor is also recommending the transfer of 2 UNIX Programmer positions from the Applications Design and Development Division. The recommended transfers result in a net reduction of 14 FTEs. In addition, The Executive Budget recommends funding authority of \$35,365 in FY 2003-04 and \$35,586 in FY 2004-05 to upgrade 10 positions, or approximately 21.5 percent of the division's remaining 46.49 FTEs.

The Executive Budget recommends funding authority of \$916,720 in FY 2003-04 and \$1.7 million in FY 2004-05 to fund the replacement of the state's R-35 mainframe with an IBM Z-900 mainframe. Additionally, the Governor recommends funding of \$1.3 million in FY 2003-04 and \$1.3 million in FY 2004-05 for additional DASD and VTS hardware and software storage and web infrastructure upgrades and PC replacements.

The Governor is recommending an operating budget for DoIT's Computing Division of \$18.6 million in FY 2003-04 and \$18.5 million in FY 2004-05, an increase of 25.5 percent when compared to \$29.6 million approved by the 2001 Legislature for the 2001-03 biennium.

DATA COMMUNICATIONS AND TECHNICAL SERVICES DIVISION

The Data Communications and Technical Services Division is responsible for support of the majority of personal computers, non-intelligent workstations, Local Area Networks (LANs) and Wide Area Networks (WANs) in the executive branch of state government. This unit is also charged with the establishment and support of the statewide data communications infrastructure. Staff in this section support over 8,500 personal computers and non-intelligent workstations in more than 100 locations throughout the state.

The Executive Budget recommends funding authority of \$794,912 in FY 2003-04 and \$630,169 in FY 2004-05 to fund upgrades and provide maintenance of the state's SilverNet data communications system. The Governor also recommends \$65,409 in FY 2003-04 and \$46,962 in FY 2004-05 to fund a new maintenance contract of the Carson City Capitol Complex Conduit.

The Executive Budget recommends budget reductions of \$386,618 in FY 2003-04 and \$414,210 in FY 2004-05 to match projected declines in demand for service. Reductions are achieved through the deletion of 7 vacant positions: one Information System Manager and 6 Computer Network Technician II positions. The Executive Budget also recommends funding of \$74,240 in FY 2003-04 and \$48,790 in FY 2004-05 for additional training for remaining technical staff.

The Executive Budget recommends funding authority of \$5.0 million in FY 2003-04 and \$5.1 million in FY 2004-05 for the ongoing operations of the Data Communications Division, representing little change from the 2001-03 biennium approved level of \$10.1 million.

TELECOMMUNICATIONS DIVISION

The Telecommunications Division employs 9 full-time positions and is responsible for developing, administering and maintaining a statewide telephone network, which integrates state-owned PBX switches and commercial telephone service. The division supports approximately 12,000 telephone users at approximately 275 locations in 33 communities. The division maintains services for State Phone Lines, Voice Mail, 800 Toll Free, Phone Credit Cards, Voice System Administration, Conference Calling and State Operators.

The Executive Budget recommends funding of \$633,000 in FY 2003-04 and \$193,000 in FY 2004-05 for equipment to address projected growth in system utilization. The division estimates a 35 percent growth in utilization for the 2003-05 biennium. While system utilization is projected to grow over the coming biennium, the division anticipates a reduction in demand for phone services and installation. Additionally, The Executive Budget recommends funding to upgrade the division's Call Accounting System and Call Management System. Discontinuation of support in FY 2003-04 by the vendor necessitates replacement of these systems.

Total recommended funding authority provided for the ongoing operations of the division is \$5.4 million in FY 2003-04 and \$4.9 million in FY 2004-05, a 47.8 percent increase over the \$7.0 million approved for the 2001-03 biennium.

COMMUNICATIONS DIVISION

The Communications Division focuses on delivery and support of wireless communications services to Nevada government agencies. Specific services include: communications service (microwave channels) connecting mountain-top sites, dispatch centers and remote locations; management and maintenance of mountain-top communications sites to provide space for individual agency transmitting and receiving equipment; and other related communication engineering and maintenance services requested by state agencies. There are currently 47 communication sites— 13 urban terminals and 34 mountaintop sites. Eleven additional sites will be added with the completion of Phase II of the microwave upgrade project planned for the 2003-05 biennium.

The Executive Budget recommends funding of \$504,918 in FY 2003-04 and \$432,131 in FY 2004-05 for new analog microwave equipment needed for maintenance of the analog portion of the microwave system, equipment and maintenance of the Capitol Complex communication

system, and to pay the debt service of the capital improvements made to the state's microwave mountaintop sites.

The Executive Budget recommends funding of \$2.3 million in FY 2003-04 and \$2.2 million in FY 2004-05 for the ongoing operations of the Communications division, representing a 22.9 percent increase above the amount authorized by the 2001 Legislature of \$3.6 million for the 2001-03 biennium.

DEPARTMENT OF PERSONNEL

The Department of Personnel is funded by uniform assessments to all state agencies for personnel and payroll services. The Governor's recommended budget in FY 2003-04 of \$11.9 million is a 9.9 percent increase over the FY 2002-03 work program budget of \$10.8 million. Recommended funding for FY 2004-05 increases by 1.6 percent to \$12.1 million. The Governor recommends an increase in the personnel assessment rate from the current rate of 0.90 percent of employee gross salaries to 0.98 percent in FY 2003-04 and to 0.97 percent in FY 2004-05. In addition, the Governor recommends that the payroll assessment increase from the current rate of 0.24 percent of employee gross salaries to 0.35 percent for each year of the 2003-05 biennium.

The 1997, 1999, and 2001 Legislatures appropriated General Fund and Highway Fund revenue (SB 201, SB 305, and AB 658, respectively) to the Department of Administration for the State of Nevada's Technology Improvement Plan, including implementation of the state's Integrated Financial System (IFS), which includes a new Personnel/Payroll System. The new system became operational in March 1999, with full implementation expected by the end of FY 2002-03. As reported by the department in December 2002, costs through FY 2001-02 for the Personnel/Payroll System totaled \$14,418,071. Included in The Executive Budget is a recommendation to transfer the ongoing operating costs of the Personnel/Payroll System from the Department of Administration.

The Executive Budget recommends funding for two new programs: a Discrimination/Harassment Investigation Unit and a Certified Public Manager Program (CPM). Funding for the Discrimination/Harassment Investigation Unit would ensure trained, impartial investigators conduct investigations promptly, reducing the costs associated with related settlements and court decisions against the state. Funding for the Certified Public Manager Program would provide for better leadership in state agencies resulting in improved services and operations.

The Executive Budget recommends funding for 2.49 new positions. One position is recommended to support the Discrimination/Harassment Investigations Unit; the second position would be the result of a transfer from the Department of Information Technology to perform Help Desk responsibilities for the Personnel/Payroll System. Finally, an existing Equal Employment Opportunity Officer is recommended to increase from a part-time position to a full-time position to provide additional training for the Prevention of Sexual Harassment in the Workplace program.

Nevada Legislative Counsel Bureau
Source of Funds Summary
2003 - Fiscal Report

	2001 - 2002 Actual	2002 - 2003 Work Program	2003 - 2004 Governor Recommended	% Change	2004 - 2005 Governor Recommended	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF ADMINISTRATION						
HIGHWAY FUND SALARY ADJUSTMENT		15,300,387		-100.00		
HIGHWAY FUND		15,300,387		-100.00		
INFORMATION TECHNOLOGY PROJECTS			8,279,335		3,802,949	-54.07
GENERAL FUND			3,320,876		1,419,127	-57.27
HIGHWAY FUND			4,579,865		2,246,825	-50.94
INTER AGENCY TRANSFER			378,594		136,997	-63.81
BUDGET AND PLANNING	2,459,293	3,150,487	3,152,912	.08	3,301,881	4.72
GENERAL FUND	2,237,932	2,874,233	2,881,478	.25	3,001,092	4.15
INTER AGENCY TRANSFER	210,647	276,202	271,288	-1.78	300,643	10.82
OTHER FUND	10,714	52	146	180.77	146	
GENERAL FUND SALARY ADJUSTMENT		34,245,698		-100.00		
GENERAL FUND		34,245,698		-100.00		
DIVISION OF INTERNAL AUDIT	1,529,981	1,907,435	1,936,062	1.50	2,018,419	4.25
GENERAL FUND	1,529,981	1,907,435	1,936,062	1.50	2,018,419	4.25
MERIT AWARD BOARD		5,000	5,000		5,000	
GENERAL FUND		5,000	5,000		5,000	
CLEAR CREEK YOUTH CENTER	278,850	279,471	235,088	-15.88	236,504	.60
GENERAL FUND	87,680	93,963	62,019	-34.00	62,347	.53
OTHER FUND	191,170	185,508	173,069	-6.71	174,157	.63
DEFERRED COMPENSATION COMMITTEE	35,222	120,998	67,288	-44.39	92,982	38.19
BALANCE FORWARD	-10,934	80,724	21,132	-73.82	46,826	121.59
OTHER FUND	46,156	40,274	46,156	14.60	46,156	
ADMIN - ADMINISTRATIVE SERVICES	1,133,352	1,562,211	1,672,850	7.08	1,691,908	1.14
BALANCE FORWARD	-128,366	231,756	356,196	53.69	264,134	-25.85
INTER AGENCY TRANSFER	1,261,618	1,330,455	1,316,654	-1.04	1,427,774	8.44
OTHER FUND	100					
TECHNOLOGY IMPROVEMENT PLAN	6,231,256	11,765,802	944,983	-91.97	873,013	-7.62
GENERAL FUND	-3,900,436		944,983		873,013	-7.62
BALANCE FORWARD	10,131,692	11,765,802		-100.00		
INSURANCE & LOSS PREVENTION	11,772,096	18,507,303	23,418,403	26.54	21,500,753	-8.19
BALANCE FORWARD	2,093,646	4,200,626	973,857	-76.82	2,835,555	191.17
INTER AGENCY TRANSFER	9,634,471	14,122,915	22,400,567	58.61	18,621,219	-16.87
OTHER FUND	43,979	183,762	43,979	-76.07	43,979	
INDIGENT ACCIDENT ACCOUNT	6,499,361	21,020,168	10,339,123	-50.81	11,239,123	8.70
BALANCE FORWARD	-1,646,906	11,570,224		-100.00		
OTHER FUND	8,146,267	9,449,944	10,339,123	9.41	11,239,123	8.70
INDIGENT SUPPLEMENTAL ACCOUNT	6,020,565	14,393,268	6,500,707	-54.84	7,100,707	9.23
BALANCE FORWARD	-7,341,044	8,414,673		-100.00		
OTHER FUND	13,361,609	5,978,595	6,500,707	8.73	7,100,707	9.23

Nevada Legislative Counsel Bureau
Source of Funds Summary
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	2001 - 2002 Actual	2002 - 2003 Work Program	2003 - 2004 Governor Recommended	% Change	2004 - 2005 Governor Recommended	% Change
FINANCE & ADMINISTRATION						
PRINTING OFFICE	3,964,303	5,082,949	3,435,567	-32.41	3,536,069	2.93
BALANCE FORWARD	150,478	161,885		-100.00	122,088	
INTER AGENCY TRANSFER	3,813,825	4,920,954	3,435,567	-30.18	3,413,981	-63
OTHER FUND		110		-100.00		
PRINTING OFFICE EQUIPMENT PURCHASE	24,649	359,201	124,903	-65.23	77,084	-38.28
BALANCE FORWARD	24,649	135,434	124,903	-7.78	77,084	-38.28
INTER AGENCY TRANSFER		223,467		-100.00		
OTHER FUND		300		-100.00		
MOTOR POOL	3,336,047	3,963,246	3,784,570	-4.51	3,926,544	3.75
BALANCE FORWARD	10,375	129,186	280,163	116.87	250,000	-10.77
INTER AGENCY TRANSFER	3,076,407	3,508,066	3,161,911	-9.87	3,334,048	5.44
OTHER FUND	249,265	325,994	342,496	5.06	342,496	
MOTOR POOL VEHICLE PURCHASE	1,924,085	1,798,477	1,924,976	7.03	1,702,011	-11.58
GENERAL FUND	-700,000					
BALANCE FORWARD	1,543,106	365,568	825,923	125.93	448,147	-45.74
INTER AGENCY TRANSFER	1,040,276	1,337,729	1,058,350	-20.88	1,213,161	14.63
OTHER FUND	40,703	95,180	40,703	-57.24	40,703	
PURCHASING	2,012,751	2,700,273	2,695,509	-1.18	2,611,933	-3.10
BALANCE FORWARD	-35,894	458,673	527,495	15.00	443,919	-15.84
INTER AGENCY TRANSFER	1,966,265	2,131,628	2,134,451	.13	2,134,451	
OTHER FUND	82,380	109,972	33,563	-69.48	33,563	
PURCHASING - EQUIPMENT PURCHASE	24,932	127,563	91,417	-28.34	95,578	4.55
BALANCE FORWARD	10,203	109,013	68,299	-37.35	85,482	25.16
INTER AGENCY TRANSFER	14,729	18,550	23,118	24.63	10,096	-56.33
COMMODITY FOOD PROGRAM	4,151,481	5,972,619	5,969,681	-0.05	6,045,612	1.27
BALANCE FORWARD	-85,630	1,078,829	954,166	-11.56	1,030,578	8.01
FEDERAL FUND	547,060	612,790	434,727	-29.06	434,727	
INTER AGENCY TRANSFER	140,520	103,460	103,495	.03	103,014	-46
OTHER FUND	3,549,531	4,177,540	4,477,293	7.18	4,477,293	
BUILDINGS & GROUNDS	12,382,228	13,715,501	15,738,142	14.75	16,229,516	3.12
GENERAL FUND	-50,000					
BALANCE FORWARD	-236,146	961,427	1,060,345	10.29	1,278,907	20.61
INTER AGENCY TRANSFER	12,660,835	12,736,510	14,670,258	15.18	14,943,070	1.86
OTHER FUND	7,539	17,564	7,539	-57.08	7,539	
MAIL SERVICES	6,639,656	6,172,513	7,181,000	16.34	7,199,024	.25
BALANCE FORWARD	263,794	447,451	513,158	14.68	427,337	-16.72
INTER AGENCY TRANSFER	6,375,862	5,725,062	6,667,842	16.47	6,771,687	1.56
MAIL SERVICES - EQUIPMENT PURCHASE	66,271	270,720	248,660	-8.15	344,382	38.50
BALANCE FORWARD	-20,239	175,859	145,720	-17.14	248,428	70.48
INTER AGENCY TRANSFER	86,510	94,861	102,940	8.52	95,954	-6.79

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	2001 - 2002 Actual	2002 - 2003 Work Program	2003 - 2004 Governor Recommended	% Change	2004 - 2005 Governor Recommended	% Change
FINANCE & ADMINISTRATION						
MARLETTE LAKE	398,017	481,422	390,431	-18.90	400,298	2.53
BALANCE FORWARD	-10,573	82,105	44,362	-45.97	54,229	22.24
OTHER FUND	408,590	399,317	346,069	-13.33	346,069	
DEPT OF ADMINISTRATION - HEARINGS	3,498,599	3,738,673	4,351,937	16.40	4,349,897	-0.05
INTER AGENCY TRANSFER	3,696,645	3,731,846	4,334,512	16.15	4,332,472	-0.05
OTHER FUND	-198,046	6,827	17,425	155.24	17,425	
VICTIMS OF CRIME	4,875,584	4,218,003	5,089,304	20.66	5,148,428	1.16
BALANCE FORWARD	444,734	81,707	54,701	-33.05	58,222	6.44
FEDERAL FUND	1,086,900	851,216	1,086,900	27.69	1,086,900	
OTHER FUND	3,343,950	3,285,080	3,947,703	20.17	4,003,306	1.41
PUBLIC WORKS ADMINISTRATION	825,865	855,207	832,195	-2.69	843,407	1.35
GENERAL FUND	825,865	855,207	832,195	-2.69	843,407	1.35
PUBLIC WORKS INSPECTION	3,792,597	4,124,059	4,630,196	12.27	4,768,716	2.99
BALANCE FORWARD	5,699	79,001		-100.00		
INTER AGENCY TRANSFER			35,000		35,000	
OTHER FUND	3,786,898	4,045,058	4,595,196	13.60	4,733,716	3.01
TOTAL-DEPARTMENT OF ADMINISTRATIC	83,877,041	175,838,654	113,040,239	-35.71	109,141,738	-3.45
GENERAL FUND	31,022	39,981,536	9,982,613	-75.03	8,222,405	-17.63
BALANCE FORWARD	5,162,644	40,529,943	5,950,420	-85.32	7,670,936	28.91
FEDERAL FUND	1,633,960	1,464,006	1,521,627		1,521,627	.00
HIGHWAY FUND		15,300,387	4,579,865	-70.07	2,246,825	-50.94
INTER AGENCY TRANSFER	43,978,610	50,261,705	60,094,547	19.56	56,873,567	-5.36
OTHER FUND	33,070,805	28,301,077	30,911,167	9.22	32,606,378	5.48
DEPARTMENT OF TAXATION						
DEPARTMENT OF TAXATION	15,113,597	16,235,655	16,868,967	3.90	17,441,424	3.39
GENERAL FUND	11,970,487	14,577,170	16,082,024	10.32	16,654,232	3.56
BALANCE FORWARD	1,607,538	1,021,635		-100.00		
FEDERAL FUND	12,740					
HIGHWAY FUND	423,290					
INTER AGENCY TRANSFER	6,989		6,989		6,989	
OTHER FUND	1,092,553	636,850	779,954	22.47	780,203	.03
TOTAL-DEPARTMENT OF TAXATION	15,113,597	16,235,655	16,868,967	3.90	17,441,424	3.39
GENERAL FUND	11,970,487	14,577,170	16,082,024	10.32	16,654,232	3.56
BALANCE FORWARD	1,607,538	1,021,635				.00
FEDERAL FUND	12,740					
HIGHWAY FUND	423,290					
INTER AGENCY TRANSFER	6,989		6,989		6,989	
OTHER FUND	1,092,553	636,850	779,954	22.47	780,203	.03

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	2001 - 2002 Actual	2002 - 2003 Work Program	2003 - 2004 Governor Recommended	% Change	2004 - 2005 Governor Recommended	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF INFORMATION SERVICES						
DoIT DIRECTOR'S OFFICE	1,717,230	1,924,849	2,818,997	46.45	2,686,504	-4.70
BALANCE FORWARD	32,739	103,691	106,604	2.81	175,608	64.73
INTER AGENCY TRANSFER	1,684,491	1,821,158	2,712,393	48.94	2,510,896	-7.43
DoIT PLANNING & RESEARCH UNIT	1,399,933	1,954,034	1,458,954	-25.34	1,449,211	-6.7
BALANCE FORWARD	-75,395	426,494	359,647	-15.67	202,403	-43.72
INTER AGENCY TRANSFER	1,475,328	1,527,540	1,099,307	-28.03	1,246,808	13.42
DoIT APPLICATION DESIGN & DEVELOPM	4,961,575	6,064,023	6,888,985	13.60	7,004,862	1.68
BALANCE FORWARD	582,400	1,028,200	642,831	-37.48	786,255	22.31
INTER AGENCY TRANSFER	4,379,175	5,035,823	6,246,154	24.03	6,218,607	-44
DoIT COMPUTING DIVISION	11,271,588	17,988,796	18,602,517	3.41	18,542,654	-32
BALANCE FORWARD	-1,608,647	6,109,799	6,026,457	-1.36	6,017,582	-15
INTER AGENCY TRANSFER	12,878,610	11,878,997	12,576,060	5.87	12,525,072	-41
OTHER FUND	1,625					
DoIT DATA COMMUNICATIONS & TECHNI	3,562,033	5,041,918	5,030,440	-23	5,139,320	2.16
BALANCE FORWARD	-94,639	651,050	784,265	20.46	1,134,611	44.67
INTER AGENCY TRANSFER	3,656,672	4,390,868	4,180,766	-4.78	3,957,747	-5.33
OTHER FUND			65,409		46,962	-28.20
DoIT TELECOMMUNICATIONS	3,712,375	3,717,074	5,378,488	44.70	4,917,813	-8.57
BALANCE FORWARD	-430,343	645,245	585,308	-9.29	564,998	-3.47
INTER AGENCY TRANSFER	3,568,865	2,521,411	4,219,327	67.34	3,778,962	-10.44
OTHER FUND	573,853	550,418	573,853	4.26	573,853	
DoIT COMMUNICATIONS	1,274,002	1,797,795	2,271,080	26.33	2,146,072	-5.50
BALANCE FORWARD	-255,113	266,497	204,660	-23.20	362,518	77.13
INTER AGENCY TRANSFER	900,928	1,235,673	1,422,377	15.11	1,326,230	-6.76
OTHER FUND	628,187	295,625	644,043	117.86	457,324	-28.99
TOTAL-DEPARTMENT OF INFORMATION S	27,898,736	38,488,489	42,449,461	10.29	41,886,436	-1.33
BALANCE FORWARD	-1,848,998	9,230,976	8,709,772	-5.65	9,243,975	6.13
INTER AGENCY TRANSFER	28,544,069	28,411,470	32,456,384	14.24	31,564,322	-2.75
OTHER FUND	1,203,665	846,043	1,283,305	51.68	1,078,139	-15.99

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	2001 - 2002 Actual	2002 - 2003 Work Program	2003 - 2004 Governor Recommended	% Change	2004 - 2005 Governor Recommended	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF PERSONNEL						
PERSONNEL	7,260,643	9,399,031	10,372,081	10.35	10,402,674	.29
BALANCE FORWARD	-403,654	1,803,470	627,055	-65.23	597,956	-4.64
INTER AGENCY TRANSFER	7,640,495	7,571,988	9,721,026	28.38	9,780,718	.61
OTHER FUND	23,802	23,573	24,000	1.81	24,000	
STATE UNEMPLOYMENT COMPENSATIO	923,970	1,431,150	1,532,236	7.06	1,688,198	10.18
BALANCE FORWARD	-374,125	980,652	434,576	-55.68	470,493	8.26
INTER AGENCY TRANSFER	1,298,095	450,498	1,097,660	143.65	1,217,705	10.94
TOTAL-DEPARTMENT OF PERSONNEL	8,184,613	10,830,181	11,904,317	9.92	12,090,872	1.57
BALANCE FORWARD	-777,779	2,784,122	1,061,631	-61.87	1,068,449	.64
INTER AGENCY TRANSFER	8,938,590	8,022,486	10,818,686	34.85	10,998,423	1.66
OTHER FUND	23,802	23,573	24,000		24,000	.00
FINANCE & ADMINISTRATION						
GENERAL FUND	12,001,509	54,558,706	26,064,637	-52.23	24,876,637	-4.56
BALANCE FORWARD	4,143,405	53,566,676	15,721,823	-70.65	17,983,360	14.38
FEDERAL FUND	1,646,700	1,464,006	1,521,627	3.94	1,521,627	
HIGHWAY FUND	423,290	15,300,387	4,579,865	-70.07	2,246,825	-50.94
INTER AGENCY TRANSFER	81,468,258	86,695,661	103,376,606	19.24	99,443,301	-3.80
OTHER FUND	35,390,825	29,807,543	32,998,426	10.70	34,488,720	4.52
TOTAL-FINANCE & ADMINISTRATION	135,073,987	241,392,979	184,262,984	-23.67	180,560,470	-2.01
Less: INTER AGENCY TRANSFER	81,468,258	86,695,661	103,376,606	19.24	99,443,301	-3.80
NET-FINANCE & ADMINISTRATION	53,605,729	154,697,318	80,886,378	-47.71	81,117,169	.29