

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 agencies include the Department of Administration, the State Public Works Board, the Department of Taxation, the Department of Personnel and the Department of Information Technology.

The Governor has recommended General Fund appropriations for the Finance and Administration function totaling \$31.0 million in FY 2012 and \$31.3 million in FY 2013. General Fund appropriations are recommended to decrease by 14.3 percent in FY 2012 compared to FY 2011 and decrease by an additional 0.8 percent in FY 2013. The budget recommendations for all funding sources total \$98.2 million in FY 2012 and \$92.3 million in FY 2013 after interagency transfers are deducted.

DEPARTMENT OF ADMINISTRATION

Divisions within the Department of Administration include Budget and Planning, Internal Audit, Insurance Loss and Prevention (also known as Risk Management), Hearings and Appeals (includes Victims of Crime), Purchasing (includes Commodity Foods), Buildings and Grounds (includes Mail Services and Marlette Lake), Motor Pool, Administrative Services and the Information Technology Division. The Department is also responsible for program oversight and coordination for the State's Integrated Financial System.

As part of the Governor's recommended reorganization efforts, The Executive Budget includes four new divisions under the Department of Administration and the merger of two existing divisions within the Department. The new divisions include: 1) the Division of Human Resource Management (currently the Department of Personnel); 2) the Enterprise Information Technology Services Division (currently the Department of Information Technology) is recommended to merge with and replace the existing Division of Information Technology; 3) the Nevada State Library and Archives would be reassigned from the Department of Cultural Affairs and would manage Mail Services (currently under the Buildings and Grounds Division); and 4) the State Public Works Division (currently the State Public Works Board) is recommended to merge with and replace the existing Buildings and Grounds Division. The reorganization and consolidation would bring the total number of divisions under the Department of Administration to 11.

The Executive Budget recommends a General Fund one-shot appropriation of \$3 million for the Department of Administration to provide funding for the Nevada Broadband Task Force to improve rural access to the Internet and support entrepreneurship and health information technology.

BUDGET AND PLANNING DIVISION

The Budget and Planning Division provides policy direction, management oversight, training, and coordinated planning for state agencies concerning internal operations of state government and responsible budgetary oversight. The Division's primary duties are to prepare The Executive Budget and to provide staff support to the State Board of Examiners and the Economic Forum.

The Executive Budget recommends \$7.9 million to fund the operations of the Budget and Planning Division during the 2011-13 biennium, representing a 12 percent increase from the \$7.0 million approved for the 2009-11 biennium. Aside from the \$572,237 in cost allocation revenue for the 2011-13 biennium, this account is funded entirely with General Funds. Three new positions for a new Grants Management section in Budget and Planning are recommended in the Governor's budget and are funded with General Funds totaling \$391,265 for the 2011-13 biennium

As part of the Department of Administration's reorganization, The Executive Budget includes a new Deputy Director position funded with General Funds totaling \$244,116 for the 2011-13 biennium. Also, as part of the reorganization, two positions are recommended to transfer into Budget and Planning: a Public Information Officer to be used as a resource department-wide, and an Information Technology position recommended to be reclassified to a Chief of Planning, Research and Grants. The funding source for both positions is recommended to change from Interagency Transfer Funds to General Funds resulting in a General Fund increase of \$320,686 for the 2011-13 biennium. The Governor also recommends the transfer to other divisions of five positions that do not contribute to the Budget and Planning Division's core mission.

ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division provides fiscal and administrative support to the Department of Administration, as well as fiscal services to the Board of Examiners, the Governor's Office, the Deferred Compensation Committee, the Ethics Commission, the Civil Air Patrol, Public Works Board, Nuclear Projects, and the State Office of Energy. The Division is funded entirely through an administrative assessment charged to the other divisions within the Department of Administration and other agencies utilizing its services.

Under the Governor's reorganization plan, the fiscal services units of the departments merged into the Department of Administration would be centralized into the Administrative Services Division. As such, the Governor recommends the transfer of 16 positions to the Division. The Governor's budget also recommends \$100,000 over the biennium for additional office space and tenant improvements to accommodate the transferred positions. In addition, the Governor proposes the elimination of one vacant Accountant Technician position.

INFORMATION TECHNOLOGY DIVISION

The Department of Administration's Information Technology (IT) Division provides budgetary oversight of designated large information technology projects for state agencies and provides a budgetary perspective to statewide information technology issues. In addition, the Division provides operational oversight of the Integrated Financial System (IFS), the Nevada Executive Budget System (NEBS), the Enterprise Electronic Payment System (E-Payment), as well as direct project management of the Department of Administration's own information technology projects. For the 2011-13 biennium, the Governor recommends the elimination of the IT Division account (101-1320) due to the merger of the Department of Information Technology (DoIT) with the Department of Administration, as well as a restructuring of its functional responsibilities in order to align them with more appropriate agencies.

The Governor recommends the elimination of the IT Division's only position (0.80 FTE) and General Funds of \$241,163 (includes all decision units related to the position) over the biennium. Recommended restructuring includes a transfer of \$686,209 in General Funds over the biennium to move administrative responsibility for NEBS to the Department of Administration's Budget and Planning Division, and a transfer of \$57,350 in General Funds over the biennium to move the Division's statewide E-Payment responsibilities to the State Treasurer's Office.

While the Governor does not recommend eliminating the IT Projects account, The Executive Budget does not include funding for technology investment projects in the account and instead places it in the respective agency budget accounts.

INSURANCE AND LOSS PREVENTION DIVISION

The Insurance and Loss Prevention Division (Risk Management) has two major areas of responsibility.

- Insurance and Loss Prevention – Provides management and oversight of the State's insurance coverage for aviation, boiler and machinery, automobile physical damage and collision, bonds, crime, liability and property. The agency also coordinates the purchase of insurance policies, administers self-funded property and automobile claims, negotiates the purchase of insurance coverage for special requests and provides insurance consulting for statewide contracts.
- Workers' Compensation – Negotiates, purchases, and provides oversight of the State's workers' compensation program, which includes the Occupational Health program for police/fire and correctional officers and other state employees and retirees who meet the statutory requirements for this program.

For the 2011-13 biennium, The Executive Budget recommends expenditures, not including reserves, in the amount of \$36.62 million, a decrease of 20.5 percent from the legislatively approved amount of \$46.05 million for the 2009-11 biennium. Funding for the Division is provided by insurance premiums assessed to state agencies.

The Executive Budget projects increases and decreases of insurance premiums and claims costs for the following lines of insurance:

Line of Insurance	FY 2010 Actual	FY 2011 Work Program	FY 2012 Gov Rec	% Increase or (Decrease) over Actual	FY 2013 Gov Rec	% Increase Over FY 2012 Gov Rec
Property & Contents, Aviation, Boiler & Machinery, & Misc	\$ 1,653,786	\$ 1,935,954	\$ 1,823,215	10.24%	\$ 1,890,808	3.71%
Workers' Comp	\$ 13,598,670	\$ 19,075,537	\$ 12,512,241	-7.99%	\$ 13,056,499	4.35%

The Governor recommends the following rate changes, compared to the rates in the current biennium. The workers' compensation rate is assessed as a percentage of gross salaries (up to \$36,000 salary per employee, per calendar year) for state agencies. Property and contents insurance is for buildings, computers, watercraft, and other miscellaneous equipment, per \$1 insured, and the automobile compensation/collision insurance is per vehicle, per year.

Line of Insurance	FY 2010 Actual	FY 2011 Work Program	FY 2012 Gov Rec	FY 2013 Gov Rec	% Increase or (Decrease) over Actual
Workers' Comp	2.73%	2.73%	1.55%	1.55%	-43.22%
Property and Contents	\$ 0.00121	\$ 0.00121	\$ 0.00078	\$ 0.00078	-35.54%
Auto Comp/Collision	\$ 88.00	\$ 88.00	\$ 65.26	\$ 65.26	-25.84%

DIVISION OF INTERNAL AUDITS

The Division of Internal Audits is comprised of three sections: 1) the Internal Audits section performs audits at the direction of the Executive Branch Audit Committee to enhance the efficiency and effectiveness of agencies' operations; 2) the Financial Management section assists Executive Branch agencies in developing and maintaining internal controls and provides training to ensure effective financial administration; and 3) the Post Review section provides a centralized review of agencies' transactions for compliance with laws, regulations, and contracts. The budget is funded entirely with General Funds.

The Executive Budget recommends \$2.4 million to fund the operations of the Division of Internal Audits, representing a 35.2 percent decrease from the \$3.7 million approved for the 2009-11 biennium. The decrease is primarily a result of the elimination of six positions during the 26th Special Session (2010). In addition, The Executive Budget recommends the elimination of a vacant Administrative Assistant position, moving the Internal Audit Division into state-owned facilities and the reclassification of three positions, generating a total General Fund savings of \$204,557 over the 2011-13 biennium.

MOTOR POOL DIVISION

The Motor Pool Division is responsible for the administration of the State's vehicle fleet of approximately 800 vehicles in Carson City, Reno and Las Vegas. Funding for the Division is primarily generated from vehicle rental charges, which have decreased by 38 percent from the legislatively approved amount of \$10.0 million for the 2009-11 biennium, compared to \$6.2 million for the 2011-13 biennium. The following chart compares rates approved for the 2009-11 biennium to the proposed rates for the 2011-13 biennium.

Rate	State Motor Pool Rates	Budgeted			Governor Recommended			Difference		
		2009-11 Biennium			2011-13 Biennium			Increase/(Decrease)		
		Per Month	Per Day	Per Mile	Per Month	Per Day	Per Mile	Per Month	Per Day	Per Mile
Compact	Rate schedule for a compact vehicle rental.	\$ 308	\$ 25	\$ 0.16	\$ 198	\$ 24	\$ 0.14	\$ (110)	\$ (1)	\$ (0.02)
Intermediate	Rate schedule for an intermediate vehicle rental.	\$ 350	\$ 26	\$ 0.17	\$ 207	\$ 25	\$ 0.15	\$ (143)	\$ (1)	\$ (0.02)
Premium	Rate schedule for a premium vehicle rental.	\$ 363	\$ 27	\$ 0.26	\$ 219	\$ 28	\$ 0.19	\$ (144)	\$ 1	\$ (0.07)
Luxury	Rate schedule for a specialty vehicle rental.	\$ 560	\$ 31	\$ 0.26	\$ 262	\$ 37	\$ 0.20	\$ (298)	\$ 6	\$ (0.06)

The Executive Budget recommends funding of \$1.3 million for purchase of 60 vehicles (1 new and 28 replacements in FY 2012 and 31 replacements in FY 2013). The vehicles are purchased through funds realized from vehicle disposals, insurance recoveries, and depreciation allowances.

PURCHASING DIVISION

The Purchasing Division is responsible for assisting state agencies and political subdivisions with the procurement of quality supplies, equipment and services in a timely and cost effective manner. Purchasing is a non-General Fund agency whose funding primarily comes from an assessment on Executive Branch agencies. For the 2011-13 biennium, The Executive Budget recommends the elimination one Purchasing Technician position and the continued elimination of two positions and related costs that were previously eliminated by the 26th Special Session (2010). A total savings of \$340,380 is anticipated to be realized over the 2011-13 biennium as a result of the Governor's recommendations.

BUILDINGS AND GROUNDS DIVISION

For the 2011-13 biennium, the Governor recommends merging the Buildings and Grounds Division (B&G) with the State Public Works Board. The merged divisions are recommended to create the State Public Works Division. Among other responsibilities, the new division would provide statewide services associated with physical buildings and grounds maintenance and custodial services for state-owned buildings, and manage the Marlette Lake Water System that provides water to Carson City and Virginia City, which are the services currently provided by B&G. In addition, the Governor recommends B&G's State Mail Services be reassigned to the Nevada State

Library and Archives Division, and the Division's energy use and cost savings tracking function be reassigned to the Nevada State Office of Energy, within the Office of the Governor.

The primary source of funding for B&G is rent charged to state agencies for the use of state-owned building office, dormitory, and storage space. Rents collected by the Division are recommended to total approximately \$29.9 million over the 2011-13 biennium, a decrease of 3 percent from the \$30.8 million approved for the 2009-11 biennium. The rental rate charged per square foot of office space is recommended to decrease by 6 percent to \$0.96 for the 2011-13 biennium from the \$1.02 per square foot amount approved for the 2009-11 biennium.

The Governor recommends transferring a Program Officer position and associated costs (\$124,333 for the 2011-13 biennium) to the Department of Administration, Administrative Services Division, in order to consolidate fiscal functions within the Department. Other recommendations for the 2011-13 biennium include: a total of \$420,572 to adjust the maintenance and utilities costs necessary for the new Campos Building in Las Vegas that was occupied for only a portion of FY 2010; \$239,008 during the 2011-13 biennium for building maintenance and renovation projects funded through building rent revenue; and the transfer of costs (\$237,526) for contracted security services at state-owned facilities to the Capitol Police Division.

STATE PUBLIC WORKS BOARD

For the 2011-13 biennium, the Governor recommends creating a new State Public Works Division (SPWD), within the Department of Administration. The new division is recommended to be created from the State Public Works Board (SPWB) and the Buildings and Grounds Division (B&G). The Governor recommends the new division implement the the State's Capital Improvement Program (CIP) that is now completed by the SPWB. In addition, the services currently provided by B&G would be assigned to the SPWD, including statewide services associated with physical buildings and grounds maintenance and custodial services for state-owned buildings, and managing the Marlette Lake Water System that provides water to Carson City and Virginia City.

Total funding from the General Fund for the 2011-13 biennium is recommended to decrease to \$476,601 from the \$557,831 approved for the 2009-11 biennium, or by approximately 14.6 percent. Total funding from project management and inspection fees collected from the CIP is recommended to decrease by 35.4 percent from the \$15.6 million approved for the 2009-11 biennium to \$10.1 million during the 2011-13 biennium.

Due to the State's declining number of CIPs, the Governor recommends eliminating 27 vacant positions during the 2011-13 biennium. In addition, the Governor recommends transferring five administrative and fiscal support staff to the Department of Administration, Administrative Services Division, for the proposed merger and

consolidation of administrative and fiscal staff within the Department. These recommendations would reduce fees collected from the State's CIP by \$4.8 million for the 2011-13 biennium.

The 2009 Legislature approved the Governor's recommendation to transfer six positions from the Public Works Administration account (renamed Administration-SPWD-Facility Condition Analysis) to the Public Works Inspection account (renamed SPWD-Engineering and Planning) for the 2009-11 biennium. The recommendation, which included funding the transferred positions with fee revenues generated by the CIP rather than with state appropriations, was approved because projected revenues were insufficient to restore General Funds for the positions. As a result, the money committees expressed their intent that the six transferred positions should be funded with General Funds and should be included in the Public Works Administration account in the SPWB's base budget for the 2011-13 biennium.

In order to comply with the Legislature's intent, The Executive Budget recommends to transfer the six positions to the Administration-SPWD-Facility Condition Analysis account where they are funded with General Funds. However, the six positions are subsequently recommended for transfer to the SPWD-Engineering and Planning account to be funded from fees collected from the State's CIP. The Governor's recommendation to fund the positions with fees collected from the CIP avoids \$1,272,440 in General Fund costs for the 2011-13 biennium.

DEPARTMENT OF TAXATION

The Department of Taxation is responsible for the administration of the majority of the State's non-gaming tax laws, as well as the Local Government Budget Act. The Governor's recommended budget for the 2011-13 biennium provides General Fund appropriations to the Department in the amount of \$51.5 million, a decrease of \$1.2 million or 2.3 percent from the \$52.7 million approved for the 2009-11 biennium.

The Executive Budget recommends eliminating 14 full-time and 15 intermittent positions for budget reduction purposes representing General Fund savings of approximately \$1.06 million in FY 2012 and \$1.09 million in FY 2013. Funding for 8 of the positions had been eliminated for FY 2011 as part of the budget reductions approved by the Legislature in the 26th Special Session (2010). However, The Executive Budget also recommends General Fund appropriations of \$538,645 in FY 2012 and \$666,555 in FY 2013 to fund 9 new full-time positions to strengthen the Department's management of non-compliant/delinquent taxpayer accounts, as well as 3 new full-time positions to improve its ability to research, reconcile and post taxpayers' electronic payments to the Unified Tax System.

The Executive Budget recommends the addition of nine full-time positions to reduce the caseload size of non-compliant/delinquent taxpayer accounts. The Department anticipates the positions would improve past-due collections, the identification of non-registered businesses, and increase taxpayer's voluntary compliance with existing

laws. As of December 31, 2010, there were 84,982 non-compliant accounts with delinquent returns and/or outstanding payment liabilities. The addition of seven new Revenue Officer field positions is projected to reduce the current assigned caseload of 2,428 non-compliant accounts per position to approximately 2,023 accounts.

The Governor recommends the addition of three full-time positions to improve the Department's ability to research, reconcile, and clear taxpayers' electronic payments processed through the Automated Clearing House (ACH) system and the State's Business Portal.

UNIFIED TAX SYSTEM

The Executive Budget recommends General Fund appropriations totaling \$2.88 million over the 2011-13 biennium to continue outsourcing tax payment processing, data entry and document scanning/imaging functions with a lockbox service vendor, and to fund electronic payment fees incurred in accepting tax payments through the ACH system, credit cards, e-checks, and debit cards.

DEPARTMENT OF INFORMATION TECHNOLOGY

The Department of Information Technology (DoIT) provides state agencies of the Executive Branch with a centralized source of information technology-related services. Services provided include programming, planning, database management, computing, and communications. The Executive Budget recommends total funding for the Department in the amount of \$29.8 million in FY 2012, which represents an increase of 6 percent from the FY 2011 approved level. Funding of \$27.5 million is recommended in FY 2013, representing a decrease of 7.6 percent from FY 2012. The Governor's recommendations include reorganization, with DoIT merging into the Department of Administration and becoming the Division of Enterprise Information Technology (IT) Services. As a result, personnel changes are recommended within DoIT, the Department of Personnel, and the Department of Administration, resulting in a net reduction of four positions for DoIT.

According to the Governor's Priorities and Performance Budget, the anticipated benefits of restructuring include synergies resulting from the centralization of PC/LAN tech support, personnel support, fiscal services, research and planning, and contract management within the Department. With the reorganization, the statewide help desk support provided by both DoIT and Department of Personnel will be consolidated into a single point of contact for help-desk support. Furthermore, the reorganization will allow the establishment of a new enterprise business analysis function within the restructured division, which seeks to better assist its customers by translating customer needs into information technology requirements. The Governor's recommended reorganization includes physically relocating remaining DoIT staff currently located within leased space into state-owned buildings.

DIRECTOR'S OFFICE

The Director's Office currently provides administrative, financial management, billing, clerical, and personnel support to the functional divisions in the Department. Through the reorganization previously noted, the Director's Office would become the Office of the Chief Information Officer (CIO), with the Division Administrator/State CIO to be appointed by the Governor and report directly to the Department of Administration's Director. The functions of the Office of the CIO would include oversight of the Enterprise IT Division's operational units, PC/LAN tech support for the Department of Administration, and enterprise analysis and planning services for all Executive Branch agencies. Due to the reorganization, total staffing for the Director's Office is recommended to decrease from 17 positions to 6 positions for the 2011-13 biennium.

APPLICATION DESIGN AND DEVELOPMENT DIVISION

The Application Design and Development Division is currently responsible for application development and maintenance programming, production support, web page support, and database development and administration. The Governor's recommended reorganization would change the name of this Division to the Application Support Unit, and include the responsibilities of providing IT solutions for enterprise applications covering all aspects of system life cycle development, as well as providing enterprise customer service, business analysis, and technical support functions. The recommended reorganization also transfers the help desk functions from DoIT's Computing Division and the Department of Personnel into the new Application Support Unit.

The Executive Budget recommends total staffing to increase from 22 positions to 34 positions for the 2011-13 biennium, which is due to transferred positions from DoIT's Computing Division and the Departments of Personnel and Administration. The Governor's recommended staffing changes also include the elimination of one Management Analyst II from the web services group. The Executive Budget also recommends replacement computer hardware at a cost of \$26,124 over the biennium.

COMPUTING DIVISION

The Computing Division consists of the Mainframe Product Support Unit, the Mainframe Systems and Storage Unit, the Internet Services and Servers Unit, and the Computer Operations Unit. The Division's responsibilities include managing, operating, and supporting the State's mainframe server, Internet servers, and application servers in a secure 24/7 environment. Staff currently provides computer operation and production services, server systems software support, tape library management, disk storage management, help desk services, data security functions, printing services, server maintenance, Internet infrastructure monitoring and maintenance, web application hosting, e-mail management, and disaster recovery services. Although the reorganization results in the Computing Division becoming the Computer Facility Unit,

the unit's functions remain consistent with the exception of help desk responsibilities, which are recommended to transfer to the Application Support Unit.

The Executive Budget recommends total staffing to decrease from 49 positions to 44 positions for the 2011-13 biennium, which is primarily attributable to the reorganization previously noted. In addition, the Governor is recommending the addition of one new IT professional III, including computer hardware and software, to support the Secretary of State's Business Portal and DoIT's virtual server and UNIX environments.

Over the biennium, the Governor recommends funding of \$136,205 for replacement computer hardware, \$34,334 for additional operating system licenses to support virtual servers, and \$79,208 to increase capacity to accommodate growth in virtual servers. The Executive Budget also recommends upgrades consisting of \$1.3 million over the biennium for a z10 Mainframe Enterprise Server to replace the z9 Mainframe Enterprise Server in Carson City, \$542,071 over the biennium for an Enterprise Backup Solution for Carson City and Las Vegas (disaster recovery), \$184,871 in FY 2012 for an IBM Virtualization Engine Appliance to support the Virtual Tape Management System in Las Vegas, and \$127,604 in FY 2013 for a continuous forms laser printer.

DATA COMMUNICATIONS AND NETWORK ENGINEERING UNIT

The Data Communications and Network Engineering Unit is responsible for developing, maintaining, and operating the statewide data communications infrastructure, with most of the effort focused upon the State's wide-area network (SilverNet) that provides Internet access and data communication lines for state agencies. The agency supports over 8,500 network nodes (personal computers, servers, network devices) in more than 150 locations throughout the State. In FY 2012, The Executive Budget recommends funding of \$5,220 for computer hardware replacements, \$21,390 for memory upgrades to core switches, and \$208,459 to replace all chassis and core infrastructure for SilverNet. The Governor also recommends \$347,725 in FY 2013 to replace security devices that have reached their end-of-life and \$17,500 in each year of the biennium for staff training.

TELECOMMUNICATIONS UNIT

The Telecommunications Unit is responsible for developing, operating and maintaining a statewide telephone network, which integrates state-owned PBX switches and commercial telephone service. The Unit provides services for state phone lines, voicemail, toll-free service, phone credit cards, voice system administration, conference calling, and state telephone operators.

In each year of the biennium, the Governor recommends \$3,246 for computer hardware replacements and \$7,557 for staff training. In addition, The Executive Budget recommends \$160,000 in FY 2012 for conducting a phone system consolidation analysis. The 2009 Legislature issued a letter of intent to the agency for the purpose of

providing specific plans for the State's telecommunications system, including the introduction of vendor independence and increased opportunities for competitive procurement. Following DoIT's review and analysis, the agency reported in August 2010 that vendor independence was not feasible at the current time, but steps could be taken toward establishing vendor independence and competitive contract bidding. At that time, DoIT recommended the technical and financial study and analysis of the State's existing phone systems that is included in the Governor's recommended budget.

NETWORK TRANSPORT SERVICES UNIT

The Network Transport Services Unit is responsible for the installation, operation and maintenance of the state microwave system and remote communication sites, including fiber optics and wireless technologies. The Unit provides site space rental, microwave channel rental, DS1 circuits, and site power recovery. The Executive Budget includes \$10,786 for staff training in FY 2012, and in each year of the biennium recommends \$25,030 to purchase and install ice shields for microwave antennas, \$11,378 for in-state travel and \$80,000 in contract labor to support the agency's installation and maintenance of the microwave system. Over the biennium, the Governor also recommends funding for replacement equipment including \$13,942 for computer hardware, \$148,409 for heavy-duty trucks, and \$533,528 for rectifiers, which are used to charge batteries at communications sites.

SECURITY DIVISION

The Security Division supports the state information infrastructure through standardizing security policy, ensuring compliance with security procedures, responding to security incidents, and mitigating vulnerabilities to networks and systems. The Executive Budget recommends \$10,204 over the biennium to replace computer hardware and a badge printer used by the Nevada Card Access System.

DEPARTMENT OF PERSONNEL

The Department of Personnel (DOP) is responsible for providing and retaining a qualified workforce that serves the citizens of Nevada. The Department is funded by uniform assessments to all state agencies for personnel and payroll services. Currently, the DOP operates four divisions consisting of Employee Management Services, Administrative Services, Compensation and Classification, and Recruitment and Retention.

The Governor recommends reorganizing the DOP as a division within the Department of Administration and renaming it the Division of Human Resource Management. The merger would result in the elimination of three positions for a net savings of \$547,238 over the 2011-13 biennium. As part of the merger, the Governor recommends combining the Compensation and Classification section with the Recruitment and Retention section, and adding a new personnel section that would eventually provide

personnel services for all state agencies. The proposed merger transfers 7 positions from other state agencies into the new centralized personnel office, and transfers out 12 positions that do not contribute to the Department's core mission. Over the course of the 2011-13 biennium, the Governor recommends the new division assume personnel responsibilities for the Department of Administration, the Department of Taxation, the Department of Business and Industry, the Department of Agriculture, and the Department of Education.

The Governor recommends additional budget reductions of \$831,770 over the 2011-13 biennium, which include the elimination of one Administrative Assistant position held vacant during the 26th Special Session (2010), three positions from the Recruitment and Retention section, and three vacant positions consisting of one Administrative Assistant and two Personnel Analysts. Two vacant Mental Health Counselor positions that previously managed the Employee Assistance Program would be eliminated and replaced with contract management services.

The proposed merger and budget reductions recommended by the Governor result in the statewide personnel assessment decreasing from 0.78 percent in FY 2011 to 0.70 percent in FY 2012 and 0.66 percent in FY 2013. Similarly, the statewide payroll assessment decreases from 0.21 percent in FY 2011 to 0.16 percent in FY 2012 and 0.15 percent in FY 2013.

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

	2009-2010 Actual	2010-2011 Work Program	2011-2012 GOVERNOR RECOMMENDS	% Change	2012-2013 GOVERNOR RECOMMENDS	% Change
FINANCE & ADMINISTRATION						
DEPARTMENT OF ADMINISTRATION						
ADMINISTRATION - BUDGET AND PLANNING	3,161,613	3,707,048	3,726,227	.52	4,151,919	11.42
GENERAL FUND	2,764,850	3,233,056	3,463,995	7.14	3,841,914	10.91
INTER-AGENCY TRANSFER	463,804	443,992	262,232	-40.94	310,005	18.22
INTERIM FINANCE		30,000				
REVERSIONS	-67,041					
SPECIAL APPROPRIATIONS	48,840	86,213	75,000	-13.01	75,000	.00
GENERAL FUND	135,053		75,000		75,000	
BALANCE FORWARD	-86,213	86,213				
JUDICIAL COLL & COLL OF JUVENILE & FAMILY JUSTICE	322,050	289,845	260,860	-10.00	260,860	.00
GENERAL FUND	322,050	289,845	260,860	-10.00	260,860	
BOE - GENERAL FUND SALARY ADJUSTMENT	4,987,543	24,809,369				
GENERAL FUND	29,242,507	554,405				
BALANCE FORWARD	-24,254,964	24,254,964				
BOE - HIGHWAY FUND SALARY ADJUSTMENT	10,000	4,755,261				
BALANCE FORWARD	-4,647,094	4,647,094				
HIGHWAY FUND	4,960,134	108,167				
REVERSIONS	-303,040					
ADMINISTRATION - ADMINISTRATIVE SERVICES	1,259,795	1,654,625	2,534,107	53.15	2,805,634	10.71
BALANCE FORWARD	65,856	347,872	242,601	-30.26	355,247	46.43
INTER-AGENCY TRANSFER	1,193,939	1,306,753	2,291,506	75.36	2,450,387	6.93
MERIT AWARD BOARD	400	3,865	3,478	-10.01	3,479	.03
GENERAL FUND	4,151	3,865	3,478	-10.01	3,479	.03
REVERSIONS	-3,751					
ADMINISTRATION - INFORMATION TECHNOLOGY DIVISION	629,934	520,574				
GENERAL FUND	640,171	520,574				
REVERSIONS	-10,237					
ADMINISTRATION - INFORMATION TECHNOLOGY PROJECTS	5,688,542	6,379,806				
GENERAL FUND	1,593,340	4,046,348				
INTER-AGENCY TRANSFER	1,838,526	2,333,458				
INTERIM FINANCE	2,256,676					
ADMINISTRATION - INSURANCE & LOSS PREVENTION	16,620,781	37,207,524	28,466,004	-23.49	24,008,056	-15.66
BALANCE FORWARD	-3,755,167	16,620,233	14,183,505	-14.66	9,696,517	-31.64
INTER-AGENCY TRANSFER	20,325,799	20,467,969	14,028,743	-31.46	14,031,096	.02
OTHER FUND	50,149	119,322	253,756	112.66	280,443	10.52

**Nevada Legislative Counsel Bureau
Source of Funds Summary
2011-13 Fiscal Report**

	2009-2010 Actual	2010-2011 Work Program	2011-2012 GOVERNOR RECOMMENDS	% Change	2012-2013 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - DIVISION OF INTERNAL AUDITS	1,581,116	1,485,595	1,215,621	-18.17	1,208,045	-.62
GENERAL FUND	1,589,060	1,485,595	1,215,621	-18.17	1,208,045	-.62
REVERSIONS	-7,944					
ADMINISTRATION - MOTOR POOL	4,377,531	5,840,446	4,188,614	-28.28	3,980,429	-4.97
BALANCE FORWARD	-438,612	973,639	937,845	-3.68	724,222	-22.78
INTER-AGENCY TRANSFER	4,807,547	4,839,013	3,242,173	-33.00	3,247,611	.17
OTHER FUND	8,596	27,794	8,596	-69.07	8,596	
ADMINISTRATION - MOTOR POOL VEHICLE PURCHASE	1,197,761	1,797,144	1,103,573	-38.59	1,153,273	4.50
BALANCE FORWARD	-202,815	394,305	555,997	41.01	483,799	-12.99
INTER-AGENCY TRANSFER	1,187,991	1,206,410	334,991	-72.23	456,889	36.39
OTHER FUND	212,585	196,429	212,585	8.22	212,585	
ADMINISTRATION - PURCHASING	2,670,094	2,997,788	2,695,723	-10.08	2,640,784	-2.04
BALANCE FORWARD	251,607	546,720	417,607	-23.62	362,485	-13.20
INTER-AGENCY TRANSFER	2,348,626	2,361,528	2,208,280	-6.49	2,208,463	.01
OTHER FUND	69,861	89,540	69,836	-22.01	69,836	
ADMINISTRATION - PURCHASING - COMMODITY FOOD PROG	8,736,963	15,972,462	9,633,240	-39.69	9,802,012	1.75
BALANCE FORWARD	45,339	1,431,900	1,116,335	-22.04	1,269,314	13.70
FEDERAL FUND	1,662,949	1,469,725	1,445,928	-1.62	1,461,707	1.09
INTER-AGENCY TRANSFER		30,568				
OTHER FUND	7,028,675	13,040,269	7,070,977	-45.78	7,070,991	.00
ADMINISTRATION - SPWD - BUILDINGS & GROUNDS	15,504,673	19,121,607	18,590,627	-2.78	18,331,116	-1.40
BALANCE FORWARD	-616,316	3,649,496	2,794,174	-23.44	2,525,591	-9.61
INTER-AGENCY TRANSFER	16,047,691	15,406,209	15,723,155	2.06	15,732,227	.06
OTHER FUND	73,298	65,902	73,298	11.22	73,298	
ADMINISTRATION - NSLA - MAIL SERVICES	6,572,770	7,605,590	7,526,407	-1.04	7,528,451	.03
BALANCE FORWARD	469,381	779,348	894,820	14.82	888,973	-.65
INTER-AGENCY TRANSFER	6,103,389	6,826,242	1,529,161	-77.60	1,537,052	.52
OTHER FUND			5,102,426		5,102,426	
ADMINISTRATION - NSLA - MAIL SERVICES EQUIPMENT	22,069	229,941	294,463	28.06	359,098	21.95
BALANCE FORWARD	22,069	168,244	222,376	32.17	294,463	32.42
INTER-AGENCY TRANSFER		61,697	72,087	16.84	64,635	-10.34
ADMINISTRATION - SPWD - MARLETTE LAKE	827,497	1,894,055	2,035,408	7.46	2,105,870	3.46
BALANCE FORWARD	-283,203	631,840	673,650	6.62	744,112	10.46
OTHER FUND	1,110,700	1,262,215	1,361,758	7.89	1,361,758	
ADMINISTRATION - HEARINGS DIVISION	4,427,268	4,602,557	4,415,756	-4.06	4,485,397	1.58
INTER-AGENCY TRANSFER	30,639	25,808	30,639	18.72	30,639	
OTHER FUND	4,481,538	4,576,749	4,385,117	-4.19	4,454,758	1.59
REVERSIONS	-84,909					

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	2009-2010 Actual	2010-2011 Work Program	2011-2012 GOVERNOR RECOMMENDS	% Change	2012-2013 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - VICTIMS OF CRIME	9,645,852	10,951,921	10,480,273	-4.31	10,831,661	3.35
BALANCE FORWARD	138,514	810,400	907,293	11.96	1,270,780	40.06
FEDERAL FUND	2,629,273	2,151,000	2,971,000	38.12	2,971,000	
OTHER FUND	6,878,065	7,990,521	6,601,980	-17.38	6,589,881	-1.18
TOTAL DEPARTMENT OF ADMINISTRATION	88,293,092	151,913,236	97,245,381	-35.99	93,731,084	-3.61
GENERAL FUND	36,291,182	10,133,688	5,018,954	-50.47	5,389,298	7.38
BALANCE FORWARD	-33,291,618	55,342,268	22,946,203	-58.54	18,615,503	-18.87
FEDERAL FUND	4,292,222	3,620,725	4,416,928	21.99	4,432,707	.36
HIGHWAY FUND	4,960,134	108,167				
INTER-AGENCY TRANSFER	54,347,951	55,309,647	39,722,967	-28.18	40,069,004	.87
INTERIM FINANCE	2,256,676	30,000				
OTHER FUND	19,913,467	27,368,741	25,140,329	-8.14	25,224,572	.34
REVERSIONS	-476,922					
PUBLIC WORKS BOARD						
ADMINISTRATION - SPWD - FACILITY COND & ANALYSIS	256,942	257,831	235,720	-8.58	240,881	2.19
GENERAL FUND	260,084	257,831	235,720	-8.58	240,881	2.19
REVERSIONS	-3,142					
ADMINISTRATION - SPWD - ENGINEERING AND PLANNING	6,357,825	7,844,366	5,043,072	-35.71	5,102,625	1.18
BALANCE FORWARD	45,063	659,065				
OTHER FUND	6,312,762	7,185,301	5,043,072	-29.81	5,102,625	1.18
TOTAL PUBLIC WORKS BOARD	6,614,767	8,102,197	5,278,792	-34.85	5,343,506	1.23
GENERAL FUND	260,084	257,831	235,720	-8.58	240,881	2.19
BALANCE FORWARD	45,063	659,065				
OTHER FUND	6,312,762	7,185,301	5,043,072	-29.81	5,102,625	1.18
REVERSIONS	-3,142					
DEPARTMENT OF TAXATION						
DEPARTMENT OF TAXATION	27,509,407	26,565,954	26,513,534	-2.0	26,393,917	-4.5
GENERAL FUND	26,343,572	25,851,793	25,792,823	-2.3	25,672,090	-4.7
BALANCE FORWARD	18,417					
INTER-AGENCY TRANSFER	212,581	8,916	8,281	-7.12	8,281	
INTERIM FINANCE	522,000					
OTHER FUND	688,682	705,245	712,430	1.02	713,546	.16
REVERSIONS	-275,845					
TOTAL DEPARTMENT OF TAXATION	27,509,407	26,565,954	26,513,534	-2.0	26,393,917	-4.5
GENERAL FUND	26,343,572	25,851,793	25,792,823	-2.3	25,672,090	-4.7
BALANCE FORWARD	18,417					
INTER-AGENCY TRANSFER	212,581	8,916	8,281	-7.12	8,281	
INTERIM FINANCE	522,000					
OTHER FUND	688,682	705,245	712,430	1.02	713,546	.16
REVERSIONS	-275,845					
DEPARTMENT OF INFORMATION TECHNOLOGY						
ADMINISTRATION - IT - OFFICE OF CIO	1,835,748	2,065,077	1,067,816	-48.29	737,273	-30.96
BALANCE FORWARD	239,895	311,082	205,776	-33.85	115,634	-43.81
INTER-AGENCY TRANSFER	1,595,853	1,753,995	862,040	-50.85	621,639	-27.89

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	2009-2010 Actual	2010-2011 Work Program	2011-2012 GOVERNOR RECOMMENDS	% Change	2012-2013 GOVERNOR RECOMMENDS	% Change
ADMINISTRATION - IT - APPLICATION SUPPORT	2,492,053	3,157,029	4,075,229	29.08	4,000,922	-1.82
BALANCE FORWARD	-35,087	458,352	549,544	19.90	600,732	9.31
INTER-AGENCY TRANSFER	2,526,820	2,698,677	3,525,365	30.63	3,399,870	-3.56
OTHER FUND	320		320		320	
ADMINISTRATION - IT - COMPUTER FACILITY	11,781,498	13,247,995	13,873,991	4.73	12,338,273	-11.07
BALANCE FORWARD	902,574	2,022,894	1,996,675	-1.30	1,752,866	-12.21
INTER-AGENCY TRANSFER	10,877,372	11,225,101	11,875,930	5.80	10,584,021	-10.88
OTHER FUND	1,552		1,386		1,386	
ADMINISTRATION - IT - DATA COMM & NETWORK ENGIN	2,823,740	3,512,026	3,260,341	-7.17	3,153,869	-3.27
BALANCE FORWARD	-218,397	548,511	375,906	-31.47	353,546	-5.95
INTER-AGENCY TRANSFER	3,042,137	2,963,515	2,884,077	-2.68	2,799,965	-2.92
OTHER FUND			358		358	
ADMINISTRATION - IT - TELECOMMUNICATIONS	3,239,016	4,039,151	3,576,646	-11.45	3,266,116	-8.68
BALANCE FORWARD	-241,758	488,528	629,743	28.91	553,194	-12.16
INTER-AGENCY TRANSFER	3,480,531	3,550,623	2,945,623	-17.04	2,711,642	-7.94
OTHER FUND	243		1,280		1,280	
ADMINISTRATION - IT - NETWORK TRANSPORT SERVICES	2,276,413	2,672,654	2,903,235	8.63	3,047,745	4.98
BALANCE FORWARD	46,314	356,076	180,312	-49.36	280,927	55.80
INTER-AGENCY TRANSFER	2,023,720	2,187,248	2,519,268	15.18	2,555,257	1.43
OTHER FUND	206,379	129,330	203,655	57.47	211,561	3.88
ADMINISTRATION - IT - SECURITY	911,252	1,072,435	1,032,697	-3.71	969,508	-6.12
BALANCE FORWARD	-14,898	192,066	82,986	-56.79	108,877	31.20
INTER-AGENCY TRANSFER	919,838	867,613	943,387	8.73	854,307	-9.44
OTHER FUND	6,312	12,756	6,324	-50.42	6,324	
TOTAL DEPARTMENT OF INFORMATION TECHNOLOGY	25,359,720	29,766,367	29,789,955	.08	27,513,706	-7.64
BALANCE FORWARD	678,643	4,377,509	4,020,942	-8.15	3,765,776	-6.35
INTER-AGENCY TRANSFER	24,466,271	25,246,772	25,555,690	1.22	23,526,701	-7.94
OTHER FUND	214,806	142,086	213,323	50.14	221,229	3.71
DEPARTMENT OF PERSONNEL						
ADMINISTRATION - HRM - HUMAN RESOURCE MANAGEMENT	9,823,132	10,488,662	8,880,139	-15.34	8,361,928	-5.84
BALANCE FORWARD	343,883	2,232,625	854,910	-61.71	601,371	-29.66
INTER-AGENCY TRANSFER	9,419,865	8,221,503	7,982,201	-2.91	7,721,826	-3.26
OTHER FUND	59,384	34,534	43,028	24.60	38,731	-9.99
ADMINISTRATION - HRM - UNEMPLOYMENT COMPENSATION	2,478,623	7,496,931	6,108,049	-18.53	5,085,102	-16.75
BALANCE FORWARD	-3,175,397	3,603,186	3,782,131	4.97	2,282,988	-39.64
INTER-AGENCY TRANSFER	5,654,020	3,893,745	2,325,918	-40.27	2,802,114	20.47

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	2009-2010 Actual	2010-2011 Work Program	2011-2012 GOVERNOR RECOMMENDS	% Change	2012-2013 GOVERNOR RECOMMENDS	% Change
TOTAL DEPARTMENT OF PERSONNEL	12,301,755	17,985,593	14,988,188	-16.67	13,447,030	-10.28
BALANCE FORWARD	-2,831,514	5,835,811	4,637,041	-20.54	2,884,359	-37.80
INTER-AGENCY TRANSFER	15,073,885	12,115,248	10,308,119	-14.92	10,523,940	2.09
OTHER FUND	59,384	34,534	43,028	24.60	38,731	-9.99
FINANCE & ADMINISTRATION						
GENERAL FUND	62,894,838	36,243,312	31,047,497	-14.34	31,302,269	.82
BALANCE FORWARD	-35,381,009	66,214,653	31,604,186	-52.27	25,265,638	-20.06
FEDERAL FUND	4,292,222	3,620,725	4,416,928	21.99	4,432,707	.36
HIGHWAY FUND	4,960,134	108,167				
INTER-AGENCY TRANSFER	94,100,688	92,680,583	75,595,057	-18.43	74,127,926	-1.94
INTERIM FINANCE	2,778,676	30,000				
OTHER FUND	27,189,101	35,435,907	31,152,182	-12.09	31,300,703	.48
REVERSIONS	-755,909					
TOTAL FOR FINANCE & ADMINISTRATION	160,078,741	234,333,347	173,815,850	-25.83	166,429,243	-4.25
Less: INTER-AGENCY TRANSFER	94,100,688	92,680,583	75,595,057	-18.43	74,127,926	-1.94
NET FINANCE & ADMINISTRATION	65,978,053	141,652,764	98,220,793	-30.66	92,301,317	-6.03

