



**STATE OF NEVADA  
GOVERNOR'S FINANCE OFFICE**

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**ALL AGENCY MEMORANDUM #2020 – 20**

November 3, 2020

To: All Agencies  
From:   
Susan Brown, Director  
Subject: Recommendations for Proposed Budget Reserves 2021-2023 Biennium

The Governor's Finance Office (GFO) requested budget reserves for Fiscal Years 2020 and 2021 earlier this calendar year due to our state's unprecedented and unfortunate economic situation. It is necessary to prepare for future declines in General Fund revenues for the 2021-2023 biennium. Agencies are being asked to prepare proposed budget reserves of **12%** for each year of the upcoming biennium. These reserve proposals are for budget planning purposes.

These budget reserve proposals need to be entered into the Nevada Executive Budget System (NEBS) and the Position Elimination Summary form submitted to the GFO by the close of business on **November 20, 2020**. This will not only allow all departments to consolidate and prioritize recommended budget reserves in one location, but it will also allow the GFO to effectively coordinate the compilation of recommendations for the Governor's consideration.

Please note, per NRS 353.205, the recommended budget remains confidential and should not be disclosed. This includes any budget reserves, which will not be made public until the Governor approves a final plan. Any details of budget reserves should remain only within the Executive Branch.

The GFO has established a new version in NEBS and labeled this version A01R – Budget Reserves Proposals. Agencies should enter their recommended budget reserves in the A01R version. To facilitate entries into NEBS, we have initialized a range of decision units: **E680 – E685 Staffing and Operations and E686 – E690 Program Reserves**. These reserve proposals are for budget planning purposes. Agency Appropriation targets have been developed for this exercise and are included with this memo.

The notes and attachments for each budget reserve decision unit must be complete and concise and must include a description of what is being recommended for reserve as well as the consequences of that recommendation.

Agencies may propose the elimination of positions or deferring the start date for new or vacant positions. Attached to this memo is a Position Elimination Summary form to be completed for proposed elimination of positions for this purpose. The form requests information relating to potential layoffs, possible Public Employees Retirement System (PERS) buyouts and terminal leave costs (only related to positions being eliminated that will result in a layoff). Please contact Kara Sullivan 775-684-0133 at the Division of Human Resources Management for questions related to the layoff process if necessary, under the budget reduction proposals. Please contact PERS at 775-687-4200 or 702-486-3900 for questions regarding possible PERS buyouts. The information collected on the Position Elimination Summary forms will be kept confidential until a final plan has been approved by the Governor. Upon approval of a final plan, only information related to the positions approved for elimination will be released.

Should you have any questions regarding how to enter or present specific information, please contact your assigned Executive Branch Budget Officer in the Budget Division

Thank you for your continued cooperation during this difficult time.

State of Nevada  
Budget Reserve Targets  
2021- 2023 Biennium

Department	Percent of Budget Reserve			Percent of Budget Reserve			Total 2021-2023 Biennium Budget Reserves	2021- 2023 Biennium Cap (Total for Both Years)
	*FY 2022 Appropriations	12.00%	Total FY 2022	*FY 2023 Appropriations	12.00%	Total FY 2023		
Governor's Office	25,316,148	(3,037,938)	22,278,210	25,316,148	(3,037,938)	22,278,210	(6,075,876)	44,556,420
Lieutenant Governor	642,900	(77,148)	565,752	642,900	(77,148)	565,752	(154,296)	1,131,504
Attorney General	5,341,319	(640,958)	4,700,361	5,341,319	(640,958)	4,700,361	(1,281,917)	9,400,721
Secretary of State	18,652,452	(2,238,294)	16,414,158	18,652,452	(2,238,294)	16,414,158	(4,476,588)	32,828,316
Treasurer's Office	596,088	(71,531)	524,557	596,088	(71,531)	524,557	(143,061)	1,049,115
Controller's Office	5,561,459	(667,375)	4,894,084	5,561,459	(667,375)	4,894,084	(1,334,750)	9,788,168
Department of Administration	5,933,687	(712,042)	5,221,645	5,933,687	(712,042)	5,221,645	(1,424,085)	10,443,289
Department of Tourism and Cultural Affairs	3,841,574	(460,989)	3,380,585	3,841,574	(460,989)	3,380,585	(921,978)	6,761,170
Governor's Office of Economic Development	10,077,905	(1,209,349)	8,868,556	10,077,905	(1,209,349)	8,868,556	(2,418,697)	17,737,113
Department of Taxation	39,770,296	(4,772,436)	34,997,860	39,770,296	(4,772,436)	34,997,860	(9,544,871)	69,995,721
Commission on Ethics	249,211	(29,905)	219,306	249,211	(29,905)	219,306	(59,811)	438,611
Department of Veterans Services	2,612,023	(313,443)	2,298,580	2,612,023	(313,443)	2,298,580	(626,886)	4,597,160
Department of Education	146,572,266	(17,588,672)	128,983,594	146,572,266	(17,588,672)	128,983,594	(35,177,344)	257,967,188
Distributive School Account	1,162,939,824	(139,552,779)	1,023,387,045	1,162,939,824	(139,552,779)	1,023,387,045	(279,105,558)	2,046,774,090
School Remediation Trust Account	129,930,131	(15,591,616)	114,338,515	129,930,131	(15,591,616)	114,338,515	(31,183,231)	228,677,031
Incentives for Licensed Education Personnel	1,000,000	(120,000)	880,000	1,000,000	(120,000)	880,000	(240,000)	1,760,000
Other Education Programs	105,290,313	(12,634,838)	92,655,475	105,290,313	(12,634,838)	92,655,475	(25,269,675)	185,310,951
Department of Conservation and Natural Resources	39,797,261	(4,775,671)	35,021,590	39,797,261	(4,775,671)	35,021,590	(9,551,343)	70,043,179
<b>Nevada System of Higher Education</b>	<b>707,623,623</b>	<b>(84,914,835)</b>	<b>622,708,788</b>	<b>707,623,623</b>	<b>(84,914,835)</b>	<b>622,708,788</b>	<b>(169,829,670)</b>	<b>1,245,417,576</b>
Department of Health and Human Services	1,548,803,459	(185,856,415)	1,362,947,044	1,548,803,459	(185,856,415)	1,362,947,044	(371,712,830)	2,725,894,088
Adjutant General	5,349,646	(641,958)	4,707,688	5,349,646	(641,958)	4,707,688	(1,283,915)	9,415,377
Department of Corrections	327,246,510	(39,269,581)	287,976,929	327,246,510	(39,269,581)	287,976,929	(78,539,162)	575,953,858
Department of Agriculture	3,587,569	(430,508)	3,157,061	3,587,569	(430,508)	3,157,061	(861,017)	6,314,121
Gaming Control Board	33,248,122	(3,989,775)	29,258,347	33,248,122	(3,989,775)	29,258,347	(7,979,549)	58,516,695
Department of Public Safety	73,577,802	(8,829,336)	64,748,466	73,577,802	(8,829,336)	64,748,466	(17,658,672)	129,496,932
Department of Wildlife	1,333,178	(159,981)	1,173,197	1,333,178	(159,981)	1,173,197	(319,963)	2,346,393
Business and Industry	4,678,637	(561,436)	4,117,201	4,678,637	(561,436)	4,117,201	(1,122,873)	8,234,401
Department of Motor Vehicles	34,326	(4,119)	30,207	34,326	(4,119)	30,207	(8,238)	60,414
Department of Employment Training and Rehabilitation	5,292,139	(635,057)	4,657,082	5,292,139	(635,057)	4,657,082	(1,270,113)	9,314,165
Department of Sentencing Policy	498,359	(59,803)	438,556	498,359	(59,803)	438,556	(119,606)	877,112
Department of Indigent Defense	2,882,379	(345,885)	2,536,494	2,882,379	(345,885)	2,536,494	(691,771)	5,072,987
Public Employee's Benefit Program	458,176	(54,981)	403,195	458,176	(54,981)	403,195	(109,962)	806,390
Tahoe Regional Planning Agency	1,608,869	(193,064)	1,415,805	1,608,869	(193,064)	1,415,805	(386,129)	2,831,609
Judicial Branch	36,869,675	(4,424,361)	32,445,314	36,869,675	(4,424,361)	32,445,314	(8,848,722)	64,890,628
Legislature	36,999,697	(4,439,964)	32,559,733	36,999,697	(4,439,964)	32,559,733	(8,879,927)	65,119,467
<b>Total Operating Appropriations:</b>	<b>4,494,217,023</b>	<b>(539,306,043)</b>	<b>3,954,910,980</b>	<b>4,494,217,023</b>	<b>(539,306,043)</b>	<b>3,954,910,980</b>	<b>(1,078,612,086)</b>	<b>7,909,821,960</b>

\*Appropriations are based on the FY21 Two Times Calculation including COLA adjustment.

**State of Nevada  
Budget Reserve Targets  
2021- 2023 Biennium**

<b>Department</b>	<b>*FY 2022 Adjusted Internal Service Accounts Reserves</b>	<b>Percent of Budget Reserve 12.00%</b>	<b>Total FY 2022 Target</b>	<b>*FY 2023 Adjusted Internal Service Accounts Reserves</b>	<b>Percent of Budget Reserve 12.00%</b>	<b>Total FY 2023 Target</b>	<b>Total 2021- 2023 Biennium Budget Reserves</b>	<b>2021- 2023 Biennium Cap (Total for Both Years)</b>
Attorney General - Administrative Fund	32,226,466	(3,867,176)	28,359,290	32,226,466	(3,867,176)	28,359,290	(7,734,352)	56,718,580
Attorney General - Tort Claim Fund (Administrative Only)	4,057,963	(486,956)	3,571,007	4,057,963	(486,956)	3,571,007	(973,911)	7,142,015
Department of Administration - Director's Office	1,696,112	(203,533)	1,492,579	1,696,112	(203,533)	1,492,579	(407,067)	2,985,157
Department of Administration - Nevada State Library and Archives - Mail Services	7,053,556	(846,427)	6,207,129	7,053,556	(846,427)	6,207,129	(1,692,853)	12,414,259
Department of Administration - Public Works Division - Administration	1,248,425	(149,811)	1,098,614	1,248,425	(149,811)	1,098,614	(299,622)	2,197,228
Department of Administration - Public Works Buildings and Ground:	17,091,941	(2,051,033)	15,040,908	17,091,941	(2,051,033)	15,040,908	(4,102,066)	30,081,816
Department of Administration - Risk Management	24,685,196	(2,962,224)	21,722,972	24,685,196	(2,962,224)	21,722,972	(5,924,447)	43,445,945
Department of Administration - Fleet Services	7,996,063	(959,528)	7,036,535	7,996,063	(959,528)	7,036,535	(1,919,055)	14,073,071
Department of Administration - Purchasing	3,914,510	(469,741)	3,444,769	3,914,510	(469,741)	3,444,769	(939,482)	6,889,538
Department of Administration - Human Resource Management	9,673,458	(1,160,815)	8,512,643	9,673,458	(1,160,815)	8,512,643	(2,321,630)	17,025,286
Department of Administration - Administrative Services	3,348,550	(401,826)	2,946,724	3,348,550	(401,826)	2,946,724	(803,652)	5,893,448
Department of Administration - Enterprise IT Services - Application Support	10,542,842	(1,265,141)	9,277,701	10,542,842	(1,265,141)	9,277,701	(2,530,282)	18,555,402
Department of Administration - Enterprise IT Services - Office of the CIO	1,849,118	(221,894)	1,627,224	1,849,118	(221,894)	1,627,224	(443,788)	3,254,448
Department of Administration - Enterprise IT Services - Computer Facility	25,483,093	(3,057,971)	22,425,122	25,483,093	(3,057,971)	22,425,122	(6,115,942)	44,850,244
Department of Administration - Enterprise IT Services - Data Comm and Network Engin	8,969,506	(1,076,341)	7,893,165	8,969,506	(1,076,341)	7,893,165	(2,152,681)	15,786,331
Department of Administration - Enterprise IT Services - Telecommunications	3,934,212	(472,105)	3,462,107	3,934,212	(472,105)	3,462,107	(944,211)	6,924,213
Department of Administration - Enterprise IT Services - Network Transport Services	6,556,996	(786,840)	5,770,156	6,556,996	(786,840)	5,770,156	(1,573,679)	11,540,313
Department of Administration - Enterprise IT Services - Security	2,908,977	(349,077)	2,559,900	2,908,977	(349,077)	2,559,900	(698,154)	5,119,800
Public Employees Benefits - (Retired Employee Group Insurance and Active Employee Group Insurance)	299,087,049	(35,890,446)	263,196,603	299,087,049	(35,890,446)	263,196,603	(71,780,892)	526,393,206
CCB - Marijuana regulation & Control Acct	2,021,504	(242,580)	1,778,924	2,021,504	(242,580)	1,778,924	(485,161)	3,557,847
<b>Total Operating Budget Reduction:</b>	<b>474,345,537</b>	<b>(56,921,464)</b>	<b>417,424,073</b>	<b>474,345,537</b>	<b>(56,921,464)</b>	<b>417,424,073</b>	<b>(113,842,929)</b>	<b>834,848,145</b>

\*Internal Service calculations are based on FY21 Two Times Calculation including COLA adjustment.

**Proposed 12% Budget Reduction Targets to the State Operating Budget Request**  
**2021-23 Biennial Budget**  
**Fiscal Year 2022 and Fiscal Year 2023 (Annual Amount)**

Institution	Adjusted Base	M 203	M 200	M 201	M 220	Capacity Enhancements	Total Annual Request	12% Reduction Targets
		Caseload Growth	Research O & M	Small Institution Factor	Formula Distribution			
UNLV	\$ 185,809,886	\$ 6,164,743	\$ 735,384	\$ -	\$ (410,105)	\$ -	\$ 192,299,909	\$ 22,301,790
UNR	134,197,868	3,332,678	175,321	-	(503,705)	-	137,202,161	15,911,884
CSN	105,017,312	6,017,236	-	-	448,372	5,800,000	117,282,920	13,601,770
GBC	13,546,797	1,875,237	-	(341,760)	23,630	700,000	15,803,904	1,832,842
TMCC	36,676,141	1,406,428	-	-	136,768	2,250,000	40,469,336	4,693,391
WNC	14,854,033	129,466	-	(23,595)	54,928	300,000	15,314,832	1,776,122
NSC	21,100,464	5,093,774	-	-	250,112	900,000	27,344,350	3,171,234
<b>Formula Accounts SUBTOTAL</b>	<b>\$ 511,202,501</b>	<b>\$ 24,019,562</b>	<b>\$ 910,705</b>	<b>\$ (365,355)</b>	<b>\$ 0</b>	<b>\$ 9,950,000</b>	<b>\$ 545,717,413</b>	<b>\$ 63,289,033</b>
UNLV School of Medicine	\$ 41,867,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,867,384	\$ 4,855,528
UNR School of Medicine	38,119,511	-	-	-	-	-	38,119,511	4,420,872
Law School	10,664,966	-	-	-	-	-	10,664,966	1,236,859
Dental School	10,099,353	-	-	-	-	-	10,099,353	1,171,262
DRI	7,777,261	-	-	-	-	1,000,000	8,777,261	1,017,934
<b>Professional School SUBTOTAL</b>	<b>\$ 108,528,475</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 109,528,475</b>	<b>\$ 12,702,455</b>
UNLV – Intercollegiate Athletics	\$ 7,931,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,931,536	\$ 919,852
UNLV – Statewide Programs	3,848,187	-	-	-	-	-	3,848,187	446,290
Business Center South	1,987,378	-	-	-	-	-	1,987,378	230,484
UNR – Statewide Programs	8,543,265	-	-	-	-	-	8,543,265	990,797
Agricultural Experiment Station	5,664,022	-	-	-	-	-	5,664,022	656,879
UNR – Intercollegiate Athletics	5,506,440	-	-	-	-	-	5,506,440	638,604
Cooperative Extension Service	3,971,587	-	-	-	-	-	3,971,587	460,601
2017 UNR Engineering Building Debt Service	3,314,250	-	-	-	-	-	3,314,250	384,367
Business Center North	2,189,040	-	-	-	-	-	2,189,040	253,872
Health Laboratory and Research	1,812,762	-	-	-	-	-	1,812,762	210,233
University Press	462,811	-	-	-	-	-	462,811	53,674
System Computing Center	18,995,056	-	-	-	-	-	18,995,056	2,202,933
Silver State Opportunity Grant Program	5,000,000	-	-	-	-	-	5,000,000	579,870
System Administration	5,014,208	-	-	-	-	-	5,014,208	581,518
Special Projects	2,291,614	-	-	-	-	-	2,291,614	265,768
Prison Education Program	396,126	-	-	-	-	-	396,126	45,940
Education for Dependent Children	14,365	-	-	-	-	-	14,365	1,666
<b>Non-Formula Accounts SUBTOTAL</b>	<b>\$ 76,942,647</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 76,942,647</b>	<b>\$ 8,923,348</b>
<b>NSHE TOTAL</b>	<b>\$ 696,673,623</b>	<b>\$ 24,019,562</b>	<b>\$ 910,705</b>	<b>\$ (365,355)</b>	<b>\$ 0</b>	<b>\$ 10,950,000</b>	<b>\$ 732,188,535</b>	<b>\$ 84,914,836</b>